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REFLECTIVE POETS OF NATURE : A STUDY BETWEEN WILLIAM WORDSWORTH AND JIBANANANDA DAS

Jebun Ara Geeti*

Abstract : Wordsworth found a divine spirit in Nature which makes him hopeful about our worldly life whereas Jibanananda Das found a deep pathos in association with nature which makes him pessimistic about the meaninglessness of our corporal life. This paper would certainly be helpful in making a clear understanding concerning the two different treatments of Nature contributed by two fabulous poets of both in Bengali and English Literature.

Introduction

Nature is highlighted tremendously in almost all the poems of William Wordsworth (1770-1850) and Jibanananda Das (1899-1954) . Both of them were highly romantic in a sense that subjectivism or individualism is highlighted vehemently in their poems. Though they have exposed themselves to Nature in different ways, both of them found a great relief, a source of solace in association with Nature when they were in a troubled or distressed state of mind .Nature made them thoughtful, penetrative as well as contemplative.

As a poet of Nature both wordsworth and Jibanananda have their individual interpretation of Nature. Both of them found a greater relief in close association with Nature that made them philosophic as well as reflective. In contact with Nature they have been thoughtful and knowledgeable but they had explained it from their own perspectives. As a modern poet Jibanananda is highly troubled by the pessimism, futility and the disintegrations of the modern life¹. Jibanananda Das had gone through two World Wars which made him dreary as well as isolated from others. On the other hand Wordsworth was greatly influenced by the ideals of French Revolution, which had a tremendous impact on his poetry as well as on his whole life². He had contributed a completely individual interpretation of Nature and was highly motivated by the slogan of French Revolution, which was liberty, equality and fraternity. The idea of French revolution³ made him highly romantic as well as individualistic which is reflected in almost all of his poems. As wordsworth is guided by Pantheism he finds a divine pleasure in Nature whereas Jibanananda is haunted by pessimism which reflected in almost all of his poems.

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¹ Abul Kashem Fazlul haque *Adhunikatabad o Jibananander Jibonotkontha* (Dhaka : Jagriti Prakashan , 2003), p. 20

² Emile Legouis *A short History of English Literature* (Oxford : Oxford University Press , 1934) , pp. 278-280.

³ Emile Legouis *A short History of English Literature* () , p. 278.

William Wordsworth : As a reflective poet

Wordsworth is the greatest pioneer of the Romantic Movement. The period in which Wordsworth and his fellow Romantic poets wrote was one of the political and economic upheaval⁴. Politically, it was a time of revolutions in America and France and economically Britain led the world in another kind of revolution : the industrial Revolution⁵, which was at its height during the age of Romanticism. The old society was threatened by industrial and agricultural developments. The background of massive social and economic change helps Wordsworth to explain his enthusiasm for nature. Another aspect of the reaction against industrialization was a nostalgia for simple rural society where people lived and worked with harmony. Wordsworth found a fervent interest in the ordinary country people, because their way of life had not been corrupted by the artificialities of city life. With the publication of *Lyrical Ballads* in 1798 the Romantic movement started⁶. As a pure romantic poet Wordsworth obtained an individual status among the others. Wordsworth believes that, in the distractions of town life we are detached from the Nature which makes our life so stern and distressing that is sometimes difficult to be endured. He says;

The world is too much with us; late and soon,
Getting and spending, we waste our powers;
Little we see in Nature that is ours.

Coleridge rightly told in his well read critical essay *Biographia Literaria*⁷ that, 'Had Mr. Wordsworth's poems been the silly, the childish things, which they were for a long time described as being; they must have sunk at once, a dead weight, into the slough of oblivion, and have dragged the preface along with them. But year after year increased the number of Mr. Wordsworth's admirers. They were found too not in the lower classes of the reading public, but chiefly among young men of strong sensibility and meditative minds; and their admiration was distinguished by its intensity, I might almost say, by its *religious* fervour'. The significance wordsworth attaches to Nature is nothing but for a social betterment. Shelly and wordsworth are among the two greatest reforming poets, apart from Milton, and their thoughts has much in common, whereas Shelly's inspiration comes from Platonism, Wordsworth's comes from Nature. Wordsworth declares;

One impulse from a vernal wood
may teach you more of man,
Of moral evil and of good,
Than all the sages can.

Wordsworth is not interested only in the natural world but in the relationship between the natural world and the human consciousness⁸. He is perhaps not as good as describing the natural landscape by other poets. As a purely descriptive poet he is highly capable, but his real genius lies in showing what happens when the innate power of nature meets the power of perception⁹ of a human mind. His poetry gives us a detailed description about the interaction between man and nature instead

⁴ Alan Gardinar *The Poetry of William Wordsworth* (London, Penguin Books, 1987), p. 10

⁵ Alan Gardinar *The Poetry of William Wordsworth*, p.10.

⁶ E⁶ D.mile Legouis *A short History of English Literature*, p.276

⁷ J. Enright Ernest De Chickera *English Critical Texts* (Oxford : Oxford University Press, 1962), p. 192.

⁸ Alan Gardinar *The Poetry of William Wordsworth*, p.98.

⁹ Martin Stephen *English Literature* (England, Pearson Education, 1986) p.208.

of giving a precise observation of natural phenomena . Indeed one of the most consistent concepts in Wordsworth is the idea that man and nature are inseparable ; man exists not outside the natural world but an active participant in it , so that 'nature' to Wordsworth means something that includes both intimate and human nature --- each is a part of the same whole¹⁰ . Wordsworth responds not only to the forms , shapes and colours of natural objects but to an inner force which is felt within himself . Keats referred to Wordsworth as the 'egotistical' sublime¹¹ ; sublime because he was forever searching for a moment of transcendental insight and perception , a moment in which every fiber of the mind and the imagination caught light , egotistical because everything he wrote based directly on his own personal experience and observation of life . His brooding communion with Nature gives him a moral illustration. Ultimately he becomes a worshipper of Nature. He discovers a living soul, a spirit which enters into flowers, stream or mountain and there is a great harmony between the spirit in Nature and the suffered soul of mankind. He believes, between man and Nature, there is a spiritual intercourse. He believed in the education of man by Nature. In his 'Tintern Abbey' he finds Nature as :

The guide, the guardian of my heart and soul
Of all my moral being

Jibanananda Das : As a reflective poet of Nature

Jibanananda Das has been recognized as an ideal modern poet in the realm of Literature. He is a poet of purest thoughts, a poet of isolation, a poet having an intense sense of life and death¹² . He is an escapist, truly a romantic and an existentialist who is an introvert by nature and at the same time dreary and forlorn. Jibanananda is remarkably empathetic towards the terrestrial life. He is a modern poet and truly a romantic also. He is a modernist in the sense that he had experienced severely the suffering, the inner-crisis, the distractions and the restlessness of the modern life. He ignores the hollowness of our corporal existence and finds delight to be a part of Nature. At the same time he is deeply moved by the sense of death, by the meaninglessness of the transitory world. He seeks relief in contact with Nature and expresses his deepest dejection against this material world in one of his remarkable poems 'Darkness' ;

I was lying on the banks of Dhanshiri that early winter night knowing that
I would not wake up again
Never wake up again --- never again ----
O Moon whose brightness has faded to a faint blue
You aren't daylight, you don't have its power, nor its dreams,
You don't have the sharpness to mar the heart's stillness and equipoise
about death¹³.

Nature becomes a shelter for Jibanananda when he escapes this harsh, unbearable as well as severe reality of human existence. When he comes in close contact with Nature, he feels a subtle sense of inevitable death. He feels disgusted with our terrestrial life, with all our activities, our business, with our survival. Nature never

¹⁰ Alan Gardiner *The Poetry of William Wordsworth* ,p.98.

¹¹ Martin Stephen *English Literature* , p. 208.

¹² Faizul Latif Chowdhury *Jibanananda : Tulonay , Samprke* (Dhaka: Samaoy Prakashani , 2000) , p. 7

¹³ Fakrul Alam *Jibanananda Das* (Dhaka : University Press Limited, 1999) , p. 72.

became a divine or sublime spirit for him rather he treated himself to be a part of Nature. He imposed his thoughts on Nature whereas William Wordsworth received his thoughts from Nature. He desires intensely to return to the Nature after death not with the shape of a human being but with the shape of an element of Nature. He condemns his existence as a human being in this fractious, tedious and weary life where he finds no interest to be evolved again in the shape of a living being. Death occupies a significant arena in almost all of his poems. He is vehemently guided by the sense of death, by the sheer insignificance of our fleeting life. Darkness comes repeatedly in his poems through his intense desire to escape this commercial life. He has lost his faith on man and woman as well as on any kind of human relationship based on this flimsy world. Standing on the background of Nature he has contributed a universal message which is at the same time both timeless and timely, both historical and contemporary. He has uttered the following lines in one of his eloquent poems 'Darkness';

O Man, O Woman,
 I never could become a part of your world;
 But neither was I a wanderer from some other world.
 Wherever there is movement, desire, work, and thought,
 That is the place for the sun, the world, Jupiter, Orion, endless bodies
 hurtling in the skies,
 Hundreds of pigs squeal in those places,
 Hundreds of sows revel in the pain of labor;
 All these terrifying rituals of welcome for the gods!
 In the deep darkness of sheep's delight my soul was nurtured ;
 Why would you wake me up?¹⁴

Jibanananda Das can be termed as simply a wonder in the dominion of Bengali poems¹⁵. After he passed away from this egocentric world he was rightly evaluated by the literary genius in both East Bengal and West Bengal. Now the contemporary poets of Jibanananda seem to be declining if we compare his poems with that of others. He died at the age of fifty-five which was not too long time for a writer like him. He was the greatest pioneer of all the modernist writers who did have an endless regard as well as a greater worship for Rabindranath Tagore, but he was highly successful in becoming a distinctive romantic poet without being affected by the vehement literary impact of Tagore's poems¹⁶. We are undoubtedly enchanted by the presence of six seasons in Tagore's poems but soon we get back a subtle taste of reality when Jibanananda Das often referred to an overwhelming presence of late autumn in many of his poems of Nature which reminds us nothing but the inevitable presence of death¹⁷. Despite the vehement elegance of late autumn a remote and forlorn aspect of Nature has been focused in his poems. Death has given a striking

¹⁴ Fakrul Alam *Jibanananda Das*, p. 72.

¹⁵ Faizul Latif Chowdhury *Jibanananda : Tulonay*, *Samprke*, p. 7

¹⁶ Faizul Latif Chowdhury *Jibanananda : Tulonay*, *Samprke*, p. 7

¹⁷ Faizul Latif Chowdhury *Jibanananda : Tulonay*, *Samprke*, p. 15

importance in many of his poems which is the 'Ultimate Truth' and the most persuasive element in many of his poems. He is the loneliest of all the Bengali poets who has consciously defined Nature as a source of greater blessing in human life and at the same time finds out a kind of hastiness in Nature which reminds us of our transitory human existence. He is found wearied of his life in many of his poems where he can not help searching a completely different meaning of life. In these moments he is no longer a poet of Nature, rather he proves himself a poet having a subtle sense of life, death, and the purposelessness of our every human intercourse in this fragile world. Often in his poems he treats himself to be an outcast in this civilized society which makes him contemptuous as well as cynical about his own existence. He feels disgusted about women in general in many of his poems. On the other hand, in one of his most eloquent poems 'Banalata Sen' he has depicted a perpetual beauty of a woman. In his distracted, restless life only he finds mental order and tranquility in contact with Banalata sen. All through his life he finds the ultimate recourse and the most healing impact only in the thought of Banalata Sen. He expresses his feelings through the following lines;

For a thousand years I have walked the ways of the world,
 From Sinhala's Sea to Malya's in night's darkness,
 Far did I roam .In Vimbisar and Ashok's ash-grey world
 Was I present; Farther off, in distant Vidarba city's darkness,
 I ,a tired soul, around me, life's turbulent, foaming ocean,
 Finally found some bliss with Natore's Banalata Sen.¹⁸

He treats herself as a symbol of ideal womanhood having a concordant feminine beauty, consistency and compatibility who is intensely desired by all the lovers in the world for thousand years. Here Nature is playing the role of glorifying the glamorous presence of Banalata Sen. Jibanananda becomes skeptical in many of his poems. He lost his faith in man-woman relationship denying his existence in the world as a human being, thus rejecting his communion with the people, society, civilization and the culture he is dealing with. He declared himself utterly different and distinctive¹⁹ from other poets. Whatever he thinks he simply exposes consciously in his poems. He becomes highly conspicuous in the poem 'A few Lines' when he says;

What no one has ever known ----- the message I convey
 The tunes once heard ----- are spent ----- being old ;
 And there is need for what is new;
 That's why I've come ----- and there is no one like me !²⁰

His ceaseless love for Bengal has been focused in many of his poems where he expressed his constant admiration as well as devotion to the absolutely beautiful Bengal. Through the description of the elements of Nature he has unfolded his never-

18 Fakrul Alam *Jibanananda Das*, p. 61.

19 Abul Kashem Fazlul haque *Adhunikatabad o Jibananander Jibonotkontha*, p, 12.

20 Fakrul Alam *Jibanananda Das*, p. 27.

ending desire of returning back to the beautiful Bengal by being an integral part of Nature. He expresses himself through the poem 'Beautiful Bengal' ;

I'll come again to the banks of the Dhansiri --- to this land
Perhaps not as a human ---- maybe as a white-breasted
Shankachil or a yellow-beaked shalik;
Or as a morning crow I'll return to this late autumnal
rice-harvest laden land,
Wafting on the fog's bosom I'll float one day into
the jack-fruit tree shade;²¹

In many of his poems he has revealed his patriotism through his unequivocal presentation of the supreme beauty of the Bengal's Nature. In his fabulous poem 'I have seen Bengal's Face' he has declared in an unconditional tone,

I have seen Bengal's face, and seek no more,
The world has not anything more to show me.
Waking up in darkness, gazing at the fig-tree, I behold
Dawn's Swallows roosting under huge umbrella-like leaves.²²

His love for the Bengal's Nature becomes more intense in his poem 'Go wherever you want to'

Go wherever you desire ---- I'll remain alongside Bengal's banks;
And see Jackfruit tree leaves shedding in the morning breeze;
Yellow legs skipping beneath brown furry body in the grass²³
And view the brown-winged shalik growing cold in the evening,

Darkness played a vigorous role in almost all of his poems of Nature which implied a subtle sense of death and a sheer insignificance of our tangible life. In his poem 'The day I leave you all' he expressed his conviction defining 'Death' and the transient nature of our physical existence :

The day I leave you all and disappear into the far-off fog ,
The day when in darkness death will beg my body away;
That day, for a few moments forlorn by these banks of Bengal,
Supine on these banks of azure Bengal, what will I think, alas?²⁴

Wordsworth makes his readers realize that the human soul has a mystic communion with Nature. To him human beings who grow up in the lap of Nature are perfect in every respect. He believed that man can learn from nature more than from all philosophies. In Wordsworth's poems Nature becomes the educator of sense and mind who is superior to any others. Nature is the safe guide to wisdom and

²¹ Fakrul Alam *Jibanananda Das*, p.51.

²² Fakrul Alam *Jibanananda Das*, p.49.

²³ Fakrul Alam *Jibanananda Das*, p.43.

²⁴ Fakrul Alam *Jibanananda Das*, p.49.

goodness. Wordsworth's childhood had been spent in Nature's lap. Nature played the role of a nurse who is both stern and kind to him had planted the seeds of sympathy and knowledge in the growing mind of the poet. Natural scene awakened in him a kind of 'visionary power'. Finally, the love of Nature became such an overpowering passion that he himself became forlorn and meditative. What moved Wordsworth's creative energy was not joy, as Coleridge describes it, but something more complex²⁵. Nature might delight him, but it also did something else. It woke hidden powers in him by a process which was not always enjoyable. To him beauty and awe were closely mingled in any keen appreciation of natural things. When he says of his childhood;

Fair seedtime had my soul, and I grew up
Fostered alike by beauty and by fear,

He gives a correct account of his spiritual development. Wordsworth thought that some kinds of fear are good by which a man becomes afraid before the mysteries of life and death. Fear produce surprise, and from surprise Wordsworth derived a special exaltation, a sense of enhanced life, a keener vision and a greater power to create²⁶. His childhood had moments of anguish and terror, and he was more grateful for them than for its hours of happiness²⁷. In Tintern Abbey wordsworth traces the development of his love for Nature. In his boyhood Nature was simply a playground for him. At the second stage he began to love and seek Nature but finally he was attracted purely by its sensuous or aesthetic appeal. He says;

I can not paint
What then I was. The sounding cataract
Haunted me like a passion: The all rock.
The mountain, and the deep and gloomy wood,
Their colours and their forms, were to me
An appetite;

In the Immortality Ode he tells us that as a boy his love for Nature was a thoughtless passion but now his mind has become philosophic having profound thoughts as he has witnessed the sufferings of humanity. He says;

To me the meanest flower that blows can give
Thoughts that do often lie too deep for tears

Wordsworth is concerned more with the spiritual significance of Nature than her sensuous appearance. He used simple, lucid and familiar language that is very much ordinary to us. In his 'Solitary reaper' he says;

And, as I mounted up the hill
The music in my heart I bore,
Long after it was heard no more.

Mathew Arnold rightly says, 'Wordsworth's poetry, when he is at his best, is inevitable, as inevitable as Nature herself. It might seem that Nature not only gave

²⁵ C. M. Bowra *The Romantic Imagination* (London, Oxford University Press, 1950), p. 91.

²⁶ C. M. Bowra *The Romantic Imagination* (London, Oxford University Press, 1950), p. 92.

²⁷ C. M. Bowra *The Romantic Imagination* (London, Oxford University Press, 1950), p. 92.

him the matter for his poem, but wrote his poem for himself. He has no style.' Arnold's observation catches the essence of Wordsworth's poetic technique²⁸. The most striking characteristic of Wordsworth's style is that he used the language 'really spoken by men'²⁹. On the other hand, Jibanananda deliberately used baffling as well as obscure language which in some of the cases is incomprehensible to the readers. In his poem 'Ratri' he uses kind of unfamiliar language that is sometimes difficult to the readers;

Levers unscrew a hydrant and lap up water ;
Or perhaps that hydrant has sprung a leak .
Now at midnight they descend on the city in packs.
Like a ram rasping , a motorcar sputters ,

Jibanananda Das is mainly a poet of 'image' and 'imagination'. The sole purpose of his writing was to produce a new language in poetry breaking the traditional pattern of writing and to contribute something utterly new inclination in our thoughts and philosophy. He created a kind of language in his poetry that is exceedingly personal which deals with nature and love, sense of death as well as the awareness of human existence, even he did not ignore history, culture, tradition, patriotism and politics in his poetry. Indeed his poetry is a unique in our Bengali Literature.

Conclusion

Both Wordsworth and Jibanananda found relief in the soothing Nature in different ways. Wordsworth treats Nature to be the moral and intellectual guiding force in his mortal life whereas Jibanananda treats Nature to be one of the parts of his own existence denying his physical presence in this stationary life. In fact Wordsworth finds delight in his association with Nature, on the other hand Jibanananda finds sadness in his contact with Nature. Wordsworth told in his 'Preface to Lyrical Ballads'³⁰ that 'all poetry is a powerful feelings recollected in tranquility' and truly calls poetry 'the breath and finer spirit of all knowledge' and gave a definition of a poet, to him, a poet 'is a man speaking to men'. Thus he finds a social or moral obligation to communicate others through poetry. Jibanananda also gave a definition of a poet in his well read literary criticism 'Kobitar Kotha'³¹ where he declares, all are not poets, very few are poets who are blessed with individual thoughts and experiences, imagination as well as consciousness of their very presence in this world. Jibanananda repeatedly as well as consciously used some perplexing words in his poems like owl, fox, horse, darkness, night, black, yellow, late autumn, winter etc which can easily produce a kind of curiosity in the minds of the readers to have vast knowledge not only on his poetry but about the poet also. On the other hand, The object of Wordsworth was to move the language and subject of poetry away from the stylishness of the eighteenth century³². He moved towards the language of everyday speech and the life of ordinary people. What we find in Wordsworth is more personal rather than autobiographical, but certainly he persuades the reader that what he sees has a universal significance.

²⁸ Alan Gardiner *The Poetry of William Wordsworth*, p.112.

²⁹ Alan Gardiner *The Poetry of William Wordsworth*, p.112.

³⁰ Enright Ernest De Chickera *English Critical Texts*, p.165.

³¹ Ahmed Mazhar *Jibanananda Bichitra*, (Ed. Dhaka, 1999), p, 335.

³² Martin Stephen *English Literature*, p. 208.

A MIDSUMMER NIGHT'S DREAM AND MAYAR KHELA : ARCHETYPAL INTERPRETATIONS OF LOVE

Masum Khan*

Abstract: This is a comparative study of Shakespeare's *A Midsummer Night's Dream* and Rabindranath Tagore's *Mayar Khela* focusing on the dramatization of genesis and irrationality of being in love. The way Shakespeare and Tagore explain the genesis of love is similar and so are some of their characters. Northrop Frye has discovered that there are some recurring symbols, patterns, and characters present in many literary texts across cultures. He has named them literary archetypes in his essay "The Archetypes of Literature."¹ This essay proposes to show that the similarity in the dramatization of love in *A Midsummer Night's Dream* and *Mayar Khela* is archetypal.

The inexplicability and the irrationality, and, to some extent the insanity in being in love have baffled people through ages. To explain these phenomena of love the gods of love in mythology are often blindfolded, as is Eros in Roman mythology and Cupid in Greek. They are also portrayed as a child to justify their irrationality. These gods carry a bow and shoot arrows at gods and humans to make them fall in love. Kama, in Indian mythology, uses a bow of sugarcane and shoots flower-tipped arrows at humans to ensnare them in love. In his *The Golden Bough*, published in 13 volumes, James G. Frazer has studied ancient cults, rites, and myths and has drawn parallels among them.² While Frazer's work deals with mythology and archetype in material terms, the works of Jung through his idea of the "collective unconscious" theorize about myths and archetype in relation to the unconscious, an inaccessible part of the mind.³ From Jungian perspective, myths are the "culturally elaborated representations of the contents of the deepest recess of the human psyche: the world of the archetypes."⁴ Literary critics like Northrop Frye applied Jung's theories about the collective unconscious, archetypes, and primordial images to literature.⁵ This paper proposes that William Shakespeare and Rabindranath Tagore—two of the greatest creative minds of the West and the East who were baffled by the genesis,

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¹ Northrop Frye, "The Archetypes of Literature," *The Norton Anthology: Theory and Criticism*, ed. Vincent B. Leitch (New York: Norton, 2001) 1445–1457.

² James G. Frazer, *The Golden Bough*. 1890-1915. *The Project Gutenberg E-book The Golden Bough*, 2003, 5 July 2008 <<http://www.gutenberg.org/dirs/etext03/bough11.txt>>

³ C. J. Jung, *The Archetypes and the Collective Unconscious, Complete Works*, Vol. 9 (New York: Bollingen, 1959) 4.

⁴ Steven F. Walker, *Jung and the Jungians on Myth* (New York: Garland, 1995) 4.

⁵ Northrop Frye, "The Archetypes of Literature," *The Norton Anthology: Theory and Criticism*, 1445–1457.

the irrationality, and the insanity in love, have used their mythopoeic ability to explain and dramatize love in *A Midsummer Night's Dream* and *Mayar Khela* respectively. Keeping the publication and staging of the two plays within their premises, this paper explores the similarities in explaining love in the two texts.

That literature is repetitive in creating characters, plots and symbols has been a much pervading opinion among critics. Not to mention Frazer's and Jung's writings, Joseph Campbell in his *The Hero with a Thousand Faces* asserts that there is a single pattern of heroic journey and that all cultures share this essential pattern in their various heroic myths.⁶ Dr. Muhammad Shahidullah says in an essay: "all characters in literature belong to a type or pattern, and they are not confined to any particular time or place."⁷ His essay is about the universality of literature. On the other hand, there has been a considerable amount of study on Shakespeare's reception in Bengal. From the scholars of Bangladesh, Shafi Ahmed's *Shakespeare in Bengal* not only studies the history of reception in the form of performance, translation, and adaptation of Shakespearean plays in Bangla, but also, in the second chapter, looks into his influences on some of the major Bengali dramatists during the mid-nineteenth to early the twentieth century.⁸

Ahmed confirms in his study that resonance of Shakespeare in Tagore's plays is not as prominently visible as it is in the plays of Dwijendral Roy (1863-1913), Girish Chandra Ghosh (1844-1912), Dinabandhu Mitra (1830-1873), or even in the plays of Tagore's elder brother Jyotirindranath Tagore (1849-1925); nevertheless, he points out some similarities in the dialogues of Anthony in 1.1: 36-40 in Shakespeare's *Anthony and Cleopatra* and Bikramadeb in 1.3 in Tagore's *Raja o Rani (King and Queen, 1889)* where both the characters show indifferences towards their responsibilities as kings and express their strong desire for their beloveds.⁹ Ahmed also draws similarity between the conversation of Macbeth and Lady Macbeth before the killing of Duncan and that of Chandrasen and Reboti before Chandrasen's committing crime.¹⁰ Speaking on the same play, Ahmed quotes from Sanat Kumar Mitra who finds similarity between Bikramadeb and Othello in their speeches of lamentation after the death of the female protagonists of the plays.¹¹ Mitra, on a different note, has also discovered similarity between *A Midsummer Night's Dream* and Tagore's *Chitrangoda* (1892); however, Ahmed does not agree with him saying that Tagore's play is written completely from Indian tradition.¹² From the same

⁶ Joseph Campbell, *The Hero with a Thousand Faces*, Commemorative Edition (New York: Bollingen, 2004).

⁷ Muhammad Shahidullah, *Complete Works of Muhammad Shahidullah*, ed. Anisuzzaman (Dhaka: Bangla Academy, 1994) 29. Translated from Bangla by this writer.

⁸ Shafi Ahmed, *Shakespeare in Bengal* (Dhaka: Bangla Academy, 1988).

⁹ Ahmed 102-103.

¹⁰ Ahmed 103-104.

¹¹ Sanat Kumar Mitra, *Shakespeare O Bangla Natok* (Kolkata, 1983) 156. Qtd. in Ahmed 105.

¹² Ahmed 108.

source it is also known that Dr. Ashotosh Bhattacharjee has found similarity in the love affair between Ila and Kumarsen, two characters in the sub-plot of *Raja o Rani*, and that of Romeo and Juliet.¹³ According to Ahmed, Tagore has followed the mood and plot of *Love's Labours Lost* in his *Chirokumar Shobha (Meeting of the Confirmed Bachelors, 1926)*.¹⁴ Shafi Ahmed also points out the Shakespearean features in the characters of Raghupati and Joyshingha of *Bisharjan (Sacrifice, 1890)*. In his opinion, Raghupati sounds like Iago when, in 2.1: 76-78, he speaks in favour of murder.¹⁵ Joyshingha, on the other hand, reminds us of Hamlet as both of them lack in the mental strength to take firm action. Lastly, Ahmed opines that Tagore's characters of "Janata" (The People) in *Pralitir Pratishcdh (The Revenge of Nature, 1884)*, *Raja o Rani (King and Queen)* and *Bisharjan (Sacrifice)* resemble the mob in Shakespeare's plays.¹⁶ It appears that there are quite a few critiques that reveal similarities between some dialogues and situations in Tagore's play with those of Shakespeare's.¹⁷ All these critiques draw this conclusion that Shakespeare influenced Tagore in his early stage of writing plays. On the contrary, this paper takes a different point of view from those critiques where the aim is to highlight the identical interpretations love and characterisation in *A Midsummer Night's Dream* and in *Mayar Khela* as some archetypal images.

It is generally agreed that *A Midsummer Night's Dream* was written to celebrate a court wedding, which the critics have not been able to pinpoint yet. In the *Variorum Edition* of the play there is an elaborate discussion on the genesis of the play.¹⁸ Bookseller Thomas Fisher recorded the play in the Register of the Stationers Company on 8 October 1600. The next appearance of the play in print is in the First Folio of 1623. The title page of First Quarto states that the play was "sundry times publicly acted" prior to 1600. The history of staging of the play went through many ups and downs. Samuel Pepys saw the adapted form of the play on 29 September 1662, and thought it to be "The most insipid, ridiculous play that ever I saw ..."¹⁹ Until twentieth century the play was staged with additional musical sequences and balletic dances. The *Wikipedia* article on *A Midsummer Night's Dream* enumerates the history of landmark staging and performances of the play.²⁰ Harley Granville-Barker in

¹³ Ashotosh Bhattacharjee, *Rabindranatyodhara* (Kolkata, 1966) 55. Qtd. in Ahmed 106.

¹⁴ Ahmed 108.

¹⁵ Ahmed 107.

¹⁶ Ahmed 108.

¹⁷ Shafi Ahmed, *Shakespeare in Bengal*; Sanat Kumar Mitra, *Shakespeare O Bangla Natok*; Ashotosh Bhattacharjee, *Rabindranatyodhara*; Rudraprasad Sen Gupta, "A Century of Imitation" in *Calcutta Essays on Shakespeare*, ed. Amalendu Bose (Kolkata: 1966); and, Bhabatosh Datta, "Rabindranath Tagore on Shakespeare" in *Calcutta Essays on Shakespeare*.

¹⁸ *A New Variorum Edition of Shakespeare: A Midsummer Night's Dream*, ed. H. H. Furness (New York: 1895, rpt. 1963) 255-64.

¹⁹ Samuel Pepys, *The Diary of Samuel Pepys*, ed. Robert Latham and William Matthews (London: 1970) 207-08.

²⁰ "A Midsummer Night's Dream," *Wikipedia, The Free Encyclopedia*, 1 July 2008, Wikimedia Foundation, Inc. 5 July 2008

1914 introduced the modern way of staging the play where he showed his reaction against the huge spectacle.²¹ Max Reinhardt staged *A Midsummer Night's Dream* thirteen times between 1905 and 1934, introducing a revolving set.²² A "Historic Staging" of *A Midsummer Night's Dream* was directed by Peter Brook at Stratford-upon-Avon on 27 August 1970.²³ *A Midsummer Night's Dream* has inspired several movies. *The Internet Movie Database* has a record of all movie and TV adaptations of the Play. In 1935 Max Reinhardt and William Dieterle directed the first movie version of the play.²⁴ Peter Hall directed a version in 1968 and Woody Allen directed *A Midsummer Night's Sex Comedy* in 1982.²⁵ The latter neither really used the original plot, nor any of Shakespeare's dialogue.²⁶ 1999 saw an all-star cast movie version of the play directed by Michael Hoffman; Kevin Cline, Michelle Pfeiffer, Stanly Tucci, Rupert Everett, Calista Flockhart, Dominic West, Christian Bale and Sophie Marceau are some of actors-actresses who played the leading roles.²⁷ Peter Bowker adapted a BBC TV drama in 2005.²⁸

In the advertisement of the first edition of the play, Tagore writes: "This book has been published by *Shokhi Somity* to be acted on the occasion of Women's Fair ... there lies some similarity with a minor play of mine that I wrote earlier."²⁹ This "minor play" is *Nalini*, which was published on 10 May 1884, and has been anthologised in *Complete Works*, vol.14, pp. 717-729. Tagore started writing *Mayar Khela* while he

http://en.wikipedia.org/w/index.php?title=A_Midsummer_Night%27s_Dream&oldid=222926565
>

²¹ "Harley Granville-Barker," *Wikipedia, The Free Encyclopedia*, 15 June 2008, Wikimedia Foundation, Inc. 5 July 2008 <http://en.wikipedia.org/w/index.php?title=Harley_Granville-Barker&oldid=219534877>

²² "A Midsummer Night's Dream," *Wikipedia, The Free Encyclopedia*.

²³ Clive Barnes, "Historic Staging of Dream: Peter Brook Stresses Sensual Aspects," rev. of *A Midsummer Night's Dream*, dir. Peter Brook, Royal Shakespeare Theatre, Stratford-upon-Avon, England, *New York Times*, 28 August 1970 <<http://www.alanhoward.org.uk/dreamnytimes.htm>>

²⁴ *A Midsummer Night's Dream*, dir. Max Reinhardt and William Dieterle, perf. Ian Hunter, Verree Teasedale, Hobart Cavanaugh, Dick Powell and Olivia de Havilland, prod. Henry Blanke, 1935. *The Internet Movie Database*, 6 July 2008 <<http://www.imdb.com/title/tt0026714/fullcredits>>

²⁵ *A Midsummer Night's Dream*, dir. Peter Hall, perf. Derek Godfrey, Barbara Jefford, Nicholas Selby, Diana Rigg and Helen Mirren, prod. Michael Birkett and Martin Ransohoff, 1968. *The Internet Movie Database*, 6 July 2008 <<http://www.imdb.com/title/tt0063297/fullcredits>>; and, *A Midsummer Night's Sex Comedy*, dir. Woody Allen, perf. Woody Allen and Mia Farrow, prod. Robert Greenhut, 1982, *The Internet Movie Database*, 6 July 2008 <<http://www.imdb.com/title/tt0084329/fullcredits>>

²⁶ "A Midsummer Night's Dream," *Wikipedia, The Free Encyclopedia*.

²⁷ *A Midsummer Night's Dream*, dir. Michael Hoffman, perf. Kevin Cline, Michelle Pfeiffer, Stanly Tucci, Rupert Everett, Calista Flockhart, Dominic West, Christian Bale and Sophie Marceau, prod. Arnon Milchan, 1999, *The Internet Movie Database*, 6 July 2008 <<http://www.imdb.com/title/tt0140379/fullcredits>>

²⁸ *A Midsummer Night's Dream*, dir. Peter Bowker, perf. Imelda Staunton, Bill Paterson, Lennie James, Sharon Small and Johnny Vegas, prod. BBC Drama, brod. 28 Nov 2005, BBC One, BBC, 6 July 2008 <http://www.bbc.co.uk/drama/shakespeare/midsummer_nightsdream/index.shtml>

²⁹ Tagore, "Advertisement of the First Edition," *Mayar Khela, Complete Works*, Vol.1, 415.

was in Darjeeling during the *puja* holidays of 1887 and finished writing the play by the end of 1888. He started writing this musical-drama to fulfill his commitment to Mrs. Sarala Roy. He dedicated the play to her and donated the royalty of the book to *Shokhi Somity*, a women's organization at Kolkata of which his elder sister Sharna Kumari Debi was one of the founders and his wife was a member.³⁰ The first ever staging of the play took place at Bethune School on 27 November 1888 on the occasion of a "Women's Fair."³¹ Mukhopadhyay says that Tagore himself trained and directed the actors and the actresses of the play. The *Bharati* of Poush 1888 records: "the play by Tagore was acted by girls at the fair, where the audiences were delighted to enjoy the play."³² In the history of Bengali theatre *Mayar Khela* holds a special place. It was for the first time that a play was solely organized and acted by ladies. Mukhopadhyay says that it was a "revolutionary incident." Tagore went to see a performance of *Mayar Khela* on two consecutive evenings in March 1933. He wrote a letter to his daughter-in-law Pratima Debi, available in *Chitipatra* 3 as letter 48: "There were many faults with *Mayar Khela* on the first evening; on the second evening it was okay—the audience liked it."³³ Tagore revised *Mayar Khela* to be enacted as dance-drama in 1938. In a letter to Amiyo Chakrabarti, on 16 December 1938, available in *Chitipatra* 11 as letter 100, Tagore wrote: "*Mayar Khela* is going to be staged as dance-drama; I have been immersed into music all the time."³⁴ In another letter, on 28 December 1938, available in *Chitipatra* 11 as letter 101, he wrote to him: "The rehearsal of *Mayar Khela* has started. I had to fix the worn out part of the play—I had to write 20 new songs."³⁵ The play was partially staged as a dance-drama in the *Falgun* or 1939 during *Dol* festival and Mukhopadhyay confirms this that the complete *Mayar Khela* as a dance-drama was never staged at *Shatiniketan*.³⁶ Because the songs of *Mayar Khela* are more popular than the play itself, various cultural organizations have staged the play several times in India and Bangladesh. Because Bangla speaking community is scattered all around the world, this play has also been staged in Europe and in North America. *Mayar Khela* was staged on 10 October 1999 at the Asia-Pacific Weeks 1999 held at Berlin, Germany.³⁷ *Rabi Manjusha*, a Bengali cultural organisation in New Delhi staged *Mayar Khela* at Kamani auditorium on 29 April 2006 at Delhi after 22 years. *The Hindu* on 5 May

³⁰ Prabhat Kumar Mukhopadhyay, *Rabindrajibani* (Biography of Tagore) Vol.1 (Kolkata: Bishwabharati, 1946) 203.

³¹ Sameer Sengupta, *Rabindranath and His Time: An Almanac*. (Kolkata: Pratishkan, 1991) p. 59.

³² Qtd. in Mukhopadhyay, *Rabindrajibani* Vol.1, 203. Translated from Bangla by this writer.

³³ Qtd. in Mukhopadhyay, Vol 3, 510.

³⁴ Qtd. in Mukhopadhyay, Vol 4, 294

³⁵ Qtd. in Mukhopadhyay, Vol 4, 294.

³⁶ Qtd. in Mukhopadhyay, Vol 4, 175.

³⁷ "Program Excerpt," *Berlin.de: Program of the Asia-Pacific Weeks 1999*, 30 March 2007 <<http://www.berlin.de/apforum/english/apw/history/program99.html>>

2006 described the performance as a "nice change from the usual."³⁸

Mayar Khela can be translated as "Play of Illusion;" however, *The Hindu* translates it as "The Play of Fantasy/ The Game of Enchantment." The keywords in the two titles are "dream" and "maya." Dream is a vision that we have in our mind and which is opposite to reality. The meaning of 'maya' in *Bangla Academy Bengali—English Dictionary* is: illusion, unreality etc. From the titles of the plays we can assume that the plays deal with something similar. Puck, a character in Shakespeare's play, tells us to consider the play "a dream."³⁹ Tagore writes in the "Advertisement":

Its [*Mayar Khela*'s] plot does not confine into any particular society or country. It is not necessary to erect a wall of rules that is applicable to human society in the imaginary world of music. What I can humbly assure is that there is nothing against common human nature.⁴⁰

Both Shakespeare and Tagore ask the audience to take the plays as dream or illusion. In Shakespeare, it is clearly stated that the whole incident is taking place in midsummer. Mid-summer, which is a special time of the year, is associated with festivity in European countries. The *mayakumari* or the enchanting maidens in *Mayar Khela* sing: "প্রমোদে কাটাব নব বসন্তের রাত্তি" (We will have fun at this spring night).⁴¹ This confirms that the time setting of this play is also spring. In the Indian sub-continent spring is associated with enjoyment and courtship. The time setting of both the plays is associated with having fun and experiencing love.

Shakespeare's play begins with the Duke's conversation with his betrothed about their forthcoming wedding. Egeus comes to the court and draws attention of the Duke to his problem that his daughter Hermia has been "bewitched" by Lysander, for whom she has become disobedient to her father. In Tagore's play Amar is searching for the person whom he will offer his love, while he fails to realise Shanta's love for him. The two plots immediately lead to the two central questions: What is love? What makes a person fall in love with a particular person? Throughout the plays it seems that the authors are searching for answers. H. B. Charlton confirms that like Shakespeare, the Elizabethans were also grappling with this question.⁴² Pramathanath Bisi thinks that Tagore was deeply attracted towards the perplexities of love.⁴³ Through unfolding the story Shakespeare and Tagore are trying to find a solution to this question.

³⁸ Sanjay Kumar, "Revisiting Tagore," rev. of *Mayar Khela*, by Rabi Manjusha, New Delhi, India, *The Hindu: The Friday Review Delhi*, 5 May 2006, 6 July 2008 <<http://www.hindu.com/thehindu/fr/2006/05/05/stories/2006050501120300.htm>>

³⁹ *A Midsummer Night's Dream* (hereafter mentioned *MND*), 5.1: 414-20.

⁴⁰ Tagore, "Advertisement of the First Edition," *Mayar Khela, Complete Works*, Vol.1, 415. Translated from Bangla by this writer.

⁴¹ *Mayar Khela*, Sc. 1: 18.

⁴² H. B. Charlton, *Shakespearian Comedy* (New York: Methuen, 1938) 104-108.

⁴³ Pramathanath Bisi, *Rabindranaty: Pralokh* (Kolkata: Orient Book, 1966) 10.

Love is something transient and transcending. Lysander and Hermia's conversation in 1.2: 128-155 confirms such qualities of love and so do the words of Amar in Sc. 2: 15-22 and Pramada in Sc. 3: 39-53. Love, according to Helena in 1.1: 232-33, can turn "things base and vile" into something with "form and dignity." The *mayakumari* has the same view on love. In Sc. 2: 28-29, they sing: "ওগো, মনের মতো সেই তো হবে / তুমি শুভক্ষণে যাহার পানে চাও (Dear! You will get whom you want / when you look at her at the magical moment). Love is irrational, and Helena emphasizes this fact in her monologue in 1.1: 236-41; Bottom comments in 3.1: 136-37, "And yet, to say the truth, reason and love keep / little company nowadays." Love can sometimes be confusing for humans. This is reiterated in both plays; Puck in 3.2:115 says, "Lord, what fools these mortals be!" while the *mayakumari* in Sc. 7: 128 sing: "এরা ভুলে যায়, কারে ছেড়ে কারে চায় (They cannot decide whom they want and whom they do not want). Love is often painful. Lysander in 1.1: 134 says: "The course of true love never did run smooth" which is almost the same as what Pramada and her friends sing in Sc. 3: 29-5. According to them, when one falls in love he/she forgets all the merriments of life and that their life becomes full of tears and sighs:

সখী, তরল কোমল নয়নের জল
নয়নে উঠিবে ভাসি ।
সখী, সে বিষাদনীরে নিবে যাবে ধীরে
প্রখর চপল হাসি ।
উদাস নিশ্বাস আকুলি উঠিবে,
আশা-নিরাশায় পরাণ টুটিবে

Unfulfilled love can sometimes be intoxicating and lovers cannot get out of this miasma; Ashoka says: "তবু পারিনে দূরে যেতে মরিতে আসি" (I can't get out of it, rather, get closer to die) and Helena asserts: "The more you beat me, I will fawn on you."⁴⁴ For all lovers, the beloved becomes the centre of their world. Hermia, in love, thinks that everything, other than her lover, means nothing to her and it turns out to be a hell.⁴⁵ Helena tells Demetrius: "For you, in my respect, are all the world."⁴⁶ Similar is the situation with Ashoka who is in love with Pramada. He thinks, now that he is in love with her, everything else in this universe is meaningless to him:

বিশ্বচরাচর লুপ্ত হয়ে যায়,
এ কী ঘোর প্রেম অন্ধ রাহুপ্রায়⁴⁷

Both Shakespeare and Tagore convince us that there is something magical, something mysterious that works behind love. The song of *mayakumari* in Sc. 3: 62-63 reflects the magical qualities of love: "প্রেমের ফাঁদ পাতা ভুবনে / কে কোথা ধরা পড়ে কে জানে (The trap of love is set on this world, / No one knows who's gonna be the victim!). The "magical moment" or the casting of trap is significant here. To explain

⁴⁴ *Mayar Khela*, Sc. 4: 39 and *MND*, 2.1: 204.

⁴⁵ *MND*, 1.1: 204-207.

⁴⁶ *MND*, 2.1: 224.

⁴⁷ *Mayar Khela*, Sc. 4: 59-61.

the "magical moment," Shakespeare blames the fairies and Tagore puts the responsibility on the *mayakumari*. When fairy king Oberon finds out Helena's unrequited love, he feels sorry for her. He orders his messenger Puck, in 2.1: 171, to get the magical "love-in-idleness" that "Will make or man or woman madly dote." He wants to use it to tame his wife and to make Demetrius fall in love with Helena.⁴⁸ On the other hand, Tagore's *mayakumari* in the very first line of the play confess: মোরা জলে স্থলে কত ছলে মায়াজাল গাঁথি" (We wreath the net of infatuation around sea and earth).

When writers fail to explain things at a human level, they employ machineries or divine interventions. These machineries impinge upon human affairs and play a considerable role in resolving their problems. Shakespeare's fairies and Tagore's *mayakumari* serve the same purpose. Shakespeare takes the myth of Cupid/Eros in use and makes up "love-in-idleness," which Puck uses to make humans fall in love. Both Shakespeare and Tagore have this amazing capability to assimilate ideas from different sources. Minor White Latham discusses the sources for Shakespeare's fairies in details.⁴⁹ Ancient Indian philosophical concepts and literary masterpieces get new faces in the writings of Tagore. He borrows the idea of Maya or illusion and creates the *mayakumari* or enchanting maidens. They are the ones who cast the spell of illusion and make people fall in love.

The word "archetype" comes from "archetypon," meaning beginning pattern. First introduced by Maud Bodkin in the essay in *Archetypal Patterns in Poetry* (1934), and immensely popularised by Northrop Frye in 1950s and 1960s, archetypal literary criticism interprets texts by focusing on recurring images, symbols, metaphors, characters, plots, events, and themes. As theorised in Frye's "The Archetypes of Literature," they often transcend the geographical and chronological boundary and are found in many works of art.⁵⁰ Shakespeare's use of "love-in-idleness" and Tagore's "মায়াজাল" (net of infatuation) are a form of archetype. Both writers use a similar symbol to explain love. Apart from the similar symbol, the characters in love speak in the same language. Shakespeare's Helena and Tagore's Shanta are of same temperament. They love the men who do not love them. They are ready to do anything for the person they love. Shanta says she is ready to endure any kind of pain to see Amar happy:

তুমি সুখ যদি নাহি পাও
যাও সুখের সন্ধানে যাও

... তুমি যাহা চাও, তাই যেন পাও,
আমি যত দুখ পাই গো।⁵¹

⁴⁸ *MND*, 2.1: 259-67.

⁴⁹ Minor White Latham, *The Elizabethan Fairies* (New York: 1930).

⁵⁰ Northrop Frye, "The Archetypes of Literature," 1445-1457.

⁵¹ *Mayar Khela*, Sc. 2: 30-44.

Helena's speech in 2.1: 202-210 is similar to that of Shanta's. All they want is to love their dear ones, and are ready to suffer for that. When Helena gets Demetrius, who is still under the spell of "love-in-idleness," realises that she has "found Demetrius like a jewel" who, she says is "mine [her] own, and not mine [her] own."⁵² Shanta shows the same sense when Amar comes back to her:

দেখো, সখা, ভুল করে ভালোবেসো না।
 আমি ভালোবাসি বলে কাছে এসো না।
 তুমি যাহে সুখী হও তাই করো সখা,
 আমি সুখী হবো বলে যেন হেসো না।
 See, dear! Do not love in confusion,
 Do not come, as I desire you,
 Do what makes you happy.
 Don't just smile to make me smile.⁵³

The supernatural characters of the two plays bear similarities. Edward Thomson thinks that the supernatural characters in Tagore's play are "unmistakenably akin to English elves."⁵⁴ Puck, or Robin Goodfellow is renowned for playing pranks on humans, while it seems that casting the spell of love and putting humans in confusion is a favourite pastime for the *mayakumari* or enchanting maidens. Of the fairies and *mayakumari*, the latter are more sympathetic to mortals. They are not prone to controlling nature as their counterpart in Shakespeare. The supernatural creatures in the plays serve the purpose of the chorus too. In Greek plays the chorus spoke the prologue and the epilogue to a play, and sometimes introduced each act as well. M. H. Abrams says: "Chorus served as a tool for the author to comment on the play, as well as for exposition of the subject, time, and setting, and of events happening offstage."⁵⁵ Puck's last speech is indeed the play's epilogue.⁵⁶ The *mayakumari* in Tagore's play have a similar role. Their first song is the prologue of the play.⁵⁷ When Amar leaves behind Shanta and her love in Sc. 2, they comment on it. The fairies in Shakespeare are more human; they have relationships like those of humans and they get involved in domestic feuds too. This feature of the fairies helps Shakespeare intermingle natural with supernatural.

Tagore categorizes his play as *gitinatya* or music drama. He recalls in *Jibansmriti* how much he was absorbed in the realm of music while he wrote *Mayar Khela*.⁵⁸ Sanjay Kumar says: "Like Wagner's music-dramas, the tunes of the songs of this drama, too, have meticulously obeyed the sentimental dicta of the lyrics."⁵⁹ Frank

⁵² *MND*, 4.1: 190-91.

⁵³ *Mayar Khela*, Sc. 6: 14-17.

⁵⁴ Qtd. in Ashok Sen, *Rabindranatya-Porikrama* (Kolkata: Mukherjee & Sons, 1957) 50.

⁵⁵ M. H. Abrams, *A Glossary of Literary Terms*, (Fort Worth: Harcourt Brace, 1993) 36.

⁵⁶ *MND*, 5.1: 414-29.

⁵⁷ *Mayar Khela*, Sc. 1: 1-18.

⁵⁸ Tagore, *Jibansmriti* (Kolkata: Bishwabharati, 1912) 117.

⁵⁹ Sanjay Kumar, "Revisiting Tagore."

Sidgwick points out the masque qualities in Shakespeare's work. Masque is a form of court entertainment, which is full of music and dance.⁶⁰ *A Midsummer Night's Dream* was written on a court celebration. The presence of fairies, their dancing and singing, the employment of motifs involving magic and metamorphosis etc. provide it with masque features. Apart from dealing with the problem of love, the play addresses other issues: in 5.1: 4-22 Theseus comments on the working of poet's mind, the creative genius; and, through the Pyramus and Thisby episode in 5.1 Shakespeare comments on the problem of staging a play and the idea of realism in a play. He ridicules those who expect that things on stage should always be realistic and convincing.

This study not only conforms to Northrop Frye's idea that literary texts are manifestations of universal myths and largely unconscious image patterns that cross cultural boundaries, it also opens up an area to look at works of the two great writers of English and Bangla literatures. Shakespeare reached Indian sub-continent with the colonists in early Seventeenth Century. Shafi Ahmed and Nazmul Ahsan discuss the reception of Shakespeare in Bengal.⁶¹ Rabindranath Tagore was well trained in English language and literature. He always had a high esteem of Shakespeare.⁶² In *Tagore on Art, Music, and Literature*, Rahman has anthologised Tagore's admiration for Shakespeare. Shafiuddin Ahmed's essay discusses the presence of Shakespeare in Tagore's works, especially, in his literary criticisms.⁶³ The present study focuses on the similarities in Shakespeare's and Tagore's dramatization of love. This similarity is yet another proof of what Frazer, Jung, and Frye have theorised in their respective works. Any comparative reading of literary texts is worth exploring; it proves that, after all, we humans around the world are one.

⁶⁰ Sidgwick, Frank. Comp. *The Sources and Analogues of 'A Midsummer-Night's Dream'* (New York: Duffield, 1908). Rpt. *The Project Gutenberg e-book*, 9 February 2005, 23 January 2007 <<http://www.gutenberg.org/files/15001/15001-8.txt>>

⁶¹ Shafi Ahmed, *Shakespeare in Bengal*, and, Nazmul Ahsan, *Shakespeare Translation in Nineteenth Century Bengali Theatre* (Dhaka: Bangla Academy, 1995).

⁶² Tagore wrote a sonnet titled "Shakespeare" which was first published on the Shakespeare Birth Anniversary 1916 by "Shakespeare Society." It was later published as poem 39 in *Balaka. The Complete Works of Rabindranath Tagore* Vol. 1, Low priced Edition (Kolkata: Bishwabharati, 1986). Tagore also translated the poem into English, which has been quoted by Shafiuddin Ahmed in his essay "Shakespeare in Rabindranath Tagore's Works." *Bangla Academy Potrika: Kartik—Poush 1405: 7-43* [1998] 41.

⁶³ Shafiuddin Ahmed, "Shakespeare in Rabindranath Tagore's Works."

MYSTIC LYRIC POET PANZU SHAH : SONGS AND TRADITION

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Abstract: Panzu Shah (full name Panzu Shah khandoker) was an important member and singer of the Baul religion after post-Lalon era in our country. Panzu Shah expressed his concepts through hundreds of songs. His intelligence did not remain confined to compositions of songs, but also gave vent to writing of a lyrical book named 'Sahi Isski Sadeki Gaohor'. He also wrote stories, embraced the erotic tradition and formulated an earlier tradition into one that resonates with the needs of humanity today. This study attempts to show the tradition of the philosophical practices of his songs and the mystical tradition from which his work emerged.

Introduction

As a disciple of Lalon Shah, Panzu Shah (1851-1914) became another Baul hermit, mystic and lyric poet and his creative genius became widely known in the southern and northern part of Bangladesh, especially in the district of Jessor, Khulna, Kushtia, Barishal, Pabna, Bogra, Mymensingh, and West Bengal of India. He expresses his heartfelt feelings regarding his personal quest and feeling that establishes the tradition in his works. Panzu Shah's 'Sahi Isski Sadiki Gaohor' and all mystic songs are the special gift of this tradition. He used to sing his songs with 'Ektara' (one stringed musical instrument, chiefly used by folk singer). He composed Baul songs and other types of folk songs, which provide spiritual inspiration to the people from the rural peasants to the educated people and upper classes.¹ Panzu Shah celebrates the freedom of the body, the soul, and language itself from all repressive and divisive forces. Most of his songs explore the themes of love, equity and humanity.² Panzu Shah seems a follower of Sufism. But his works contain mystic trends and other aspects as well. This study will focus Panzu Shah's songs to find out the trends through the following analysis:

Analysis of Panzu Shah's Songs and Tradition

Panzu Shah was born at Shailakupa under the district of Jhenaidah in 1851 (Bangla 28th Srabon 1258) in a 'Zaminder (Landlord) Pathan' family. Panzu says:

“পাঠান কুলেতে জন্ম জানিবা আমার।”³

Translation:

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¹ Dewan Mohammad Azrof, *Panzu Shah's Jibon Darshan*, (Dhaka: Moromy Bangla, 1977), p.ii.

² Khandoker Rafiuddin, *Vabsangeet*, 2nd Edition, (Jhenaidah: Harishpur, 1967), p.ka.

³ Panzu Shah Khandoker, *Sahi Isski Sadeki Gaohor*, 3rd Edition, (Jessor: Harishpur, 1961), p.ii.

"Keep in mind that I was born of a Pathan line."

He died in 1914 (Bangla 28th Srabon 1258) at Harishpur under the same district remaining thousands of followers throughout the country and outside. In his life time, at the age of twenty seven, after his father's death, he started to move to the 'Fakir majlish' (gathering of the saints or ascetics) in several areas of the country.⁴ At this stage he became a follower of another worshipper Hiraztullah Khandoker of Harishpur. Panzu Shah took his oath from his 'Guru' (master or guide).⁵ In one of his songs, Panzu Shah mentioned the name of his 'Guru':

"জানিবে যে খোন্দকার হিরাজতুল্লাহ।

গুরাজী তিনি বড় দয়াময়।।

মোকাম তিনার যে হরিশপুর গ্রাম।"⁶

Translation:

"Know that Khondoker Hirajtullah

My master and guide, he is so kind

The village of Harishpur is his homestead."

By the way of teaching of his 'Guru', Panzu learnt the main concept of Islamic ideology like 'Shariath', Marifath', 'Hakikath', 'Tarikath' etc. Panzu took the 'Fakiri dress' (one kind of dress for saints).⁷

Panzu says:

"ফকির হয়েছি আল্লার রাহেতে।

সাধু গুরুর চরণ ধুলি দাও গো আমার মাথাতে।"⁸

Translation:

"I've come to be a searcher in the way to Allah

O' saintly master sprinkle blessings on my head."

A lot of mystic songs (written and oral) and a lyrical book named 'Sahi Isski Sadeki Gaohor' are Panzu Shah's best works. Panzu wrote this book under the influence and by the order of his 'Guru' Hiraztullah.⁹ He produced its first (1297–1314, Bengali year) and second (1890–1907) edition in his lifetime. Panzu Shah's verse 'Sahi Isski Sadeki Gougor' is full of the summaries of Sufism and moral advice. It has some plots, which are mainly written with moral slogans and ideological basis. This book has focused on Panzu Shah's religious and literary thoughts and philosophy clearly. The poet says:

"এ কিতাব ইমানেতে যে জন পড়িবে

আল্লাহর যে ভেদ সেই অবশ্য পাইবে।"¹⁰

⁴ Khandoker Reazul Huque, *Moromy Kabi Panzu Shah: Jibon and Kabbo*. (Dhaka: Bangla Academy, 1990), p.37.

⁵ Ibid.

⁶ Panzu Shah Khandoker, Ibid.p.106.

⁷ Mohammad Abu Talib, Lalon Shah and Lalon Gitika, vol.1, 1st edition, (Dhaka: Bangla Academy, 1968), p.176.

⁸ Khandoker Rafiuddin, *Vabsangeet*, 2nd Edition, (Jhenaidah: Harishpur, 1967), p.18. Song no. 32.

⁹ Khandoker Rafiuddin, ed. *Sahi Isski Sadeki Gaohor*. (Jessor: 1368, Bangla Year), p. preface.

¹⁰ Panzu Shah Khandoker, *Sahi Isski Sadeki Gaohor*, 3rd Edition, (Jessor: Harishpur, 1961), p.109.

Translation:

"Who reads this book with
Religious beliefs,
Will find the mystery of Allah the creator."

The poet believed that this book is for the mystery lover and if one reads, he or she can realise the clear path for peace in the next world.

The idea, which Panzu Shah mentioned in his verse collection 'Sahi Isski Sadeki Gougur', is associated with the philosophy of Sufism. Beside this, we find other important things in many of his songs. According to the philosopher Dewan Mohammad Azrof, Panzu Shah's life and practices are full of ingredients of folk literature, and the influence of folk religion on Sufism. His creation will remain fresh and evergreen in the rural areas of Bangladesh. This explains the success of Panzu Shah's self philosophy and literary belief.¹¹

Panzu Shah's thoughts and feelings are individualistic. He saw his life according to the thought of mystic tradition.¹² He dives in the sea of mystic song. He has followed the rules of his previous 'puthi' writers. Along with that tradition, he has made his own tradition mixed with the tradition of popular rural mystic songs.¹³

Panzu Shah's works contain the combination of great dexterity and great variations of subject choice. His knowledge of the scriptures and the process of accomplishment prove it. According to Khandoker Rafiuddin, The poet explains the importance and worth of the four stages of Islamic concepts—'Shariath', 'Tarikath', 'Hakikath', and 'Marifath'. But he seems to have emphasised on 'Marifath'.¹⁴

Panzu Shah's songs are recalled emotionally in the southern part of Bangladesh, especially in the district of Kushtia and Jessor.¹⁵ The great mystic poet Lalon Shah is called the pioneer of this type of song. Duddu Shah, Gahordi Shah, and Jadubindu are the followers of Lalon and also remarkable singers of this type of music. Panzu Shah followed their ways.¹⁶ But Panzu Shah's songs are different from them in term of melody, rhythm and technique. Beside, the theory of knowledge and the melody of the soil 'Harishpur' have given life to his songs. Especially Baul melody took these songs into the inner places of people's heart. Panzu Shah used such melodies like—'Pillu', 'Khommaj', 'Jhijit', 'Bivass', 'Vupali', 'Deshkar' etc. in his songs.¹⁷ His emotional songs can be divided into several groups: the perception of 'Allah', 'Prophet', 'Creation', 'Supreme Power', 'Body', 'Mankind', 'Love', 'Family', 'Social', 'Kherka' and 'Ashtotatto'.¹⁸

The subject of the songs of 'Allahtatto' is humble prayer to achieve God's kindness and sympathy:

"খোদা প্রাপ্তি কিসে হবে ভজন বিনে,

¹¹ Dewan Mohammad Azrof, *Panzu Shah's Jibon Darshan*, (Dhaka: Moromy Bangla, 1977), p.11.

¹² Dewan Mohammad Azrof, *Ibid.* p.9.

¹³ *Ibid.*

¹⁴ Khandoker Rafiuddin, ed. *Mohoth Padaboli*, 1st edition, (Jessor: 1337 Bangla Year), p. Introduction.

¹⁵ Ashraf Siddique, *Lokshahitta and Panzu Shah*, (Dhaka: 1977), p.19.

¹⁶ Narrator: Nur Hossain Shah, vill: Nilmonigonj, post: Hathathpara, Dist: Rangpur. Interview, June10, 2003.

¹⁷ Saumendranath Tagore, *Rabindranather Gan*. Revised Edition. (kalkata: Karuna Prokashoni, 1373 Bangla), p.103.

¹⁸ Khandoker Rafiuddin, *Ibid.* p. Introduction.

পাঞ্জু বলে ভজন আল্লার আলমে আর কলমে।”¹⁹

Translation:

“What else than worshipping can bring the love of God,
Panzu says worship Allah through prayer and scriptures.”

As a firm believer in the existence of God, Panzu searches for the right way to please Him. Subsequently he finds that the Creator is most pleased when His creation is loved and his commandments are followed. The songs of this group also convey the praise of the Creator and His wonders.

The songs of ‘Rasultatto’ are full with the description of the qualities and greatness of the prophets. These songs enlist the humanitarian and religious importance of the prophet. Besides these, the songs of this group narrate important activities of the prophets and discuss the different moral teachings:

“দীনের রাসুল এসে আরব শহরে দীনের বাতি জ্বেলেছে,
দীনের বাতি রাসুলের রূপ উজালা করেছে।”²⁰

Translation:

“ The prophet of commons has come to the
Arabian city and lit the torch of religion,
The torch of religion has brightened
The appearance of the Prophet.”

The main philosophy of the creation of the whole world is another subject of the ‘Srishtitatto’. In this section the poet, in his own fashion, narrates how the world and man was created:

“হয় আল্লার কুদরতে
সব পয়দা করলে জগতে।”²¹

Translation:

“Everything happens by the grace of God
He is the one that has created everything in the world.”

The events that followed creation are also included in the ‘Srishtitatto’. The way that the creator inserted breath into human form and how he bestowed the best knowledge on Him.

The songs of ‘Murshidatatta’ is full of explanation of ‘Murshid’s’ (teacher) greatness:

“আল্লা পাওয়া যায় ভবে মুরশিদ ভজিলে
সত্য সত্য সত্য শুনি কোরানে বলে।”²²

Translation:

‘Follow the guide and you’ll get God in this world
True, it is thus spoken in the Qur’an.”

At the core of the mystic ascetic meditation, there is the quest for the omniscient, omnipresent and omnipotent supreme soul (Jagat Guru). To reach the perception of the supreme soul a guide to way is essentially needed. This guide is the human ‘Guru’ or ‘Murshid’. In the songs of ‘Murshidatatta’, Panzu throws light on the

¹⁹ Khondoker Reazul Huque, *Moromi Kobi Panzu Shah: Jibon and kabbo*, 1st edition, (Dhaka; Bangla Academy, 1990), p.451.

²⁰ Khondoker Reazul Huque, *Ibid*, p.465.

²¹ *Ibid*, p.469.

²² *Ibid*, p.479.

necessities of a 'Murshid' and consolidates his arguments by supplying proofs from the Qur'an and Hadith.

The physiology songs have two main subjects. First, the whole world is present in the human body and the other is that the aim of a mystic is to gain worship through the spiritual practice of human bodies:

“আগে দেহের খবর জানরে আমার মন
দেহতত্ত্ব না জানিলে জনম অকারণ।”²³

Translation:

“O' my mind, first know about the body
Your life is fruitless if you don't know physiology.”

The worship of a mystic is primarily the meditation on human body. This type of meditation means looking into one's own body and searching for the seat of the eternal soul and other mysteries there.

We find the whole reflection of man's attitude in 'Manustatta' songs:

“মানুষের করন মানুষ ভিন্ন নয় ও রে মন
রস-রতিতে খেলছে মানুষ, জান তার অন্বেষণ।।”²⁴

Translation:

“The activities of man is but man O' my mind
Man is plying the game of affection and love, find Him out.”

Panzu Shah has given importance on spiritual humanism in his 'Murshidatatta' songs. But he never ignored the secular humanism. He believes that one has to prove true by way of knowledge, deeds, and ideas to reach to the inner man.

The greatness of love, the greatness of 'Radha-krishna's' love attitude and the influence of 'Chaitannya' are focused in the love songs:

“জগত জোড়া প্রেমের বরিষন,
প্রেম ধর্ম, প্রেম কর্ম, প্রেম অমূল্য রতন।।”²⁵

Translation:

“The world is wet with love
Love is religion, love is action, love is invaluable pearl!”

Panzu Shah observes that love is the phenomenon that ensures a man's urge for a 'lover' physically and spiritually. In these songs he draws up the eternal love affair of Radha nad Krishna and it makes them the symbols of love between the worshipper and the worshiped. He also mentions the affair of Chandidas and Rami in a similar fashion.

The concept of the present transient world and the attraction for the next world is the theme of 'Porom' songs:

“কে আছে মন সাথের সাথী
ভেবে দেখ মন, কয় দিন রবে ভবের পিরীতি।।”²⁶

Translation:

“Who is there to accompany you O' my mind
Think twice how long will remain the love of the world.”

²³ Khondoker Reazul Huque, Ibid. p.505.

²⁴ Ibid, p.522.

²⁵ Ibid, p.534

²⁶ Khondoker Reazul Huque, Ibid. p. 551.

Man in the prime youth of his life does not care for the worship of God and remains occupied with earthly deeds and enjoyments. He usually forgets about the existence of death at the end of each life. Panzu Shah in his songs reminds man of that and requests him to do his duty in accordance with God's will.

The problem and the resolution of going into the next world from the present world are presented in the songs of 'Parapartatta':

“সাজ করে ভবের খেলা
মিটিয়ে দিয়ে রঙ্গের মেলা,
পাঞ্জু বলে করলে হেলা,
কি করবি আঁধার রাতে ।”²⁷

Translation:

“Closing the game of the world
Ending with the farce and fair
Panzu warns if you don't care
What will you do in the dark of night?”

Death is the only barrier to the way of next world, which is of great importance in the songs of the 'Parapartatta' group. Panzu Shah tends to say that every one is bound to die and resurrect to find him as entering the other world. He warns man not to ignore religious duty in his earthly life because this will be his only wealth to depend on.

Though Panzu Shah was a mystic worshipper, he didn't become an anchorite. He remained glued to the family, society and worldly endeavors. He has shown this tendency in the songs of this group. In these songs, besides his awareness of social system, he presents his arguments for his remaining within a family also.

The inner mystery of taking 'Fakiri' dress is the main subject of the songs of 'Kherkatatta':

“স্কন্ধেলেয়ে আচলা-বোলা,
ভিক্ষার ছলে বলব আলা ।”²⁸

Translation:

“Carrying a baggage behind the shoulder,
I'll call my Allah in the guise of a beggar.”

At the age of forty five Panzu Shah wore the 'Fakiri dress', called 'Kherka'. This means that Panzu and his guide thought him to be absolutely prepared for mystic worship. After wearing this 'Kherka' Panzu becomes like any other Fakir, destined to roam place to place with his guide, earn livelihood by begging alms, and search for the mysteries of the creator and the creation.

No connection with a family and the absence of worldly passion, freedom from all desires and indifference from worldly objects are the most loveable objects to the mystics. But Panzu Shah is an exception in this context. He could not be sympathetic with the idea of deserting every kind of family ties to achieve the ascetic love. Though he was a mystic, he was free from thoughts of dwelling in a cave. He says:

“ঘর বাড়ি ছেড়ে ভাই যাইবো কোথায় ।
কোন বনে আল্লাপাবে বলিবে আমায় ।”²⁹

²⁷ Ibid, p. 558.

²⁸ Ibid, p. 574.

Translation:

“Where are you going leaving your home
Could you tell me in which woods you may find God!”

Though Panzu Shah went through the ritual of wearing ‘Kherka’, or ‘Fakiri’ dress, he could not avoid the charm of family life either. In fact, within a short period of his taking ‘Kherka’, Panzu realised that no where in the world he could find his worshipped if he did not find Him at home. So he found it useless to move around.

Panzu Shah has expressed his idea through his verse and songs, which have a great appeal to humanity and deeply express hopes of humanity and aspirations, joy and sorrows. They suggest a complete submission to the creator. We find Panzu as a worshipper of a preceptor. Panzu says:

“গুরু বস্তু না জেনে
এমন সাধের জনম যায়রে যমের ভুবনে।”³⁰

Translation:

“The knowledge of the master element is yet to come
Such a cherished life marches towards the Death’s world.”

The urge for the ultimate knowledge is at the core of Panzu Shah’s writings. The supreme self is the only target. Panzu Shah’s vow is to meditate on it. In this respect the ‘Guru’ philosophy has much in common with mysticism.

We find the mystic sense in Panzu Shah’s thoughts, feelings, ideas, and songs. The Encyclopedia of Religion describes mysticism and mystic in this way: “...Mystics have, of course, written quiet openly and often abundantly about their experiences. But, by their own testimony, words can never capture their full meaning. This raises a delicate problem of interpretation to which we shall return.”³¹

The unseen mystical world and the eternal world are universal. The mystics are dependent on, and faithful to this universe.³² The main way to achieve this faith is ‘soul’. So, the soul is the central element in mysticism. On the other hand, the eternal existence lives in a transient body. It is found in one’s own body. Mysticism is created from this investigation of one’s mystic spirit and its manifestation in the mind.³³ The mystic worshipper desires for one kind of society that offers no discrimination based on ethnic identity or complexion. Panzu Shah’s songs have this desire for universality.³⁴ The ‘Ektara’ possessing only one string exemplifies and symbolises his quest for the all in one. Panzu Shah had a close desire in his heart to serve humanity and understand the origins of this world. Panzu Shah stressed in his verse:

“মন তোর ঘরে বসে মহাজন
খুজে মরিস কেন তীর্থ বৃন্দাবন।”³⁵

Translation:

²⁹ Panzu Khandoker, *Sahi Isski Sadeki Gaothor*, 3rd Edition, (Jessor: Harishpur, 1961), p.34.

³⁰ Khandoker Rafiuddin, *Vabsongeet*. Ibid. Song no.119.

³¹ *The Encyclopedia of Religion*, vol.10, (London: 1916), p. 246.

³² Bertrand Russell, *History of Western Philosophy*. 8th Impression. (London: Forge Allan and Unwin Ltd,1962), p.64.

³³ R. A. Nicolson, *Rumi: Poet and Mystic*. Revised Edition. (London: Allen and Unwin Ltd, 1950), p.19.

³⁴ Ashraf Siddique, *Lokshahitto and Panzu Shah*, Moromy Bangla, vol.1, 1st year, Bayshakh-Ashar. (Dhaka: Panzu Shah Sheba Sangskriith Shangho,1977), p.21-22.

³⁵ Khandoker Rafiuddin, *Vabsongeet*. 2nd Edition. (Jhenaidah: Harishpur, 1967), p. 80.

"The cherished one rests in your place
You, in vain, search for him at shrines."

We also find the tendency of searching 'self' in Panzu Shah's song:

"কে আমি কে তিনি হৃদিস হলনা তার।
দিনরাত ভেবে মরি কে যে করবে পার।।
কি কারণে কে পাঠালো এ ভব সংসারে।
গুনা দিন ফুরাইল জানিলাম নায়ে।।"³⁶

Translation:

"It remained uncovered who I am or who he is,
I'm always anxious as to whose ferry to use.
Who was it that sent me to this world and why?
My days finished I couldn't count."

This self-search is perennially existent in the mystic mind of Panzu Shah. At this point it can be easily argued that he has transcended his identity of folk-poet, puthi-poet, lyricist of 'vabsongs' and moved towards modernity.

Panzu Shah stands against the communal conflicts:

"জেতের বড়াই কি,
ইহকাল আর পরকালে ভেবে করে কি
মনে বলে অগ্নি জ্বলে দিয়ে জেতের মুখী।"³⁷

Translation:

"Race is worthless
In thinking over this world and the nether world
My mind urges me to set fire on the face of race."

Panzu Shah is a firm believer in the greatness of man. He knows that the discriminations of race, cast, ethnic origin and complexion are all created by man whose heart is full of contempt for another man. What Panzu Shah wants to proclaim clearly is the superiority of man, not race over him. So, he sees sin to be committed when one upholds race over man and thus looks down upon another man of different racial identity.

In the second stage, we see that Panzu Shah's creations are not only full of the spiritual emotion of love, but also with an ancient passion of erotic sentiment. According to him, the attraction of male and female is very natural. God himself is pleased to see it. In Panzu's voice:

"আল্লার হুকুম খেলা না খেলিলে নয়।
হুঁশিয়ার হয়ে খেলা ঠিক হবে তায়।"³⁸

Translation:

"You cannot but play because it is God's will.
Play carefully and you'll be safe."

Here, the poet expresses the ancient sex-passion in very simple language. But he is careful to express it. Panzu said:

³⁶ Khandoker Rafiuddin, ed. *Mohoth Padaboli*. Ibid. p. Introduction.

³⁷ Khandoker Rafiuddin, *Vabgongeeet*. Ibid. p.65. Song no. 136.

³⁸ Anwarul Karim, *Baul Shahitta and Baul Gan*. (Kushtia: 1971), p.263.

“রসিক মানুষ রসের ঘাটে শ্রেম এনেছে।
গোলকের যুগল শ্রেম নদীয়ায় এসেছে।”³⁹

Translation:

“The man of honour has brought love to the Ghat
The pair of ‘Golok’ has come to the love-stream.”

It is undoubtedly seems to an example of eternal love. But it is another aspect to Panzu that we can not avoid the sex-passion, the worldly love.

In addition to his verse, Panzu has composed a lot of mystic songs. Locally it is known as ‘vabgan’. Many intellectuals have made significant comment upon these songs. In this regard he is similar to Rabindronath. Rabindronath said, “I accept Baul melody in many of my songs, and it entered consciously or unconsciously in many songs. It could be understood that the melody and the language of Baul have mixed in my mind very easily.”⁴⁰ Dr. Shahidullah’s commentary is also noteworthy in this respect. He said, “ ‘Murshedi’ and ‘Marfathi’ songs are mystic songs. The singers of these songs are illiterate or half-literate. Yet, there is an unending love, joy, beauty and knowledge of theory in these songs.”⁴¹ Professor Mohammad Monsuruddin also agrees with this comment. According to him, ‘Baul’ and ‘Murshedi’ songs are our folk songs. These folk songs are based on religion.⁴² Panzu is the creator, composer and the artist of this type of songs.

Another aspect of Panzu Shah’s literature is its emotional content. Panzu had powerful feelings to convey in his poems and songs, which were received as a literary success, by evoking his feelings and the environment. A new appeal enriched Panzu Shah’s verse and songs through the assimilation of the body, mind, and soul. With the whole pantheon of human experience, expression and responsiveness, Panzu explains the mysteries of the world in his compositions:

“আমার মন আপন দেহ চেন।।

দেহের খবর না জানিয়ে মিছে কাটকাছারী করছ কেন।।

কুল দুনিয়ার খবর আছে,

আঠার মোকামের মাঝে,

কোন মোকামের মাঝে,

কোন মোকামের সাঁই বিরাজে, হুশিয়ার হয়ে অর্থ জান।।”⁴³

Translation:

“O’ my mind, know your physique

Why do you indulge in worthless deed?

The mystery of the world lies

In the eighteen places,

Be careful and learn in which one rests the Lord.”

³⁹ Khandoker Rafiuddin, *Mohot Padaboli*. Ibid.p.30. Song no. 27 kha.

⁴⁰ Monoranjan Jana, *Rabindra Porichai*. 1st edition. (Kolkata: Kalcata Publishers, 1374, Bangla Year), p.347.

⁴¹ khandoker Reazul Huque, Ibid.’P.186.

⁴² Rabindranath Tagor, “The Introduction of Haramony”. Written by Monsur Uddin. (Dhaka: Dhaka University,1959), p.1.

⁴³ Khondoker Reazul Huque, *Moromi Kobi Panzu Shah: Jibon and kabbo*, 1st edition,(Dhaka: Bangla Academy,1990), p. 504. Song no. 79.

The poet believes that the body is the playground of all mysteries, and that the eternal supreme soul is present in the biological body which is divided into eighteen sections (atharo mokam). Such division of the body is very familiar in Sufism also. We nevertheless find the influence of Sufism in Panzu Shah's life and his works. The Encyclopedia of Religion refers to Sufi and Sufism in this way:

One of the truly creative manifestations of religious life in Islam is the mystical tradition known as Sufism..... the term Sufi and Sufism evoke complex layer of meaning in Islam, including the denial of the world, close association with the Prophet and his message and spiritual attainment that raises one to a rank of unique intimacy with God.⁴⁴

On the other hand, we find in Al-Quran— we have sent the Messenger for you, who reads my message to you and teaches about the concept of the The holy Quran, the knowledge of the book and wisdom that was unknown to you.⁴⁵ According to the Sufi, this wisdom is the eternal knowledge and the main subject of mysticism at the same time. Besides this, "they believe that there are many examples for them and that they have in their own self."⁴⁶ In fact, Sufism makes a near relationship between man and God. The main theory of Sufism is the relation of love between the creation and creator.⁴⁷ Panzu Shah was mainly sensitive and devoted to search for superior humanity in human beings. To find 'supreme man' Panzu Shah attempts to search for the human preceptor. He says:

“জগত কর্তা পতিত পাবন,
এই মানুষে করে বিরাজন।”⁴⁸

Translation:

“The master of the world
Showered of the fallen
Remain in this human body.”

The poet tends to mean that the created man can be one with the creator Himself by the way of looking for this existence in his own self.

This type of belief grounds itself on theism. According to the Encyclopedia of Religion, theism is the philosophical worldview that perceives the orders of existence (physical thing, organisms, persons) as dependent for their being and continuance on one self-existence God, who alone is worthy of worship.⁴⁹ Panzu Shah never denies the existence of an omnipotent, Supreme Being, who, in Panzu Shah's songs, is often identified with 'Allah'. This theism, nevertheless, has a deep connection to physiology (the doctrine that the body is the seat of all truths) in Panzu Shah's songs. Panzu says:

“আল্লাহ যে ভেদ ভাই দেহ ছাড়া নাই।
হাদিসেতে আছে তাই আমি বলি নাই।”⁵⁰

⁴⁴ *The Encyclopedia of Religion*, vol.14. (London: 1916) p. 104-106.

⁴⁵ *Al-quran*, Surat:50. Line.146.

⁴⁶ *Al-quran*, Surat:50. Line.15.

⁴⁷ Kenath W. Morgan, ed. *Islam and Modern Thought*, Muazzam Husain, trans, (Dhaka: Modina Publishers,1968), p. 160.

⁴⁸ Mohammad Abu Talib, *Lalon Shah and Lalon Gitika*, vol. 1. 1st Edition. (Dhaka: Bangla Academy, 1968) p.178.

⁴⁹ *The Encyclopedia of Religion*, (New York: 1987), vol.14.p.421.

⁵⁰ Panzu Shah Khandoker, *Sahi Isski Sadeki Gaohor*, 3rd Edition, (Jessor: Harishpur, 1961), p.19.

Translation:

"You can not quite know Allah without a body.
Hadith tells that, I did not."

Here, he mentions Hadith as the source of his knowledge. In this way he remains faithful to the religious doctrine of Islam and its God, although he associates the theory of the body with his theistic belief.

Panzu Shah, in his quest for truth has advanced forward, even towards dualism. According to dualism, mind and matter, or soul and object are the primary elements of the universe. These two contradictory entities are at the base of the visible world.⁵¹ Panzu finds that the existence of the two is equally important and one can not do without the other a living man reach to the vicinity of the supreme soul, it can not merge into it and be one with it, because his biological body (matter) is a barrier on the way. So, none can avoid birth and death:

"পূর্ণ্য মুক্তি যতই কর মন,
কোন ধর্মে হয় না জন্ম মৃত্যু যে খন্ডন।"⁵²

Translation:

"O' my mind you strive much for redemption
But religion can not break the dilemma of birth and Death."

If we analyse Panzu Shah's life, characteristics, religion, temperament and literary thoughts, we find that he did not totally refuse 'Shariath' in his life. But in the context of theoretical knowledge of 'Shariath' is insufficient. He expressed it boldly in the following song:

"মোকাম মঞ্জিল ভাই
দেহতে দিয়াছে সাই,
..... হায় গো।
দেহ ছাড়া আত্মা জানে শয়তানী ভোলে।"⁵³

Translation:

"The ultimate place to dwell
Is given in this body by the lord
.....O' dear.
Bereft of the body one forgets either Allah or the deity."

Conclusion

Panzu Shah has consolidated his firm seat in our minds by turning the theory of mysticism into a fertile practice in his poetic works. Besides this, he has absorbed a good number of philosophical traits and blended those in unison in his verse and songs. and this blending gave him a unique place among the folk poets of rural Bengal.

⁵¹ Dewan Mohammad Azrof, *Panzu Shah's Jibon Darshan*, (Dhaka: Moromy Bangla, 1977), p. 36.

⁵² Khandoker Rafiuddin, *Vabsangeet*, 2nd Edition, (Jhenaidah: Harishpur, 1967), p.52. Song no. 108.

⁵³ Khandoker Rafiuddin, *Vabsangeet*, 2nd Edition, (Jhenaidah: Harishpur, 1967), p.13.

The reading of Panzu Shah's songs provides us with the idea that his songs contains the elements of mysticism, Sufism, theism and so on, but he does not seem to belong to any particular stream. Besides these, the modern and traditional thoughts are blended in his work. As a dedicated worshipper, he never refused the appeal of the real demands of a religious life. As a result, modernity has entered into his works directly and indirectly. For this, he became known as a poet of 'Puthi Shahitta', a writer of 'vabsongs', a hero who negotiates the devout worshipper and an upholder of the Sufi quest for individual enlightenment.

GENESIS OF URDU JOURNALISM AND A BRIEF SURVEY OF URDU PRESS IN BANGLADESH (EAST BENGAL) (1906-1971)

Latif Ahmed*

Abstract: A sturdy pertinence between Urdu and undivided Bengal has always been there for centuries together. A lot of books were either written, compiled or translated in Urdu from other languages under the patronization of Fort William College, Calcutta during the nineteenth century. Last but not the least Urdu journalism got its going from Bengal. The foremost Urdu newspaper 'Jame Jahan Numa' was issued on the 27th March, 1822 from Kolootola Chandan Street, Calcutta. Afterwards it followed in the other parts of India even in the North India where from Urdu is said to be originated. The paper briefly outlines the genesis of Urdu journalism in historical perspective of Bangladesh (East Bengal) and also it examines the role of Urdu press. Efforts have also been made to assess to what extant Urdu press left the impact on social, political and religious arena of Bangladesh (East Bengal).

Introduction

Bengal was far off from the region where Urdu language got nourishment and was prevalent that is North India. But the people of Bengal had a deep fascination for Urdu from earlier times. They have always been active participants in literary seminars, symposiums, debates and discussion of Urdu. This land has produced such a high prolific poets and litterateurs that this language will always be proud of them and for the services they have rendered to Urdu.

The foremost Urdu grammar was written in Bengal (Inshallah Khan Insha Munshichabadi, 1750).¹ The first ever English-Urdu dictionary was compiled in Bengal (Gilchrist, Calcutta 1790).² Fort William College of Calcutta rendered a laudable services to Urdu specially in the prose section of it. A lot of books were either written or translated in Urdu from other languages under the patronasation of Fort William College which was established in 1810 in Calcutta. The last but not the least Urdu journalism got its going from Bengal. The first ever Urdu news paper 'Jame Jahan Numa'³ made its maiden appearance on Wednesday, the 27th March 1822 from Kolootola, Chandan Streets, Calcutta.

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¹ Mohammad Atique Siddiqui, *Gil christ our Oska Ahad*, Anjuman-e Taraqqi-e Urdu, New Delhi, 1979, p. 11.

² Ibid. p. 59.

³ Salahuddin Ahmed, F.A., *Social Ideas and Social Change in Bengal (1818-1835)*, E.J. Brill, Leiden, 1955, p. 87.

Urdu Journalism and Urdu Press in Banglaesh (East Bengla)

To trace out Urdu journalism in Bangladesh one will have to look back into the past. As Waheed Qaiser Nadvi, a prominent Urdu research scholar writes in his article 'Mashriqui Pakistan ki Urdu Sahafat' that no clue is found of publication of any journal or paper of either language in Dhaka before 1906.⁴ He further comments that wo journals (he did not name the language) were issued from Khulna and Seerampur in 1860 but the name of these journals are just found in the books of history).⁵

The statement of Waheed Qaiser Nadvi does not seem to be true because a lot of Bengali journals and periodicals were issued from east Bengal (now Bangladesh) as far back as in the mid of nineteenth century from different places of Bangladesh. The following table shows the different journals and periodicals which appeared time to time from different places of Bangladesh.⁶

Name of paper	Editor	Place of publication	Year of publish
Faridpur Darpan	Elahidad Khan	Faridpur	1861
Parilo Barta Baho	Molvi Anisuddin Ahmed	Dhaka, Manikganj	1874
Akhbare Islamia	Md. Naimuddin	Tangail	1884
Ahmadi	Abdul Hamid Khan Yousuf Zai	Tangail	1886
Hindu Mosalman Sammiloni	Munshi Ghulam Qadir	Jessore, Magora	1887
Hitkori	Mir Mosharrof Hossain	Kushtia	1890
Tangail Hitkari	Muslihuiddin Khan	Tangail	1892
Kohinoor	S.K.M. Md. Rowshan Ali	Kushtia	1898
Musalman Petrika	Mahtabuddin	Jessore	1901
Sultan	M. Naziruddin Ahmed	Sirajganj	1901
Basuna	Shiekh Fazlul Karim	Rangpur	1908

Al-Mashriq: So far, Urdu journal is concerned, it started in 1906. Its pioneer was Hakim Habibur Rahman. In 1906, when division of Bengal was declared to facilitate the administrative set up, Dhaka was made the capital of East Bengal. A community did not like this division. The specific press was out for the reunion of Bengal. They left no stone unturned to get the division of Bengal cancelled. At this crucial juncture there was not such a paper of the Muslim that could resist the movement of some papers. Hakim Habibur Rahman, one of the prominent elites of Dhaka city came forward and refigured the situation by issuing an Urdu monthly journal named 'Almashriq' from Dhaka.⁷

It was the first ever Urdu journal issued from Dhaka. At its preliminary stage it was monthly but later on was converted into weekly. A few copies of this paper are safe and available in Dhaka University library. Among these are November 1906, April 1907, April 1908 issues. The paper was originally printed at Rezwani press, Calcutta and distributed, from Ahsanul Matab, Dhaka. But subsequently it was printed from

⁴ Waheed Qaiser Nadvi 'Mashriqui Pakistan Ki Urdu Sahafat' *Naqoosh*, , March, Karachi, 1963, p. 275.

⁵ Ibid, p. 275.

⁶ Mostafa Nurul Islam, *Bangla Shomashamaik Pattrer Jibon-O Jonamat 1901-1930*, Bangla Academy, Dhaka, 1977, Pp. 427-440.

⁷ Kulsom Abul Bashar, 'Mashriqui Bangal Ki sahafat Ka Sange Meel – Al-Mashriqui', *Mahnama Roushon Adab*, Delhi, December, 1992, p. 11.

Salimi Press Chhota Katra, Dhaka. Its subscription was Rs. 2/- for general people but Rs. 5/- was fixed for the opulent and high Government officials.⁸

The main contributors of this paper were Abul Faiz, Abdul Ali, M.A. Syed Mahmood Azad, Syed Sharfuddin Jahangeer Nagree, Shah Mohammad Akbar, Molvi Nizamuddin and Khawja Momtaz Jahangeer Nagri. Habibur Rahman was himself its chief editor. The paper continued to appear more or less for two years.⁹

It manifest that *Al-Meshrique* was the herald of the Muslims of Bengal and Assam. *Al-Meshirique* was full of with the articles of historical, political, Islamic and literary importance along with the other interesting news items of common concern. *Al-Mashrique* gives thanks to its honourable readers and contributors who funded and made *Al-Mashrique's* appearance possible. Their names have also been given on page no. 1.

Under the caption 'The historical significance of the capital of Dhaka,' a brief historical account of Dhaka and its suburbs appeared on page no. 5. The proceeding of Mohamadern Anglo-Oriental educational conference, held in Aligarh in 1886, has been presented and briefly commented by its editor Hakim Habibur Rahman in this issue *Maujuda Suratahal* (present position).

In the same issue under the title 'present position' the deplorable condition of the Muslim of Pan-India has been reflected and the attention of the well-wishers of the nation has been drawn to read the passage and to ponder how to rectify this prevailing predicament.

On page 18, a serious diseases 'Ahwa', its diagnosis and treatment has been discussed in detail. Some extracts of news from the papers and some local news have been revealed on page no. 19, on page 25 in which the readers of the paper have been congratulated for ensuing Eid. They have also been requested and their attention has been drawn to the notification issued from the Nawab of Dhaka to come out of Dhaka town and perform their Eid prayers in the famous maidan of Paltan.

Finally some selection of poetry including 'Rubayat', 'Nazm' and 'Ghazal' have been presented viz. 'Jare ki sobah', 'Maulavi aur Master' etc. In editorial note the policy and objectives of the paper have been highlighted under the title of '*Almashrique ke maquasid*', which is the out come of editor's pen: (To work for the expansion and publication of Urdu which is the national language of the Muslims of Bengal and Assam and the lingua franca of India to work for religious as well as worldly betterment of the Muslims, to try to clarify the misunderstanding between the relation of the public and government to establish the firm relation of unity and integrity after consultation with upper Indian Muslim brethren and also to infuse the spirit of Unity among the Muslims of Pan-India, which is impossible without Urdu, are the objectives of *Al-Mashrique*).¹⁰

'Muslims and politics' 'Honorable Mr. Gokhle ki teen speeches' are not only the best articles but also manifestation of Hakim Habibur Rahman's political insight and farsightedness. Feeling the pulse of the people and the need of the time he tried to infuse the political awareness into the Muslim community and cautioned them about the looming danger. In these articles he drew the attention of the government to think over the problems of the Muslims and solve them.

In the issue of April 1907, commenting over the speeches of Mr. Gokhle, a congress leader who made some objectionable speeches in Allahabad, Lahore and Aligarh slating Muslim community, Hakim Habibur Rahman replied him very intelligently and explicitly in a befitting manner. He condemned his malicious attitudes

⁸ Hakim Moulovi Habibur Rahman Ahsan, *Al-Mashrique*, Dhaka, Vol No-1, issue-2 November 1906, p. 1.

⁹ Ibid, p. 1.

¹⁰ Ibid, Pp. 11-12.

and expressed dismay over the ill-feeling of Mr. Gokhle towards Muslims community. Hakim Habibur Rahman criticises Mr. Gokhle and points out that this sort of Muslim in the eyes of public and the Government. With the view of religious and ethical point the *Al-Mashriq* is of high order. In the article 'Hamari Maujooda Halat' (our present position) Mr. Abul Fazal and Mohammad Abdul Ali reveal the social and ethnic pitfalls of Muslim community. The stress has been given on the need how the Muslims could attain their lost glory and how it was possible to rectify the Muslim community. They have also defended the cause of Muslim women's education. *Al-Mashriq*, from the point of literature and history, has had a distinction. In the historical background, its article, 'Dhaka ki Tareekhee Azmat' (Historical Greatness of Dhaka) is very comprehensive, informative and substantive.

Besides, historical, political and literary features it was also bedecked with the verses of different poets. Local and sub-continental news items and other features of common concern were placed in a very decorative style in this magazine.

Jadu: The journey of Urdu journalism which began under the patronization of Hakim Habibur Rahman in East Bengal (Bangladesh) in 1906 came to an end with the closure of 'Almashriq' despite his desperate efforts. 'Mashriq' was the foremost journal published from Dhaka. Its mentor was Hakeem Habibur Rahman but it had a very short run. It lasted only for two years. But difficult and unfavourable circumstances could not stop Hakeem Shahib from flying into passion. Hakim Habibur Rahman mustered his courage and with renewed zeal and fervour he brought about a monthly journal 'Jadu' in January 1923.¹¹ It is obvious from the available issues and volumes of 'Jadu' that Mr. Mohammad Adil was entrusted with editing the journal in the primary stage of its publications. But in later years the name of Hakim Habibur Rahman was also inducted in the board of editors as appeared in the issue of March 1926. Some of its issues are safe and available in Dhaka University library. These issues are- November 11, 1923, February 1924, March and August 1924, January 1925, June and July 1925 and March 1926.

Professor Kulsoom Abul Bashar, department of Urdu and Persian, University of Dhaka in her article 'Bangladesh Ke Chand Aham Jaraed' (Some important Urdu journal of Bangladesh), referred to the book by Professor Iqbal Azim in which he claimed that 'Jadu' began to appear in 1921. Dr. Kulsoom has negated his statement. She is absolutely justified in doing so. The issue of 'Jadu' September 11, volume no-1 of 1923 bears the evidence that it appeared 1923. Dr. Kulsoom has further stated in her article that 'Jadu' continued to appear until 1930. I think this notion is founded on supposition and narration. In the light of available evidences it can safely be said that 'the Jadu' had appeared more or less three years as Professor Salma has asserted in her article. Mr. Shanti Ranjan Bhattacharya has confirmed Dr. Salma's text.

The available issues of 'Jadu' confirm that 'Jadu' consisted of 30-35 pages and Professor Salma has also in her article affirmed it. The articles published in 'Jadu' mostly used to be historical, political and of literary nature. To keep up the public interest, poems, specially ghazals and short stories were also published in 'Jadu'. *Jadu* was published under the supervision of Shiekh Rahman Baksh, from Rahmania Press Mahawattoli, Dhaka. Its distributor was Khawaja Mohammad Moazzam who distributed *Jadu* from Dilkusha, Ramna, Dhaka. Annual Subscription of *Jadu* was Rs. 2.6 Ana, along with the postage.¹²

¹¹ Hakim Moulovi Habibur Rahman Ahsan, *Al-Mashriq*, November 1906, *Op. cit.*, p. 11.

¹² Professar Dr Umme Salma, 'Jadu.' *Farogh-e Urdu lucknow*, Lucknow, January-February, 1984, p. 5, Shanti Ranjan Bhattacharya, *Op. cit.*, p. 187.

The main contributors from Bengal were poets: Khawaja Mohamad Bedar Baksh Jahangeer Nagree, Naeem, Azhar Hossain Azhar, Alim Jahangeer Nagree, Shams Baghdadi Madanipuri, Ghafoor, Sharfuddin Sharf, Syed Momtaz Bakht and Moulana Syed Wahab Badar Ali.

Hafiz Nazir Ahmed, Hakim Habibur Rahman, Syed Mozafar Nadvi, Abdul Wahab, Khawaja Shahabuddin were among the prose writers. To popularise *Jadu* these people tried their best and they were successful.

A serialised article named 'Mushtari ke khutoot Nassakh ke nam' (Letters of Mushtari to Nassakh), was published in instalments. Mushtari was a dancer as well as a poetess. She had developed a friendly relation with Abdul Ghafoor Nassakh but in course of time friendship transformed into an affair.

Not to say, these letters have literary value. Moreover, with the publication of these letters, certainly some hidden facts of Nassakh's life came into limelight. Otherwise these facts would have for good remained in dark.

'Kutub Khana Rampur' 'Tazkira-i-Shurai Dhaka', (Library of Rampur and Memoir of Dhaka Poets) these two articles were very informative and interesting. Going through these articles one can easily assess the number of Urdu poets and poetess in East Bengal and can guess the interest of general people towards Urdu. In this regard the article having the title of 'Islahe Urdu' and Moulana Fida Ali Khan's article 'Lughate Urdu' were a serious attempt to enrich and enhance the circle of Urdu in this region.

Apart from the article of literary and linguistic value, some articles of historical importance also are found in '*Jadu*' for example, 'Qilae-Dhaka' (Fort of Dhaka) by Hakim Habibur Rahman in September issue 1923 and Kutob Khana by Hafiz Mohammad Nazir Ahmed in the issue of September 1923. 'Ishtarakiat' (Communism) by Moulvi Syed Mozaffaruddin Nadvi in the issue of November 1923. 'Kutob Khana Rampur estate' by Hafiz Nazir Ahmed in the issue of August 1924, 'Englistan mien pahla Irani safeer' (The first Irani Ambassador in England) and 'Angrezon ke Tijarti Kothi Dhaka mien' (The business centre of the English in Dhaka) – all these articles were of historical attachment and importance.

In the name of 'Oscar Wilde' a regular column was run under the caption of 'Khayalate Preshan' (scattered views). The contention of the column was based on some saying and jokes. It was a great source of amusement for the general people and by the way, the people have been introduced to the hard facts of day to day life. This regular column meant to teach people under the cover of light amusement. Some excerpts of this serial are quoted here:

'If chattering is dangerous then keeping silence is much tougher'.

a) Generally 'courage' means lack of farsightedness but very often 'farsightedness' becomes a shield of cowardness.

The aims and objectives of '*Jadu*' as has been revealed in its editorial note on page 32, in the sixth issue, volume 11 of June 1925 were more or less same as those of 'Almashrique'.¹³

It aimed to create a literary awakening in the literary circle of Bengal and to encourage the people of Bengal who had the affiliation with Urdu and to bring them into limelight from anonymity. It's objective was also to remove the misunderstanding of the Muslims of other parts of India about Bengal and to revive and present the work on Urdu literature of Bengali stalwarts.

'*Jadu*' was successful in achieving its objectives. It played a significant role in social awakening of Muslims in Bengal. Especially its literary importance can not be ignored. Through the journal a lot of local personalities were introduced to the people of other parts of undivided India. In the absence of this journal the local literary personalities might have been in darkness. They could have not been able to prove

¹³ Ibid, p. 187.

their efficiency in the field of literature and would have died before they could come into the lime light.

Akhter: Mahmudur Rahman Siddiqui, better known as Khalid Bengali, was one of the prominent persons who pioneered Urdu journalism in Bengal. Khalid Bengali was born in 1891 in a remote village Bolai of Mymanshing (Keshorganj). He died there in 1944. Khalid Bengali had a profound knowledge of Arabic, Persian and Urdu. He loved Urdu passionately. He could write Urdu very eloquently. He was not only a poet rather we should say a master of both prose and poetry.¹⁴

What he did for the betterment and expansion of Urdu specially in Bengal is unforgettable. His love for Urdu is proven with the publications of an Urdu journal 'Akhter' from his village Bolai - a far-flung area of Bengal where the people could not speak even chaste or idiomatic Bengali language, let alone Urdu.

'Akhter' was printed at Waheed Press, Wahidullah Lane, Calcutta-3 and was distributed from Bolai, Kishoreganj. Khaled Bengali published the journal 'Akhter' in the loving memory of his father Maulana Abdul Hai Akhter. Abdul Hai Akhter was also a great scholar of Urdu, Arabic and Persian of his time. He is said to have been an author of fifty five books in Persian, Urdu and Arabic.

The first issue of 'Akhter' came out in 1924 and it contained sixty four pages only. Khalid was very much aware of the difficulties he could face after the publications of 'Akhter' and therefore, he wrote in its inaugural note: (Admittedly Akhter is being issued from a place where very few people understand the language of this journal. So, regarding Akhter any fair and wholesome prediction will be premature and unjustified).

'Akhter' was brought out in 1924¹⁵ and was acclaimed in the literary circle. Its aims and objectives were not to earn money but to amuse and entertain its readers. 'Akhter' means 'star'. It twinkled once and like a star it went into hiding for good. But 'Akhter' paved the way for a healthy Urdu journalism in East Bengal. Explaining aims and objectives of 'Akhter', Kahlid comments that the reason of its publications is my own penchant and avidity but the principle and the only reason of Akhter's publications is to enrich and enhance the neat and easy privilege of Urdu in East Bengal.

Unfortunately, the very first issue of 'Akhter' proved to be the last one. But it shone like a star and paved the way for a healthy Urdu journalism in East Bengal. 'Akhter' was purely a literary magazine. It had nothing to do with the politics. 'Akhter' was a standard and literary magazine, because its contributors were the men like Niaz Fatehpuri Mirza Sultan Ahmad Wahshat Kalkatvi, Natiq Lucknavi, Dilgeer Allahabadi, Aziz Lucknavi, Waquif Bihari, Ma-el Allahabadi and Bismil Brailvi. Although, the only issue of Akhter appeared once but it received acclamation within Bengal and abroad. The renowned poet and essayist Salimullah Fahmi comments: (In prose, Khalid has 24 essay to his credit, 40 poems and more than 50 ghazals, 'Katat and Rubayat' and Masnavis are more than 25).

It was the greatest task of his life to issue a monthly 'Akhter' in the remembrance of his father Abdul Hai. Now this journal is considered in the literary rarities of this region. Because to bring out any monthly journal from this land was not less than a Herculean task.

Al-Ullama: *Al-Ullama* was brought out in Nawakhali in 1939.¹⁶ It was published both in Bengali and Urdu. The initiator of this monthly magazine was Nawakhali oil mills

¹⁴ Ibid, p. 5.

¹⁵ Syed Iqbal Azim, *Mashriqui Bangal mien Urdu*, Mashriq Co-Operative Publications, Dhaka, 1954, p. 97.

¹⁶ Ibid, p. 99.

and general trading company Ltd. Its printer and publisher was Md. Mustafa Husain Nomani and its editors were Rashid Ahmed and Mohammed Mustafa Husain Nomani himself. It was basically a religious magazine but at times it used to write against the incumbent government.

Mashriqi Pakistan: *Mashriqi Pakistan* was the first trilateral day Urdu newspaper which appeared from Dhaka on 11 March 1948.¹⁷ *Mashriqi Pakistan* came out under the supervision of Dr. Shadani. No copy of this paper is available now. Waheed Qaisr Nadvi writes about this paper: (This paper was printed at Aziz Art Press, Dhaka. The owner of the press was S.K. Aziz. The office of *Mashriqi Pakistan* was at the house of Hakim Habibur Rahman in the old city of Dhaka).

The Daily Pasban: *Pasban* was brought out on 8 June 1948. It was the only Urdu Daily Newspaper which lasted twenty one year. Its publication came to an end in 1968. Its first editor was Wahiduddin hunter then Ghulam Ahmed took over the editorship. Mustafa Hasan and Rafi Ahmed Fedai also edited *The Daily 'Pasban'* during the dying days of it.¹⁸

According to Dr. Abdus Salam Khurshid '*Pasban*' was not a complete paper because its content was insufficient. Calligraphy was ordinary and printing was agreeable to some extent and the sources of this paper were limited. Even then the paper has got a historical importance. This paper was the messenger of all social political and literary activities for the Urdu knowing people throughout erstwhile East Pakistan.¹⁹

The paper ran a very popular column 'Shisha wa tisha'. It was a jocular column. Under this caption the prevailing situations and incidents of day to day life were presented in jocular and satirical manner. Few columns of '*Pasban*' were earmarked for the news clippings. The news which was published in other Bengali or English papers was presented in these columns.

Khawar: After the closure of trilateral day paper '*Mashriqi Pakistan*' which was the out come of Dr. Shadani's hard effort, he was very shocked at its closure. To recompense and fill up the vacuum created by the closure of '*Mashriqi Pakistan*', he again brought out a monthly journal named '*Khawar*' (The Sun) in April, 1952.²⁰ The publications of *Khawar* was an epoch making incident in the history of Urdu journalism in this part of Bengal. It drew the attention of the contemporaries and received their applause. Brijmohan Dutta Kaifi, a renowned poet and scholar of Urdu language, emboldening Shadani, writes: (You have brought out a fine journal '*Khawar*'. May Allah prosper it. I hope this will improve and bear fruit of success under your continuous efforts).

It is said that of all those Urdu journals and magazines which came out from East Bengal (Bangladesh) the '*Khawar*' was the most prestigious and of high standard. '*Khawar*' came out under the supervision of Dr. Wajahat Husain, popularly known as Shadani who had been the Dean, faculty of Arts, Dhaka University for three times. He was a professor of Urdu and Persian department of Dhaka University, '*Khawar*' was made public in April, 1952. It was the property of '*Khawar*' Cooperative Society Ltd.

¹⁷ Shanti Ranjan Bhattacharya, *Bangal mein Urdu Sahafat Ki Tarikh*, West Bengal Urdu Academy, Calcutta, 2003, p. 175.

¹⁸ Dr. Abdus Salam Khurshid, *Sahafat Pakistan-o-Hind mien*, Shafique Press, Lahore, 1963, p. 517.

¹⁹ Professor Haroon Rashid., *Mahfil jo Ujar gai*, Zain Publication North Nazimabad, Karachi, 2002, p. 271.

²⁰ Dr. Abdus Salam Khurshid, *Op. cit.*, p. 516.

Monthly 'Khawar' was printed at Young Press under the patronage of Khawar society and was distributed from 31, Nilkhat Road, Dhaka.²¹ The paper continued to have been published for one year without a break. It contained sixty four pages.

'Khawar' from April 1952 up to March 1953 continued to appear regularly without a break. A regular column 'Bazmen Khawar' was started in 'Khawar'. In this column Dr. Shadani used to answer to the questions of general people and also introduced the contributors to the people. The main contributors of 'Khawar' were- Nawab Jafar Ali, Asar Lucknavi, Hamid Hasan Qadri, the renowned (philologist) Ehtesham Hasan (critics) Dr. Syed Abdulah renowned scholar Dr. Ebadat Braelvi, Dr. Abul Lais Siddiqui, Professor Al-Ahmed Suroor, Taher Farooquei, Professor Arshad Kakovi, Saaqib Kanpuri, Syed Abul Khair Kashfi, Qazi Abdul Wadood, Imtiaz Ali Khan Arshi, Jamal Mazhari, Syed Waquar Azim and renowned humorist Showkat Thanvi and Dr. Kalim Shahsarami former Professor and scholar of Department of Languages of Rajshahi University.

Among other articles, the ascertaining articles were purveyed in this journal. Moreover, the best chef d'oeuvre of Bengali language translating into Urdu were presented in this journal to add the sheen of the paper. The creed and culture of East Pakistan was portrayed through 'Khawar' with much fervour for the Urdu readers of the other parts of Pakistan. For example, 'Machhi' by Qazi Nazrul Islam, short story; 'Aadu Bhai' by Abul Mansoor, 'Perchhaeen' by Joter Moyi Devi, 'Gul Nelofar' by Showkat Usamn, 'Dhancr gaan' by Alauddin Azad.

Dr. Shadani had a good reputation as a critic in the literary circle and that is why he had earmarked a few pages of Khawar for review and analysis of the books and articles. Besides, he ran a column titled, 'Dawate Fikr' (invitation of thinking). The objectives of the article were to make Urdu script easier and popularise. He suggested some alternation in the script of Urdu. He gave some suggestions to change the manuscript of Urdu. But his suggestion drew flake from his own contributors.

Dilruba: Monthly Dilruba came out from Dhaka in August 1952. This journal was published in three languages at a time- Bengli, English and Urdu. Its editor was Abul Hasnat Abdul Qadir from Mymansingh. He published this journal in the remembrance of his loving wife Dilruba who died in her forties. The first issue of Dilruba appeared from 3, Pyari Das Road, Dhaka. Only seven issues of this magazine came out. The last issue of May and June jointly appeared in 1953.²²

'Dilruba' was purely a non-political and a literary journal. 'Dilruba' mainly published Nazms (poems), Ghazals and short stories. The main contributors of this journal were Shamim Mozaffarpuri, Ayaz Asami, Umme Amara, Jan Banarsi etc. In the same issue under the caption of 'Apni Batiien' the aims and objectives of the publication of Dilruba have been illustrated very elaborately with a note of caution: (The main objective of the publication of 'Dilruba' was to strengthen the relation between East and West Pakistan and to maintain the unity and integrity between the two wings. Molvi Abdul Haque, more or less shares the same feelings and emotions as we do in regard to the development and expansion of Urdu in this region. To achieve this goal the measures that have so far been taken are completely ineffective and wrong. In East Pakistan the prevalence and expansion of Urdu is not possible forcibly. It needs the consent of the people and have to be dealt with tolerance and kindness. Right from the very beginnings since Pakistan came into being the people who have been associated with and have undertaken the responsibility for the enhancement and

²¹ Professor Haroon Rashid., *Op. cit.*, p. 277.

²² Showaib Azim 'Mahnama Khawar Dhaka- Ek Tafsili Jaeza', January-March, 1984, bvp. 66.

expansion of Urdu in this region are suffering from superiority complex. Be it Mr. Fazli or Dr. Shadani, all are pursuing the same policy.

In fact these are the people whose wrong vision and policies are deterrent in the way of taking root of Urdu plant in this soft earth of Bengal. Poor Urdu has already suffered a lot of injuries in Bengal. It has been inflicted by its own people. If Molvi Abdul Haque wants to bury Urdu in this land for ever. It is true then it is all right but if he wants to let it survive, he is requested to come over here and see the situation by himself and consult with the people mentioned above and renew a guideline for future course of action).

A satirical article captioned 'Khatmal' (bug) had very interestingly been presented by Ayaz Asami. Bugs are a constant source of vexation for the human beings and the way they tease people, has been narrated humorously and effectively. The writer finished the article with a note of fear and expressing his unwillingness to enter the heaven if he notices the presence of bugs there.

Ab-o-Gill: *Ab-o-Gill* means water and mud. This quarterly magazine started to appear in 1960 from Dhaka. Its editor was a renowned poet and film maker Suroor Bara Bankvi. The office of the paper was at 2, North Brook Hall, Dhaka. Its price was fixed at 8 anna. The journal contained eighty pages.²³ 'Ab-o-gill' had nothing to do with politics. All articles published in this paper were of literary sort. Mostly Ghazal, Nazm and short stories appeared in this magazine. The main contributors of the paper were Abid Danapuri, Anwar Farhad, Momtaz Naqvi, Banu Akhter Shahood, Umme Amara Afsar Mahpuri, Adib Suhail and Waheed Qaiser Nadvi. Analytical essay on books and journals were also published. In the issue of December 1960, an article on Dr. Shahidullah, a renowned litterateur, poet, scholar and linguist, was published.

Nadeem: *Nadeem* was issued in 1960 under the supervision of Dr. Shadani. Its editor was his competent pupil Arshad Kakoi and sub-editor was Hasan Azimabadi. *Nadeem* is said to have been the best ever journal published from Dhaka. Twelve issues of *Nadeem* came out. The last issue appeared in April 1962.²⁴ All the copies of *Nadeem* are available in Dhaka University library in Arshad Kakovi collection.

Nadeem was purely a literary magazine. The policy of the paper was to acquaint with the Urdu knowing people with the people of Bangali language and culture. This is the reason why the exclusive introduction of the poets and laureate and their works translated into Urdu was presented to the Urdu readers. In other words, *Nadeem*, seems to bring the people of the then East and West Pakistan closure.

Nadeem in its issue of July 1960, brought out a special Nazrul supplement, the national poet of Bangladesh and known world over, as a poet of Bengali language. In this issue *Nadeem* highlighted some untold and unseen aspects of Nazrul's life along with a commentary on his literary works. Despite unfavourable circumstances this paper continued to remain in circulation for one year and received acclamation from home and abroad.

Given the fact the Urdu journalism started in Bangladesh (East Bengal) in 1906 but it never could consolidate its position among the common people because the language of common people was Bangla. So right from its inception Urdu press it had always been unstable. Time and again a lot of daily, weekly, monthly and quarterly papers and periodicals emerged but could not survive for a long time. The only Urdu newspaper 'Pasban' could continue for twenty one years. Beside this no newspaper or journal lasted more than one or two years.

²³ Professor Kulsom Abul Bashar, 'Beeswin sadi mien Bangladesh mien Urdu Sahafat.' *Hamari Zaban*, Delhi, February, 2000, p. 18.

²⁴ Sarur Barah Bankvi, *Ab-o gil*, North Brook Hall Road, Dhaka, 1960, p. 68.

Some of the daily newspapers which were launched in Dhaka with a much ado and enthusiasm after the division of subcontinent, such as: Daily Sitara, Angara, Hangama, Inquilab, Sarafraz, Hamari Awaz and Watan, etc. but none of them could achieve success. Most of them lived only two or three months.

The weeklies also met with same fate. Such as: Amin, Manshoor, Sarafraz, Mizna, Sabrang, Al-Mohajir Shahab, Chitrani, Payame Mashriq Sahil from Khulna, Basarat from Dhaka, Haqueeqat from Dhaka, Quam, Khulna, Insaf Rodad, Jarida-Only Chitrani, a film magazine lasted for four years. Monthly: Mofakkir, Shaheen, 1950, Raftar, 1950, Mashai, Nasheman, Fankar Rubab, Karnafali, from Chittagong in 1967, Rawish, Al-Alam, Dastak, Shua, Quami Digest, Kharam, Shahkar, Daira, Qalamkar, Azme Naw, Badban etc.

Most of the papers and journals issued from Bangladesh were of literary sort. Their circulation was limited and so they utterly failed to contribute or add any feather in the cap of the society of Bengal effectively.

Conclusion

So as far as the history of Urdu journalism is concerned specially of East Bengal, most of the Urdu newspapers brought out from this region were of literary sort. Hakim Habibur Rahman, the pioneer of Urdu journalism in Bangladesh, brought out two journals 'Al-mashriq' in 1906 and 'Jadu' in 1923, keeping in mind the economic emancipation and poor conditions of Muslim mass and class. He had also in his mind his agenda to improve and enrich Urdu language which in those days supposedly considered as to be an ancestral language of the Muslim and the common feelings was that it reflected the Muslim culture as a whole. Hakim Habibur Rahman's intention was also to preach Islam through this language. He dealt it with very effectively. He also stressed upon the need of female education and focused on the necessity of parda (use of veiling) for women.

Although Bangla was the language of majority people of Bengal, in comparison to Urdu. Urdu was just confined within the towns and the cities and yet voice of Urdu reached to the general mass through people to people interaction, literary activities were also intensified through Urdu press. So it is observed that though the papers lived a short life they left a lasting social, political, literary and religions impacts on the lives of the people of Bangla.

AKHILA JAMI MOSQUE-UNDERSTANDING 'VERNACULAR-RELIGIOUS' ARCHITECTURE AND MOSQUES OF THE MUSLIM BENGAL: A CASE STUDY ANALYSIS

Sajid-Bin-Doza*

Abstract : Mosque architecture in Bengal is famous for its own entity and clarity. Sultans built the magnificent mosque architecture with Bengal's indigenous influences considering the huge scale construction and established the impressive congregational mosque and individual structures. The roofing style and treatment of facade shows not only structural conception but also intellectuality of the architecture. The Mughal elaborated situation of making a mosque with high plinth, huge *shaan* (paved courtyard), cloister, decorative screen, minaret and three identical domes. The study will focus on the morphology of the religious architecture. This research will be addressing the climatic consideration and responsive architectural phenomenon, which is integrated with the traditional spaces.

1. Location

Akhila Jami Mosque is located at the village *AKHILA, Nachol*, about 87 km away from Rajshahi Metropolitan City. *Nachol* is basically a part of the *Varind* main land, the land which is elevated and is comparatively at a higher elevation than the adjoining floodplains. The contours of the Tract suggest that there are two terrace levels¹ - one at 40m and the other between 19.8 and 22.9m. Therefore, when the floodplains go under water during the monsoon the *Varind* Tract remains free from flooding and is drained by a few small streams. So mud walled structure is sustainable² in this region.

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¹ http://banglapedia.org/HT/B_0309.HTM

² sustainable is a general term that describes environmentally-conscious design techniques in the field of architecture

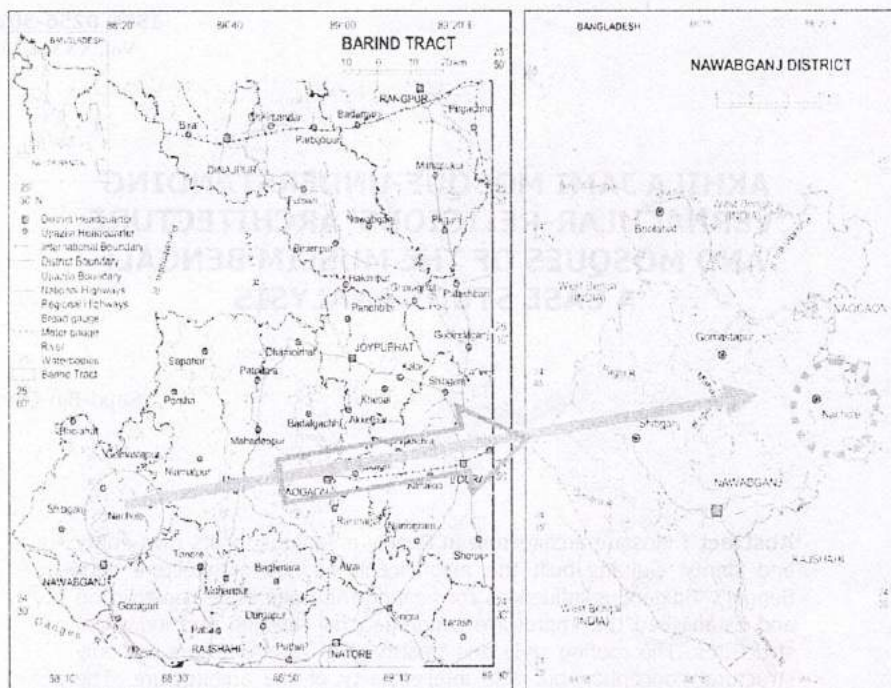
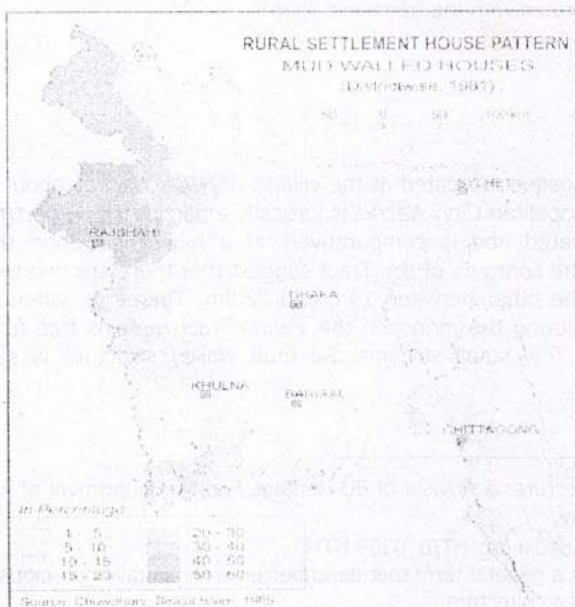


Fig 01: map showing Barind tract, District of Chapai Nowabgonj and Nachol highland
 Source: Banglapedia



2. Introduction

The northland of Bangladesh is suitable for mud structure. Earthen built form is the major ingredient in the rural settlement. Because of the strong compactness of earth. Through a study it is identified that mud built house form in the North Bengal occupies 60% of the entire rural area of Bangladesh³. So people of this region built their house, commercial strip, schools and other rural infrastructural forms by mud. Among them mosque is a religious built form where people gather for sacred purpose and having a community interact five times a day and congregational facilities a week. In the rural settings *waqt*⁴ mosque (figure 03 and 04) of mud structure is a

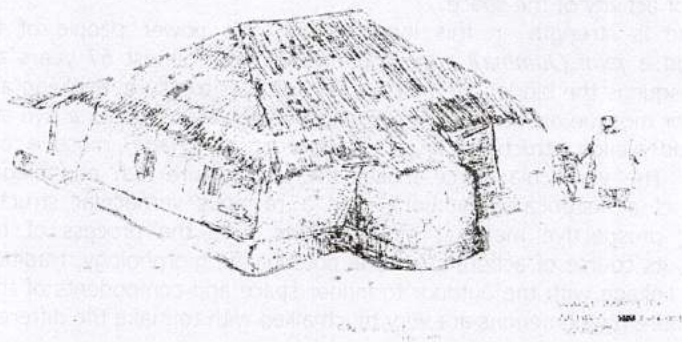


Fig 03: waqt mosque of the region



Fig 04: 50-60 person jamat masjid constructed by indigenous materials. Mosque is a participatory activity space, where people gather for five ideal times.

³ Chowdhury, Sirajul Islam, 1995, Banglapedia

⁴ *Waqt*: Five certain time for prayer in a day

common one in *Varend* (North High Land) area, this kind of mosque is tiny and serve the purpose of five different *wakt* (time) prayer for the neighborhood. The main construction material is earth and roofing style *chauchala* with thatch. In some cases this *wakt* mosque is little elongated both in north and south (fig 04). Another purpose of the mosque for the education, this kind of education is still alive for the children in rural and some suburban settings. In another term we can justify it as the collegiate mosque⁵. So collegiate mosque is a vibrant religious building where people are oriented with a disciplined manner, space for learning and a space where a neighbourhood interaction occurs. These all are about the *wakt* mosque and the pattern of activity of the space.

'Mud is strength' in this locality. With this power people of the region generated a *jami* (*Jumma*) congregational mosque almost 67 years ago. Akhila Jami mosque is the hidden architecture and unfolds treasure, evolving and seeking a style for mosque architecture in Bangladesh. *Akhila* mosque is a two storied (*deetaal*) mud walled structure. It is a congregational (*jami*) mosque or a Friday mosque. The vernacular force makes the architecture rich and elegant. *Akhila* mosque is a historically traditional and a religious vernacular structure where different prospective meaning meets. Starts from the process of making the mosque, its course of action, structural potentiality, morphology, traditional spatial pattern, linkage with the outdoor to indoor space and components of the mosque. These entire phenomenons are very much allied with to make the different (fig 13).

3. Methodology of study

Primary data was collected form the site. Detail documentation of technical drawings prepared for the thorough study. Interviews took at the study area to authenticate the research to the global arena. A detail analysis and identification was formed to secure the architecture as the vernacular religious structure. Extensive literature review conducted during the research. Photographs were taken and sketches were prepared to evaluate the formal expression and the spatial pattern and proportion.

4. What is religious architecture?

From the ancient time mankind built magnificent architecture for worship. Structures still are evident providing the message of making religious manner. Spiritual value is the power of mind and connects a relationship with the God. So most of the structures from ancient period to late medieval era religious aspects are prominent. People used those religious structures as the administrative ruling purpose before and after the prayers or worship, religious building then became the center of administration. Basically religious structure provide access mass people gathering, an interacting space where people meet. So sacred building becomes a popular factor to the people from where one can experience the spiritual spatial environment and share socio-cultural exchange. Religious architecture is concerned with the design and construction of places of worship and sacred or intentional space (fig 5-9), such as churches, mosques, stupas, synagogues, and temples. Many cultures devoted considerable resources to their sacred architecture, and their places of worship, religion and sacred spaces are amongst the most impressive and permanent monolithic/dressed material buildings created by humanity. It is discussed before that

⁵ Michell, George.1991. Architecture of the Islamic World, Thames and Hudson, London, pp-38

sacred religious and holy structure often evolved over centuries and was the largest buildings in the world, prior to the modern skyscraper. While the various styles employed in sacred architecture sometimes reflected trends in other structures, these styles also remained unique from the contemporary architecture used in other structures. With the rise of monotheism, religious buildings increasingly became centers of worship and meditation.⁶ In Bengal most of the monuments built for religious aspect. Forms the Buddhist Monasteries to the Sultan's and Mughal's (figure 5 to 10) structures reflect the glory of the local interpretation and the meaning of religiousness.



Fig 05: Ashrafpur Bronze Stupa (8th Century AD,) religious emblem Stupa. representation of the grave of Lord Buddha. Established both in miniature and live scale during the Buddhist period. A center point or the nucleus of the monastery or for a Buddhist Educational block

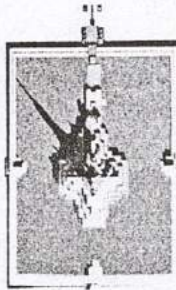


Fig 06: Shompur Buddhist Vihara a huge scaled building with the center sparking shrine as well as the brick gigantic stupa temple for the worship.

⁶ Michell, George.1991. Architecture of the Islamic World, Thames and Hudson, London, pp-13

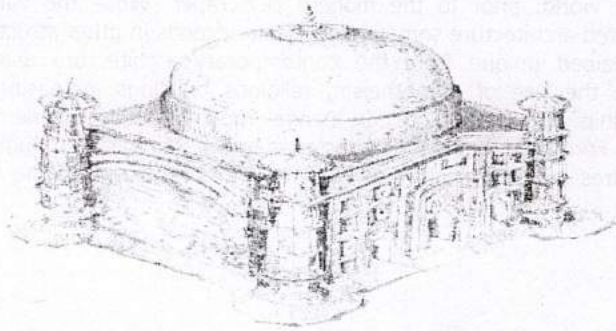


Fig 07: Sadi Mosque is composed with a single chamber prayer hall crowned with a huge dome and raised up by the high drum. Interestingly this neighbourhood mosque is with the style of Transitional phase of Mughal and the front screen cornice is prominent with a small pediment that is similar with the mega-structure Shait Gumbat mosque pediment though it is eliminated in this days. so the influences from rural hut is still present in the major part of the façade treatment.

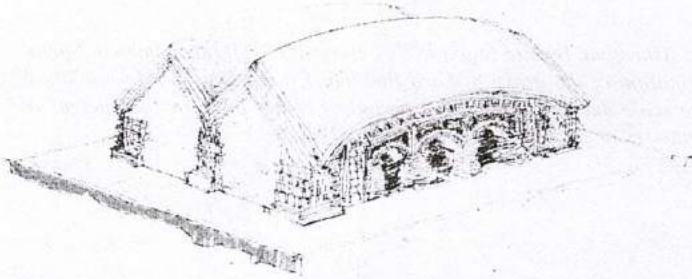


Fig 08: another bold influence making a religious structure, the JorBangla Temple is the example of incorporating a vernacular house form. This is authentically and purposefully amalgamated in a temple



Fig 09: 9domed mosque having a unique geometry and very contemporary graphics is inherited in the particular architecture. Bengali Sultanate architecture has statement of having multi-domed mosque for worship. This form of architecture also states the legitimacy of Bengali village influences.

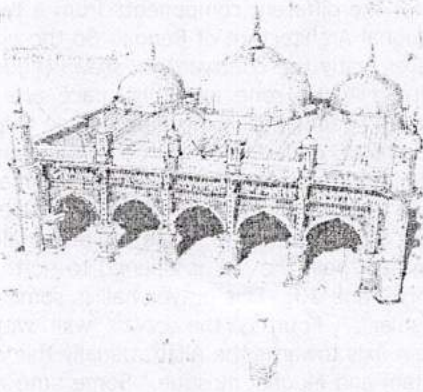


Fig 10: The Mughal TARA mosque is changed by some illiterate attitude. But the actual Tara Mosque was like as the image. This mosque has a nice setback that helps people to think the mosque as the image or the precious element. Religious building that has the particular character to identify the stylistic profile, like Tara mosque is crowned with three domes, a vocabulary of Mughal mosque.

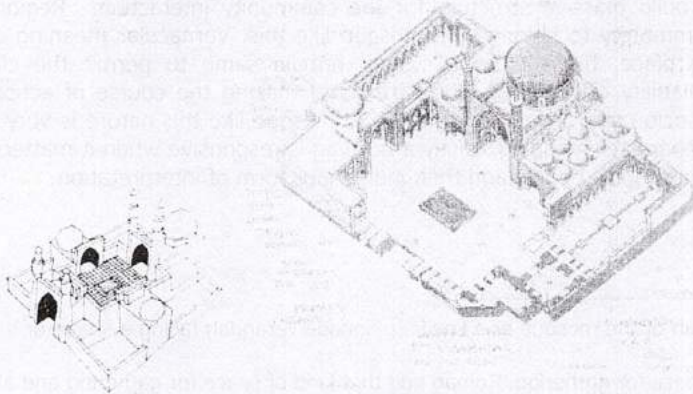


Fig 11: The Persian mosque has the character to contain educational institute around the cloister. The central block dedicated for prayer and the left and right arms are for the madrasah, which is known as the collegiate mosque

6. The chronological growth evolving local trends of religious vernacular architecture

5. Mosque and its components

The study is authentic to seek for the different components from a typical historical mosque of the Sultanate and Mughal Architecture of Bengal. So the elements of the historically significant mosque are: firstly the courtyard or *shaan* (figure 10 and 11) which is suitable for the tropical climatic zone and this space are also provides congregational facilities. Lighting and ventilation is more accessible to permit passive climate. Secondly the *iwan*⁷ (*verandah*) added later from a single room prayer hall, which helps to conduct interaction and gathering forum⁸ before the main prayer hall. This space has the multiple uses till days meeting and administrative space of the neighbour, space for learning for the children and space for personalize meditation and prayers. Thirdly the main prayer hall, the hall is opened to north and south to allow lighting and ventilation (fig 9 and 10). This prayer hall is sometime square in shape and rational as rectangular⁹. Fourthly the *qbla*¹⁰ wall with the central *mehrab*¹¹. This wall confines main axis towards the Allah. Usually this *mehrab* wall is the ornamented part of the Sultani and Mughal mosque. Some time *mimber*¹² used to add for the recitation the *khutba*. This member was the most ornamental part of the Sultani mosque¹³. So all these elements comply and fulfill a Historical mosque. The historical review was necessary to understand the value and validity of the mosque. In Bengal mosque with the indigenous meaning conceived and considered those entire phenomenon making a mosque. And Akhila mosque is no exception in this case.

Architecture in this rural territory derived with the certain spontaneous issues. The issues are the geological influence, climatic comfort, available materials, craftsmanship and responsiveness of the architecture to the community. These all forces help to confine a structure to be more authentic as well as contextual. Northland of Bangladesh is strengthened with mud architecture; people of the region are skilled to build massive structure for the community interaction. Regionalism shapes the community to belong with mosque like this. Vernacular meaning differs from place to place, but the basic system remain same to permit the climatic condition, availability of materials, local trends of making the course of action and above all the socio cultural spatial qualities. So mosque like this nature is very much legitimate for character mapping. Lastly a building is responsive when it matters with the involvement of local people and their indigenous form of interpretation.

⁷ *Iwan*: verandah of the mosque or a linear colonnade verandah facing a shaan or courtyard

⁸ Forum: is a space for gathering. Roman had that kind of space for gathering and also for the procession. This space is a 'pre-function' space in front of the main gallery.

⁹ Rectangular prayer hall with *iwan* (verandah): this characteristics is striking in the DARASBARI Mosque.

¹⁰ *Qbla*: axis of prayer for the Muslim

¹¹ *Mehrab*: apsal end space from where Imam do lead the prayer

¹² *Member*: a place from where the Imam deliver *Khutna* before namaz

¹³ Adina mosque at Pandua, and Darasbari has the identical feature of those members built with sometime stone and bricks.

7. planning organization of AKHILA Jami mosque

- a. Namaz Ghar** (The main prayer hall)
- b. Iwan/verandah** (cloister)
- c. Madrasa** (Muslim Residential Institute)
- d. Imam Ghar** (Residential unit for head of Mosque)
- e. Uthan** (courtyard)
- f. Ozu pukur** (tank for ablution)

Planning organization of AKHILA Jami mosque shows the brilliance of making the central courtyard space (fig 12) with the two strong arms, north arm contains the *Imam's* residential block, and the southern arm is having the *Madrasah*, or the residential institution. A short cloister (fig 15) is running around the courtyard provides the climatic protection. The mosque is faced towards a huge tank or Dighi. So the purpose of the water body is nothing but abolition and the traditional meaning. The central block is the main prayer hall having three

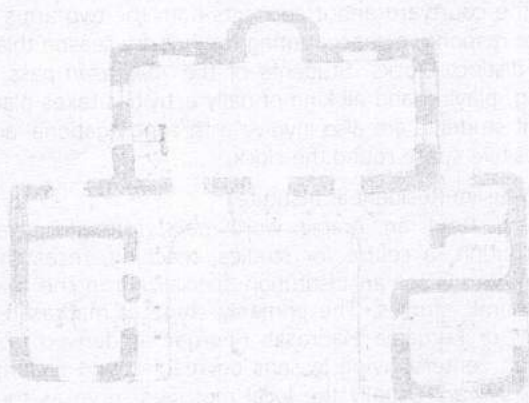


Fig 12: plan of Akhila jami mosque

wooden columns (now replaced). The thickness of the prayer hall is 40-45 inches. A stair is allocated just left end of the main structure, to go up for the immediate prayer hall. The main access to the mosque is by the side of the pond and also having a secondary entrance from the west corner.

a. Namaz Ghar (The main prayer hall)

The main prayer hall (fig 14) has the dimension of floor is of mud finish. North and south walls are perforated with set of window. The west wall or the *qbla* wall is recessed with three *mehrab* where the centre one is larger and it expresses at the out side. The overhead plane or the roof is raftered and joisted with wooden origin¹⁴ and overlaid with thick mud covering. The structural system is expressed from interior (fig 15 and 23). The prayer hall is two storied and a stair leads to the mezzanine floor. The upper prayer hall brighten with sun beam getting through windows and establish the 'theme of enlighten' of Islam. Deep pitch and projected eaves helps the wall to protect from the erosion during monsoon rain. The prayer hall has roof with double tire. So this statement establishes the climatic responsiveness. At the middle of the prayer hall a door is set for the *Muazzem*, which flew towards a deck to the courtyard. *Muazzem* calls for prayer in those days when electronic devices were not available.

g. Iwan/verandah (cloister)

Akhila jami mosque is a transformation of the historical mosques. The planning organization of the mosque intelligently reflects the essence that is taken from the sultanate mosque (fig 15). *iwan* (cloister)¹⁵ or *verandah*-is the shaded spine that seated around the courtyard and it connects both the two arms of the mosque. The *iwan* is a climate responsive space, during the hot dry season this spine helps to keep cool the three distinct blocks. Students of the *madrasah* pass their day time with learning, praying, playing and all kind of daily activities takes place before the prayer hall. In the night students are also involve with congregational activities. So the *iwan* becomes the positive space round the clock.

h. Madrasa (Muslim Residential Institute)

Madrasah derived from an Arabic word *darsun* meaning lesson, is a Muslim educational institution, a centre for studies, teaching, research etc. In its popular usage, the term stands for an institution specializing in the teaching of the Arabic language and Islamic studies. The primarily stage of *madrasah* is called *Maqtab* or *Nurani Madrasah* or *Furqania Madrasah* ('Furqan' is derived from *Al-Furqan*). The primary education centers giving lessons on reading and reciting the Holy Quran is known as *Darse Quran*. Usually the local mosques serve as the center for primary education for boys and girls of nearby families. The *imams* and *muazzins* of local mosques work as teachers. Just like the other collegiate mosque¹⁶ (fig 11) *Akhila Jami Mosque* contains a *madrasah*. The students' structure of the *madrasah* is 25 in number. The *madrasah* block has a small kitchen. The roofing treatment of the *madrasah* block is deep cut *chouchala*.

¹⁴ 'Wooden origin'- is the structural system adopted by the vatic civilization, where wooden members are the main roofing members of construction

¹⁵ Cloister is the colonnade linear circulation around the paved courtyard, courtyard (shaan), plaza and a forum space

¹⁶ Collegiate mosque: is associated with the *madrasah* or residential Muslim institute. Persian mosque contains those profiles (fig 11).

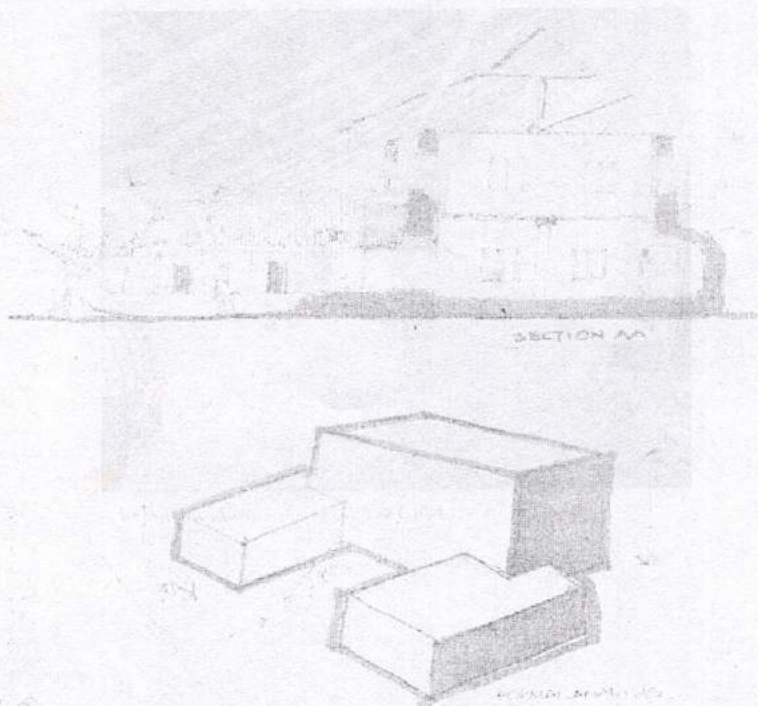


Fig 13: plan of Akhila jami mosque

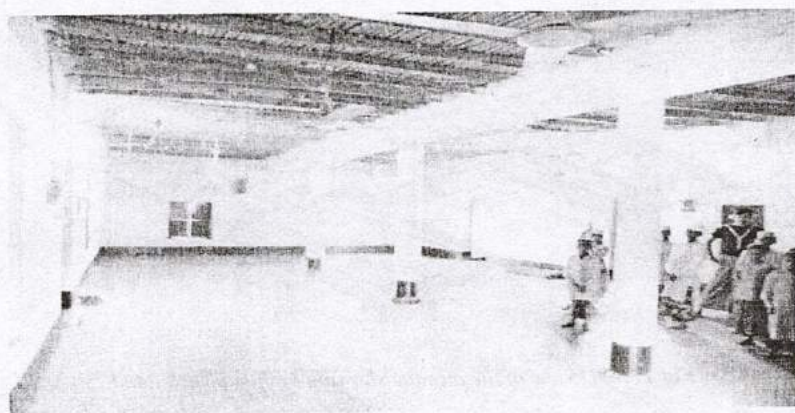


Fig 14: indoor space quality the prayer hall with bamboo and wooden origin roofing style



Fig 15: Cloister around courtyard



Fig 16: an ancient madrasah at Darasbari, giving the impression of a monastic appearance.

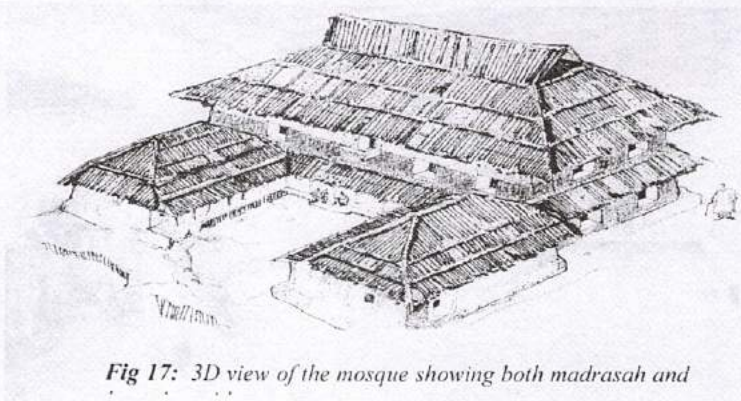


Fig 17: 3D view of the mosque showing both madrasah and

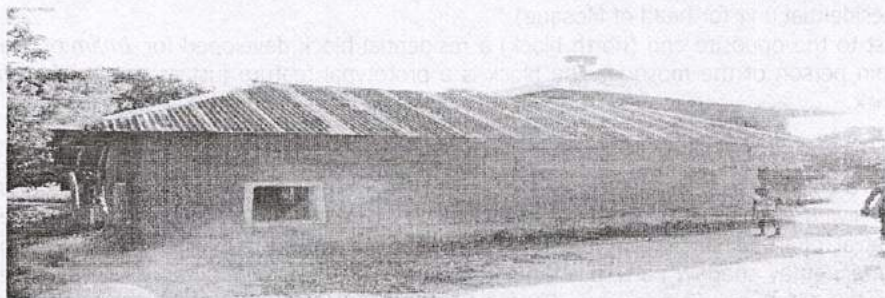


Fig 18: left wings of the Imam's residence and the mosque is just behind

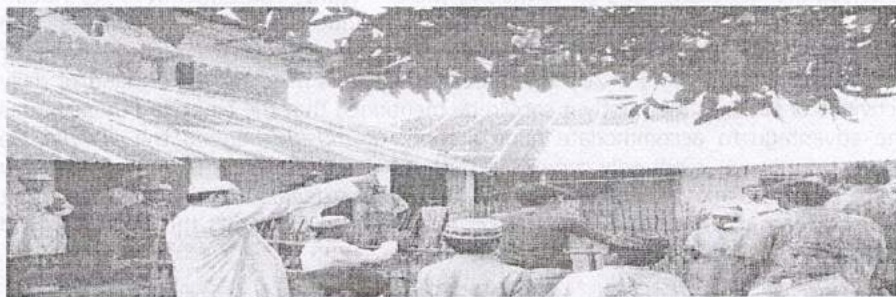


Fig 19: activities around the courtyard

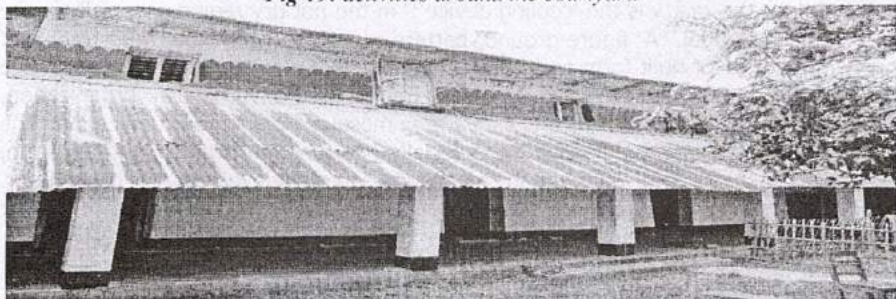


Fig 20: Good sense of enclosure



Fig 21: Water body at the east of the structure

i. Imam Ghar

(Residential unit for head of Mosque)

Just to the opposite end (north block) a residential block developed for *Imam* or the main person of the mosque. The block is a prototypical feature just as the *madrasah* block.

j. Uthan (courtyard)

The architecture of Bengal can not be described without the central space which is the 'living cultural' part of a built form; people of Delta are comprehensive with the central open to sky space, they find inspiration from the sunny day light during winter, enjoy shadow pattern and ventilation in the summer and can touch-feel the blessing of the monsoon rain. So for an inhabitant the courtyard is the 'cultural space'. Family gathering, cooking, eating, gossiping, entertaining, and occupational activities are generated and performed in the courtyard. Consequently Delta's built-form is dotted with courtyard and *Akhila Jami* Mosque is also no immunity, though this is the public/religious building, this structure derived from the vernacular settings. Courtyard (fig 19, 20) or the central space is used for the all kind of daily activities of the mosque, firstly it should be mentioned that the courtyard mosque has the advantage to accommodate huge number of *musull*¹⁷ during the *Jumma*. So courtyard mosque is not only serves the purpose of the public gathering but also very much conscious about the private space also, where students and the *musullies* spent their time around the courtyard. The courtyard is also indicating the sense of good enclosure (fig 13 and 20).

k. Pukur (tank for ablution)

Water tank or the *pukur* is the 'cooling device'¹⁸ in the hot dry region especially in the northland of Bengal. A figure-ground pattern develops with the adjustment of courtyard, cluster of built form and lastly a water tank. So *pukur* and courtyard these two elements are the core socio-spatial elements in the vernacular organization, which is very much reflected in the *Akhila jami* mosque's planning organization. The function of the *pukur* is as glowing and specially one function is added the abolition, the *pukur* becomes the valued part of the mosque however for the neighbour. Traditionally a mosque is compounded with a large tank¹⁹, the tank used to dig for the betterment of the community.

8. Course of construction technique

Stage one is preparation for the foundation works, people dig the trench to stabilize the foundation at the depth of five feet. Initially the width of the foundation trench exists about 60 inches and tapering upward. Ultimately the width comes over the ground level about 48 inches. So the craftsmen give much effort on this stratum

¹⁷ *Musilli*: Muslim pilgrims

¹⁸ Cooling device- the term is used here to mention the comfortable temperature that is created by the *pukur* or tank. Situation of a micro climatic zone in the hot dry region.

¹⁹ Historically Sultanate and Mughal Mosque were associated with large tanks, such as Shait Gumbat Mosque, Choto Sona Mosque, Kania Dighi Mosque, Darasbari Mosque, Shah Muhammad Mosque and Shah Niamatullah Mosque. All these mosques with tanks generated the micro climatic situation in the region.

The Construction Techniques and Course of Action



Fig 22: course of construction and chronological diagram of the

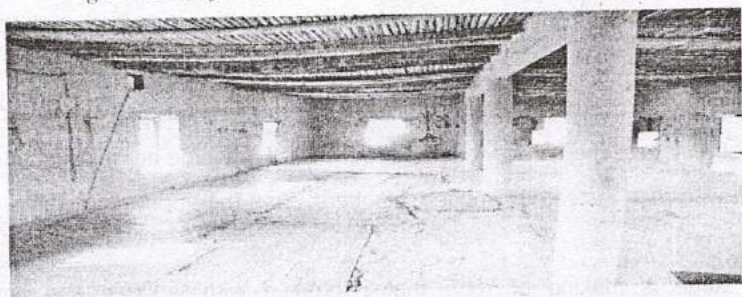


Fig 23: light as the grace ness entering in to the indigenous space

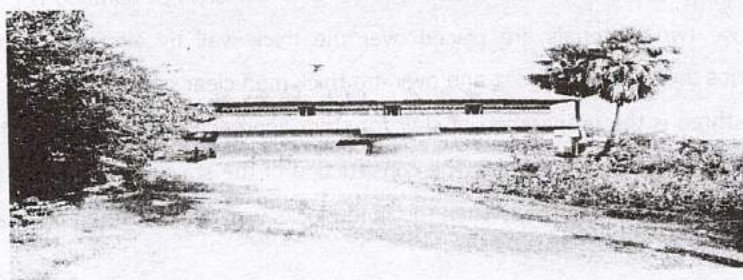


Fig 24: axis towards the mosque

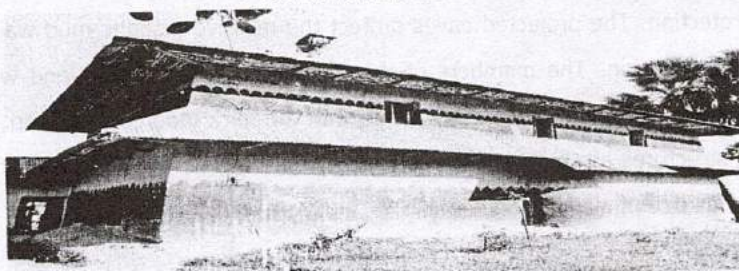


Fig 25: massive structure with projected eaves and emblem of

because this part of the structure is strengthening to carry and distribute the compressive load to the ground. Mud wall is constructed 2'-6" at a time in a day to have proper strength. same time the architecture is sustainable in different cases like the site, material, labour, craftsmanship, climate responsiveness and above all the strength of identity and entity for the region. The study identified the components of the historical mosques and elaborated its mechanism that is interpreted in the particular settings; the maturity of this sacred architecture is glowing with the recourses of the heritage of Bengal. *Akhila* mosque is a sole tuneful development in Bengal's rural landscape, an ingenious movement in the village *Varid*, this is not the spot development in a particular village but a script for contextual architectural statement

Stage two is the lintel level and wood is used as the lintel material. *tockta*²⁰ or wooden plate lay over the window and door punches. Sometime dense bamboo joists are aligned with rope instead of wooden members. Then the upper mud wall is ready for construction.

Third stage is making of roof, that reinforced with wooden and bamboo materials, where wooden plaque is as the rafter and row of thick bamboo act as the joists. Those two materials are placed over the thick wall by alternate direction. Rafter carries the load of the joist and over it a thick mud clear cover is laid.

Stage three is the preparation of stair for story approach. High riser and shallow tread are used to reach the height. The construction of the stair was formed with the shuttering of bamboo and wood. Then the mud blocks were incorporated for masking the entire form of stair.

And the last stage was associated with the deep cut pitch (*chouchala*) for the climatic protection. The projected eaves protect the massive gigantic mud wall from monsoon rain erosion. The members of the *chala* roof were bamboo and wooden purlin. The roofing system was boldly joined with the thick tapered wall's top. Other two single structures are built with the same process considering the climatic factors and functional potentialities.

²⁰ *Tockta*: wooden plate used as the lintel to secure window punch

9. Akhila mosque and its Genuineness: An analysis

Firstly *Akhila Jami* Mosque is not the establishment of a person's interest; rather it derived from the participation and involvement of the local people. Secondly the mosque has got the vocabulary of the indigenous meaning as mention before, at the.

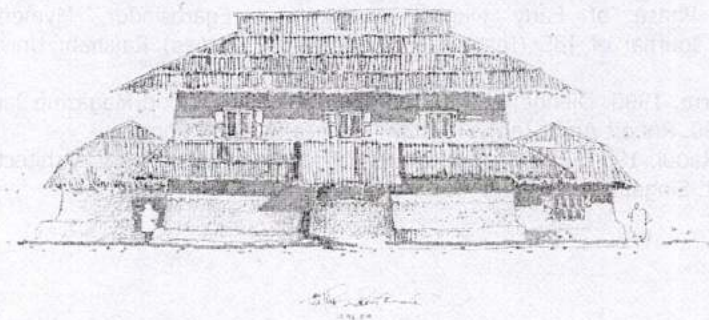


Fig 26: *Mehrab (West) character*

10. Religious architecture and indigenous meaning: the concluding words

Sultanate mosque architecture in Bengal shows the spirit of adaptation to the indigenous meaning and culture. Indigenous forms were used to create a new type of building to meet the congregational needs of the Muslim Community in Bengal. *Akhila Jami* mosque was built based on forms and concept evolved ultimately from the village hut, all the elements that are collected and built the structure with the harmonious growth pattern. People of the region eventually found the stylistic appearance creating a mosque from the core-inspiration level. Mosque with indigenous manners are still evident in Arab, African world, Sub-Saharan region and Mali, The study analyzed the vocabulary of elaborating a religious architecture through indigenous approaches, respecting all components and the historical organizational pattern. The paper also tried to explain the regionalism with the light of sustainable manners. Bangladesh is a rich land and there are so many regional diversity scattered around the country, this architecture is one of them, empowering our local and contextual manner silently. *Akhila Jami Masjid* is a vision and aspiration to the architectural community, country people and above all in the global ring.

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MALACCAN TRADE WITH SPECIAL REFERENCE TO CHINA AND BENGAL

Imtiaz Ahmed*

Abstract : Malacca was the first Muslim State in South-East Asia and it was founded by a converted Muslim Sultan in the early of the fifteenth century. Although it started as a small port, but it gradually became a busy seaport and a famous trade centre under the patronage of its Sultans. Many countries of India, Western Asia and South-East Asia, established good commercial relations with Malacca. They came to Malacca by their own ships with different types of goods and they either sold their goods or exchanged goods among themselves. The Sultans of Malacca gave many facilities to the foreign traders, who came to Malacca for business purpose. It gradually became the busiest and international trade centre. Its commercial reputation continued till the occupation of Malacca by the Portuguese in the early of the sixteenth century.

Introduction

Malacca was the first Muslim State in South-East Asia. It was founded by Parameswara, a converted Muslim Sultan in around 1401¹. It was situated on the bank of the southwest coast of the Malay-Peninsula (in modern Malaysia) and in north of the Strait of Malacca. It was an unknown and unimportant village and a small port in the early fifteenth century. But It gradually became a busy seaport and a famous trade centre under the patronage of the Sultans of Malacca. Hundreds of merchants from Arabia, Persia, India, further India and China as well as from the Indonesian regions came to Malacca. Most of the traders were Muslims. The traders came to Malacca with different commodities and completed their transactions there. Many of the foreign traders permanently lived there for business purpose. It gradually became the busiest and international trade centre. Its commercial reputation continued till the occupation of Malacca by the Portuguese in 1511. The objective of the article is mainly to introduce Malaccan trade specially its glorious position in the South-East Asian trade through the world trades in the fifteenth century.

The Foundation of Malacca

So far as we know about Parameswara, the founder of Malacca was a Sailendra prince of Palembang, a province of southeastern Sumatra. During the war of

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¹ John F. Cady, *South East Asia: Its Historical Development*, 2nd Indian Print (New Delhi: Surjeet Publications, 2006), p.154.

succession, which broke out in 1401 between Virabumi of East Java and King Vikramavardhana of Majapahit, he escaped from Palembang and took shelter first in Tumasik (Singapore) a subdued country of Thailand and then at Malacca. Malacca was then an insignificant village of sea rovers and fishermen.²

Parameswara attempted to establish himself here. Parameswara helped by the sea rovers and reinforced by numbers of Malaysians, who came over from Palembang to join him, rapidly built up a large settlement here. It began as a market for irregular goods and a pirate centre. Then, by forcing all vessels passing through the Straits to put into its harbour for passes, it developed at the expense of Samudra and Singapore³. D. R. Sardesai pointed out that coming to Malacca using his previous contacts in Palembang, Parameswara persuaded some traders and ship-owners to use the port of Malacca. Moreover, he used force to compel ships to call at Malacca, where he offered them an entrepot for exchange of goods from the East and west, warehousing facilities and excellent accommodation for merchants and seamen waiting for a change of monsoon winds to resume their return journeys.⁴ Thus, within a few years it became not only a regular and busy trade centre but also a great port city and an emporium where merchants from India, Pegu, Java, China and Arabia jostled in its busy streets.

The growth of Malacca

From the beginning, Malacca had to face many problems. Specially, it had to contend with three rival forces: Siam (modern Thailand, Majapahit (Java) and the Muslim principalities of northeast Sumatra. Of these, the Thais were a rising and strong power, while Majapahit was past its prime. But both the states claimed Supremacy over the Peninsula, and Siam could enforce it. Hence when in 1403 a Chinese envoy visited Malacca, the eunuch Yin-k'ing, Parameswara seized the opportunity to apply for recognition by the Ming Emperor and support against Siam. In 1405 he sent an embassy to China and promptly received recognition⁵. Parameswara became an independent ruler receiving this recognition by China but he felt unsecured himself, because China was far away. In the situation, Parameswara adopted the policy to make good relations with the neighbouring countries. He established friendship with the Muslim Sultan of Pasai, a northern Sumatran country. At the persuasion of the Sultan of Pasai Parameswara was converted to Islam and took a title 'Megat Iskandar Shah' in 1414. Thus Malacca became the first Muslim state in the Southeast region. After conversion of Parameswara to Islam, the rich Tamil, Gujarati, Bengali, Persian and Arab Muslims shifted their trading headquarters from north Sumatra to the more accessible port of Malacca. They brought the devoted preachers of Islam with them and Pasai thereupon reduced to minor importance.

² D. G. E. Hall, *A History of South-East Asia*, 2nd ed. (London: Macmillan & Co Ltd, 1964), p.193.

³ *Ibid*, p. 194.

⁴ R. Sardesai, *South East Asia, Past and Present*, 2nd ed. (San Francisco: Westview Press, 1989), p. 56.

⁵ *Ibid*.

Malacca rising as a trade centre

In the middle age, trade and commerce were the backbone of the economy of a country. The rulers earned huge money as commercial taxes from trade and commerce. Iskandar Shah, the Sultan of Malacca in consequence of development of his port-state increased various advantages such as building up warehouses, restaurants, hotels etc. for foreign traders, mainly the Muslim traders. After the death of Sultan Iskandar Shah, his successors also patronized the foreign traders and gave them different opportunities. They employed Shah-i-bandars to look after the commercial things of the foreign traders. M. R. Tarafdar told us, the Gujarati merchants had a Shah-i-bandar to look after their commercial affairs⁶.

Different writers and scholars tried to find out causes of the development of Malacca as a big and famous trade centre are very remarkable. John F. Cady, a famous historian mentioned, it provided a safe and quiet anchorage at the place where the monsoons met. The main channel near the Malayan shore was well policed and also serviced by strongly manned rowboats capable of towing becalmed vessels into port. The toll and customs charges were low. Traders dealt with Shahbandars of their own or kindred nationalities. Government revenues were completely dependent on trade and concessions were frequently made to soften the requirement that all ships using the Straits must call at Malacca. Chinese pepper-ships apparently did not stop at Malacca but traded directly with Pedir⁷.

Another renowned historian D. R. Sar Desai pointed out that, its strategic location at the narrowest point of the Strait of Malacca enabled the city to watch and control maritime traffic, sheltered from the monsoon by the massive island of Sumatra. Moreover, Malacca provided a safe harbor for ships to Malacca across the Indian Ocean aided by southwest winds, spending several months in Malacca until the change of winds facilitated their return voyages⁸. Tome Pires, the contemporary traveller and eye-witness told that, Malacca was a centre of shipbuilding and repair and a market for ships constructed elsewhere, coming from south Borneo, Pegu and Tenasserim⁹. However, such Malacca became a great port city and an emporium. The size of Malacca's trade is evidenced by the fact that as many as 2000 boats were routinely anchored in its harbor. Malacca's reputation for security, well-ordered government, and unrivaled commercial facilities contributed to its economic success. The kingdom's prosperity enabled it to sustain a rapidly expanding population, which by the beginning of the 16th century had reached 100,000¹⁰.

Professor Brian Harrison pointed out an exceptional background of the development of Malacca as a big and famous trade centre and that was the well administrative policy of Malacca adopted by the Sultans. He told us that, Malacca was a well administrative port, with regulations and a system of duties and payments that afforded favourable conditions of trade. The chief administrative official was the Bendahara, who was Lord Chancellor and Lord Treasurer combined; under him was

⁶ M. R. Tarafdar, *Trade, Technology and Society in medieval Bengal* (Dhaka: University Press Ltd., 1995), p. 62.

⁷ John F. Cady, *op. cit.*, p. 161.

⁸ D. R. Sar Desai, *op. cit.*, p. 56.

⁹ *The Suma Oriental of Tome Pires*, Vol. I & II, ed. & trans. A. Cortesao (London: Hakluyt Society, 1944), pp. 249-250 (hereafter used as *Pires*).

¹⁰ *Microsoft Encarta*, CDs version, 2006, Malacca.

the Temenggong or chief magistrate. The senior naval officer was the Laxamana or admiral. The executive port officers were the four Shahbandars, each responsible for the commercial transactions of all ships arriving at Malacca.¹¹

Professor John F. Cady told in detail the activities of the Shahbandars. One Shahbandar took care of the trade with the Chinese, Liuchiuian, Cham, Eastern Borneo and Siamese ships. A second handled ships coming from Palembang, Java and other Indonesian islands. A third took care of traders from the Bay of Bengal area, including north Sumatran ports, plus the Malabar Coast of India. A final one was the allocated to the Gujaratis alone, who developed much the largest commercial community doing business at the city. The Shahbandars presented arriving merchants to the Bendahara, allotted necessary harborage and warehouse facilities and supervised both the receipt of presents for the officials and the handling of regular merchandise.¹²

It is not surprising that Malacca, as the headquarters of South-east Asian trade, should have created a deep impression on the minds of the European who first sailed into her harbour in the early years of the sixteenth century. Tome Pires, a contemporary famous traveller and an official in Portuguese Malacca told us, 'Men cannot estimate the worth of Malacca on account of its greatness and profit'. Pires also mentioned that it is a city that was made for merchandise, fitter than any other in the world. Another contemporary European traveller named Barbosa wrote about Malacca, that it was the richest seaport with the greatest number of wholesale merchants and abundance of shipping and trade that could be found in the whole world'. During whole fifteenth century i.e. before its occupation by the Portuguese in 1511 the reputation of Malacca as a great trade centre and an emporium was known widely.

Trade with different countries

Since the rising of Malacca different countries of Asia established their commercial relation with it. Many traders came from distant countries to Malacca on business purposes. They brought different types of goods and either sold to one another or exchanged among themselves. The Arabs and Gujaratis came to Malacca to mostly collect spices such as nutmeg, mace, cardamom, pepper, clove, camphor etc. The Bengalis, Burmese, Malayans, Chinese, Javanese and others from South-East Asia came here mostly to exchange their goods. With the arrivals of those traders Malacca became very active.

Brian Harrison pointed out, the increasing of demand for South-East Asian products also concentrated in immense entrepot trade in Malacca. She was at one and the same time the greatest single outlet for the pepper and spices that the kitchens of Europe as well as of Asia required in order to make their food palatable and the main inlet for the Indian cloth that South-East Asia was so ready to purchase in exchange.¹³ Indeed, in her harbour and warehouses the products of South-East Asia were collected and distributed easily and Indian, Chinese and Mediterranean goods exchanged and transshipped. She was the centre of a triangular system of

¹¹ Brian Harrison, *South-East Asia, A Short History*, 3rd ed., rpt. (New York : Macmillan and Company Limited, 1967), p. 6.

¹² John F. Cady, *op. cit.*, p. 157.

¹³ Brian Harrison, *op. cit.* p. 62.

trade between South-East Asia, India and China. Further to the east there was a secondary focal point in the spice trade system, in the Banda Islands. Here were collected for shipment to Malacca the nutmegs of which the Bandas were the main sources as well as the cloves of the Moluccas Islands. Within the whole area were numerous ports carrying on a busy transit trade as well as exporting pepper and other local products, such as, Macassar in the Celebes, Bantam in the Sundanese country of Java, Achin, Pedir in Sumatra, Kedah in the Malay Peninsula.

Trade with Gujarat

The foreign trade of Malacca was mostly founded with Gujarat, a state in western India. A principal component of Malacca's expanding volume of trade during the course of the fifteenth century was the exchange of Indian, mainly Gujarati cotton cloth for South-East Asians spices destined for the European market. But the pattern was more varied than has sometimes been assumed. Merchants from Middle Eastern ports of the Red Sea and the Persian Gulf, including Persians, Turks, Sabeen Arabs, Armenians and Parsees, used the ports of Gujarat on the bay of Cambay (mainly Surat) as their assembly points. They brought a great variety of Middle Eastern goods, some items for the Indian market and other items destined for Malacca. These included Venetian goods such as arms, coloured woolen cloths, vermilion dyes, coral, copper, quicksilver, silver, nails, hats and glassware.¹⁴ All the western merchants came first to Cambay on the way to Malacca, because they could not reach Malacca in a single Monsoon as well as for collecting large quantities of valuable goods from Gujarat.

Goods from Arab and Persian sources included enormous quantities of opium from Aden and Mecca along with horses, incense, rosewater, indigo, tapestries, pearls, saltpeter, and sulfur, amber, musk, dried fruits and an astringent vegetable extract called catechu. Near Eastern merchants interested in the East Asian trade usually shifted their goods to Cambay ports to Gujarati ships which were destined for Malacca. The Gujarati cloths were also exported in huge quantity to Malacca. From Cambay in Gujarat came the famous Cambay cloths which Malacca distributed all over South-East Asia and also the miscellaneous exports that came from the Mediterranean states through Alexandria and Aden. In return for these the Gujaratese carried spices, drugs and precious woods over the Indian Ocean as far as to the Red Sea. In fact, the entrepot port of Cambay was Malacca's main link with the Middle East and Europe and although merchants from Egypt, Arabia and the east coast of Africa came themselves to Malacca and some of them settled there. It is really told, 'Malacca can not live without Cambay, or Cambay without Malacca.'

Trade with China

Among the participants in the trade with Malacca during the period under consideration, the Chinese occupied an important place. But the trade from China to Malacca was inferior in quantity and value to that of the Javanese and Gujaraties but was far more varied and interesting. The ships had apparently improved but little since Polp's day, most of them becoming were junks. They carried from two or three hundred passengers, each with a store of goods in his custody to be disposed of at the destination. The vessels were rendered seaworthy by watertight compartments

¹⁴ John F. Cady, *op. cit.*, p. 161.

designed to contain leaks. They were propelled by sails and oar sweeps, but were clearly inferior navigation-wise to those of Gujerat.

The Chinese enjoyed a distinct advantage at Malacca over the Indians, probably for their protective role in the early 1400s, in that they were required to pay no port dues beyond the customary presents (5%) to the officials in charge. This same exemption from port dues applied to the Javanese, Sumatrans and other islander traders.¹⁵ Chinese trade was mainly in porcelains and silks of many varieties and high value, including satins, brocades, damasks and taffetas. But the Chinese also brought copperware and ironware (vases, kettles, and bowls), alum, sulfur and saltpeter, seed pearls, musk and camphor.¹⁶ In the true sense, The Chinese trade was more individualistic, more varied, less regimented than of the Indians.

Associated with the Chinese traders and sharing the same Shahbandar were the Liuchiu islanders; one to three of their ships reached Malacca each year. They brought not only some Chinese wares but also food items such as onion, vegetables, meat and fish with swords and armour, copper and gold objects, paper and a celebrated kinds of green porcelain ware. Unlike the more prosperous Chinese, who bought in return high-quality Cambay cloth, pepper and spices? The Liuchiu traders purchased cheaper Bengali cotton cloths and also cheap Malacca wine. The Liuchiuans earned a remarkable reputation for integrity at Malacca and at Ayuthia as well. They were described as responsible, dignified and well dressed.¹⁷

The Chinese trade at Malacca was less extensive than the Indian. Because, the Chinese merchants took the charge of most of the commerce of Siam. This included the trade of the portage routes, which were still in operation despite Malacca's drawing power. In Siam, as at Malacca, the Chinese enjoyed a favourably position, paying only one-sixth duty while others paid 20 and 22 percent. The Chinese were obviously in a fairly strong bargaining position. Malacca's waiving of duties for the Chinese was apparently an effort, though an unsuccessful one, to monopolize the China trade. Aside from the trade with Siam proper, amounting to an estimated six to seven junks per year. Chinese vessels visiting Ligor, the Bay of Bandon and Patani picked up the Gujerati wares and Sumatran pepper brought annually to such Bay of Bengal ports as Kedah, Trang, Ceylon and Tenasserim. As previously indicated, Malacca introduced on the Kedah to Patani trade late in the 1400s. The portage operation in itself required only three to four days.

Trade with Bengal

Bengal was one of the important centres in Indian oceanic trade; especially it played a strong commercial activity between western India and Malacca in fifteenth century. Under the patronage of the Muslim rulers, the internal and foreign trade of Bengal largely expanded. The traders came here from different countries to sell and purchase goods and thus they earned a lot of money. Tome Pires could find in Bengal various foreigners such as Arabs, Parsees, Turks and Abyssinians and also merchants from Chaul-Dabhol and Goa.¹⁸ Trading voyages were conducted in several stages.

¹⁵ Brian Harrison, *op. cit.* p. 62.

¹⁶ Johor Sen, *Daxmin Purbo Asiar Itihas* (West Bengal State Book Board, 1985), p. 90.

¹⁷ Pires, I, pp. 106-110, 125-131 and II, p. 294.

¹⁸ *Ibid*, 1, p.88.

Those merchants had organized themselves into companies in Calicut on the Malabar Coast and they did the same in Bengal.

Another contemporary European traveller Duarte Barbosa also told that, the inhabitants thereof were white men, well-built and there dwell there as well as strangers from many lands such as Arabs, Persians, Abaxis and Indians and this, by reason, that this land was large, fruitful and healthy. He also told that, all of them were great merchants and they possessed great ships after the fashion of Mecca; and the others there were from China, which they called 'Jancos' (Junks) which were of great size and carried great cargoes, with those they sailed to Coromandel, Malacca, Sumatra, Peguu, Cambaya and Ceilam and dealt in goods of many sorts with this country and others. Every year four or five ships left for Malacca and Pasai. These ships were of two kinds, viz. dhows or fast and light vessels similar to those found at the west Indian or Arabian coast and the heavier type of large ships of Junks. At least one or two big ships came every year to Malacca carrying commodities worth 80,000 to 90,000 cruzados (one kind of coin).

Merchants took from Bengal many kinds of goods such as twenty varieties of cotton cloth, steel, rich bed canopies with beautiful cut cloth-work of different colours, wall furnishings like tapestry and fruit preserves of various kinds including myrobolans, ginger, oranges, cucumbers, carrots, rapes, lemons, quinces, figs, pumpkins, Indian gourds and many other fruits, some of which were them kept in vinegar. The exports included strongly scented clay vases in dark colour which the people of Malacca valued highly. Bengal cloth was of so great demand all over South-East Asia so that it used to sell at a high price in Malacca.

Many types of goods imported from Malacca to Bengal at that time. The commodities which were brought from Malacca included Borneo camphor, pepper, cloves, mace, nutmeg, sandal wood, silk, seed-pearls, porcelain, copper, tin, lead, quicksilver, white and green damasks, enrolados from China, caps of scarlet-in-grain, carpets and krisses and imports show that the things brought to Bengal were mostly luxury goods and that exports included food and other necessaries, some of them were coarse, luxurious. Ships fitted out from Bengal in February took thirty days to reach Malacca. Starting from Malacca in the beginning of August ships could come to Bengal within a similar period of time.

Trade between Bengal and Malacca was very profitable. Merchants could earn a profit of 250% to 300% on each item after paying import duties of about 36% in Bengal and an export tax of 6% in Malacca. It was possible to earn a good profit out of the difference between the price of gold and silver that obtained in Malacca and Bengal. In Bengal gold was priced $1/6^{\text{th}}$ more than in Malacca and silver was worth $1/5^{\text{th}}$ or $1/4^{\text{th}}$ less than in Malacca. Bengali merchants used their own currency out of which they made a good profit, which served as a medium of exchange, they could make a profit.¹⁹

Volume of trade

Although The trade of Malacca was very extensive, it can't be actually told how much transaction was made. Yet we get some reputed informations from the contemporary travellers and writers. We may refer here to 'the Suma Oriental' written by Tome Pires, a Portuguese official of Malacca. Pires told that, fifteen to sixteen Junks from

¹⁹ *Ibid*, pp. 92-95.

Pegu and thirty Junks from Siam came to Malacca in a year. He also told that, Philippines had two or three Junks which communicated with Malacca. Four ships went to Malacca from Gujarat.²⁰ Pires also pointed out, told that ten to twelve ships came from China and one or two from Bengal. Modern historian Professor Johor Sen supported all these informations.²¹ Those trade ships were always full of goods. Hence we may conclude that, the volume of trades of Malacca in the fifteen century was very extensive and remarkable.

Conclusion

Thus Malacca, an insignificant village became the busiest port and trade-centre in South and South-East Asia. Its reputation as a trade centre expanded throughout the world at that time. For its security, convenient position and helpful co-operation of its rulers, the Arabs, the Gujaratese, the Chinese and other foreign traders came to Malacca on business purposes. Not only the traders earned a huge amount from their business in Malacca, but the Sultans of Malacca also got a large amount as a customs duty. It is told that the eagerness of commercial activities of the rulers of Malacca played undoubtedly the main role in raising it (Malacca) to a powerful and dignified state in the region.

²⁰ *Ibid*, pp. 78, 107, 133, 269.

²¹ Johor Sen, *op. cit.*, pp. 89-95.

WTO AGRICULTURAL REFORMS IN NET FOOD IMPORTING LEAS DEVELOPED COUNTRIES: DISTRIBUTIONAL EFFECTS AND STRATEGIC OPTIONS FOR BANGLADESH

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ABSTRACT: The divergent views on the distributional benefits or costs of agricultural reforms in net food importing countries continue. While the bulk of the global gains from merchandise trade reform are expected to derive from reforms in agriculture, the most of these gains however are predicted to accrue to rich countries as they reduce outlays on farm programmes and reduce protection for agricultural products. Net food importing countries like Bangladesh continue to worry about both the potential impact on the balance of payments and the distributional consequences if the wages of low-skilled workers do not rise enough to make up for higher food prices. To this end, this article studies the distributional effects of agriculture liberalisation on the net food importing countries in general and Bangladesh in particular by focusing on the WTO negotiation outcomes. The study argues that under normal circumstances, the reduction in export subsidies would raise the world price of the product, benefiting developing country exporters, hurting importers. There is an unavoidable erosion of preferences for resource poor importing countries including Bangladesh who are enjoying subsidized price of basic foodstuffs. The erosion is not only related to hurting the macroeconomic stability rather it has a tremendous negative effect on livelihood sustainability of the poor majority through raising price of basic food items.

Introduction

The Doha Development Agenda of the World Trade Organization (WTO), which is in the continued process of being restarted after its collapse in mid-2006, has an explicit mandate to improve welfare and reduce poverty in developing countries and Least Developed Countries (LDCs)¹. The bulk of the global gains from merchandise trade reform are expected to derive from reforms in agriculture², and most of these gains are predicted to accrue to rich countries as they reduce outlays on farm programmes and reduce protection for agricultural products. But the reforms are also expected to benefit many households in developing countries – particularly those in the farm and rural sectors, which comprise a majority of the world's poor. In this view, reforms are seen as an easy sell to policymakers in rich and poor countries alike. However, with

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the Group of 20 developing countries insisting on significant reductions in agricultural support in the Doha Round, concerns about the impact on net food-importing countries have resurfaced³.

The problem arises because most analyses of OECD agricultural policy reform predict increases in the world price of affected commodities as domestic production and exports decline and demand for imports increases. Net food importers worry about both the potential impact on their balance of payments and the distributional consequences if the wages of low-skilled workers do not rise enough to make up for higher food prices. The main stake for the LDCs in the WTO Agreement on Agriculture (AoA) is of food security for the poor. In one hand, 80 percent of the poor are concentrated in agriculture while any increase in the production cost adversely impact on the livelihood of those poor farmers; in the other hand, increasing number of urban poor are the most vulnerable sector with any price rise of food items.

Agricultural liberalisations under WTO have these dual-effects on the poor people of net food importing least developed countries (NFILDCs)⁴. Though, most developing countries are expected to gain from the AoA, negotiators acknowledged when they signed the Uruguay Round agreements in Marrakesh in 1994 that poor net food-importing countries could be harmed by the reduced availability of subsidised food in the world market. As a result, at WTO, members promised these countries financial assistance both to ensure that adequate food imports could be maintained and to improve their agricultural productivity and infrastructure⁵. The AoA makes concessions to developing and least developed countries' special needs⁶, and LDCs are exempt from export subsidy reduction requirements.

While there are claims that subsidies given by the rich countries are making useful support to the life and livelihood of the poor consumers and marginal producers in LDCs in various ways, the opposite claim, namely, that the subsidies given in the west is hurting the livelihoods of the poor is often made, particularly referring to the net food importing countries with limited resource bases and already intensified agriculture. The divergent views contributing to the debate on the distributional benefits or costs of agricultural liberalisation continues.

In this context, this article seeks to study the distributional effects of agriculture liberalisation on the NFILDCs by focusing on the WTO negotiation outcomes. The study takes Bangladesh as a case for food insecure NFILDCs to draw implications of further agriculture liberalisation under WTO on NFILDCs. Accordingly, the following section presents the outcomes of WTO negotiations in relation to NFILDCs. The third section analyses the distributional effects of agricultural liberalisation under WTO leaning to the food security situation for NFILDCs. The fourth section is devoted to the case study, tracking the possible consequences regarding food security resulting from the negotiations in the WTO. The final section, in lieu of conclusion, draws general implications of agricultural liberalisation and presents strategic options for NFILDCs in general, Bangladesh in particular.

WTO Negotiations and Agriculture Provisions

The AoA adopted at the end of Uruguay Round of Trade Negotiations introduced important new discipline on the trade of agricultural products. Tariffs were bound and reduced. An agricultural safeguard was also agreed which allows temporary duty increases above the bound levels based on either a price-based or a quantity-based trigger in the event of particularly low world prices or a sudden surge in imports. All subsidies to farmers were classified according to their impact on production.

Subsidies with minimal linkage to the quantities produced, the inputs used or prices paid were classified in a Green Box, and not subject to reduction. Other subsidies, including market price support, were classified in an Amber Box. Amber box subsidies are subject to an overall limit called the Aggregate Measure of Support (AMS)⁷, which was capped and had to be reduced by 20% over six years for developed countries. De minimis level⁸ of providing domestic support was set as maximum up to 10% of the total value addition of agriculture for developing countries. The Agreement did not ban export subsidies but imposed severe restrictions on the quantities and the amount of expenditure on these subsidies.

The Agreement provides special and differential (S&D) treatment to developing countries in various ways. Developing countries could opt to establish their initial bound tariff levels rather than being required to convert their existing border protection measures into tariffs. They had lower reduction percentages and longer implementation periods for their tariff reduction; export subsidy reduction and domestic support reduction commitments (and LDCs were not required to make any reduction commitments). Greater flexibility is provided in the use of certain policy instruments such as investment subsidies or export subsidies. Special provisions for net food-importing developing countries and the least developed countries were included.

The Fourth WTO Ministerial Meeting held in Doha in November 2001 provided a new work programme for negotiations in agricultural trade by making the objectives more explicit, and by setting deadlines. WTO members agreed to undertake "comprehensive negotiations aimed at substantial improvements in market access; reductions of, with a view of phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support."

At Doha, Ministers also agreed that the negotiations in agriculture would take account of the development needs of the developing countries, including food security and rural development. It was also accepted that a special safeguard mechanism⁹ will be established for use by WTO developing country members, but key criteria such as the country coverage, product coverage, trigger levels and preconditions, type of remedy and duration remained to be decided.

The framework for future agriculture negotiations was adopted as a priority issue in the July Framework. Members recognised the limited progress made so far in the Doha Round and postponed the 1 January 2005 deadline for concluding the talks until the sixth WTO Ministerial Conference to be held in Hong Kong in December 2005. The framework adopted a tiered approach which will be used to reduce tariffs. Progressive tariff reductions will be achieved through deeper cuts in higher tariffs with flexibility for sensitive products. Members will be allowed to designate a certain number (to be negotiated) of sensitive products. Improvement of market access will be achieved through combinations of tariff quota¹⁰ for each of the sensitive products. In the case of Domestic Support, members agreed on: (i) reducing overall trade distorting domestic support on the basis that higher levels of subsidies are subject to deeper cuts. (ii) negotiating new criteria for the Blue Box in the next phase. Blue Box will be capped to 5 per cent of the value of production; (iii) renewing and clarifying Green Box criteria. In the case of Export Competition, members agreed for "complete elimination of agricultural export subsidies"¹¹. However, there is no timeframe or road-map for such elimination.

The "July Package" on agriculture allowed provisions for "special products" and Special Safeguard Mechanism (SSM) for use by developing country Members. "Special

products" provision would be available to the developing countries for additional flexibility or exemptions. On special and differential treatment, the "July Package" allowed longer implementation periods for the phasing-out of all forms of export subsidies. Most importantly, LDCs will have full access to all special and differential treatment provisions and they will not be required to undertake reduction commitments.

Export subsidies were predominant throughout as the debate between - the EU and the USA - continued till the end of the negotiations in Hong Kong. Developing countries became much better organised than in the Uruguay Round and have played a much more pro-active role. The USA in Hong Kong Ministerial declared to eliminate all forms of export subsidies by the end of 2010, it insisted the EU also to do so. However, the EU was unwilling to commit itself to any deadline till the last day of the negotiations. Nevertheless, minor progress was made at the end with continuous pressure from the USA, G- 20 led by Brazil and India. This included (a) an end date of 2013 was agreed for export subsidies; and (b) provision made to decide for themselves which products need to be protected to safeguard for food security, rural development, and the livelihoods of poor farmers under the Special Products and Special Safeguard Mechanism (SSM).

However, at least three areas of concern for the NFILDCs are uncared for in the WTO negotiations. First, the principle governing the provision of subsidy: the negotiations were nowhere nearer to upturn the arrangements in agriculture to ensure that domestic support should be allowed to farmers in those countries, who need these but not to those living in the countries with abundant financial resources. Second, the negotiations also maintained heightened silence about the Bretton Woods Institutions that had forced the LDCs to eliminate subsidies to needy farmers under unilateral liberalisations carried out as a part of structural adjustment, continue preaching to eliminate whatever subsidies are given, and do not allow these countries to support the small farmers, even at the allowable de minimis level. The negotiation did not deal with and come up with proposals for net-food-importing countries. Third, the negotiation also failed to materialise any effective S&D treatment for the net food importing countries including food aid. The erosion of preference with importing costly foodstuff from abroad due to elimination of subsidy is not given due attention in the negotiations.

Agricultural Liberalisation and Distributional Effects

In the arena of agriculture negotiations of WTO, interests of the developing countries and the food importing LDCs are quite different. All the developing countries not essentially have the same interest either in the context of exemption of export subsidy of the developed countries. The export import scenario of rice in the global market can make a substantive indication for understanding the difference of interests in agriculture negotiation within the developing world. Some countries like India, Vietnam and Thailand are the major exporters of rice in the world market whereas Bangladesh and Indonesia are the major importers. Thus, the withdrawal of export subsidy in the north will directly benefit the surplus producers of the south but will negatively impact on food importing countries like Bangladesh and Indonesia.

In a summary of various modeling efforts assessing the impacts of the URAA on world market prices, Konandreas, and Greenfield (1996)¹² found expected price increases of between 4 and 7 percent. Prices for rice, wheat, sugar, and corn were forecast to increase, having a negative impact on net LDC importers. In an evaluation

of the policy scenario considering the complete removal of agricultural export subsidy in isolation from other negotiations chapters, Kerkelä, L, Niemi, J and Lehtonen, H (2006)¹³, employing the multiregional numerical general equilibrium model of the Global Trade Analysis Project, show particular attention to the production and trade positions of each country in key agricultural and food products by estimating the changing trade flows globally as well as within the European Union.

The results suggest that removal of export subsidies alone, keeping in place other policies, lowers domestic prices for subsidising countries and raises world prices. World prices increase for dairy (4.2%), coarse grains and sugar (1.2%), and to a lesser extent bovine meat (1.0%) and other meats (0.5%). World markets for dairy are more affected by export subsidies because the EU – the world largest agricultural market and the largest subsidizer – has high subsidy rate for dairy (30%) and has substantial export market shares for these products. Global agricultural trade declines with the largest decrease in trade volume in bovine meat (-2.7%) and dairy products (-2.0%). Exports from the EU drop significantly, particularly for sugar, grain, dairy and bovine meats. For other exporters, such as Australia, the United States and the MERCOSUR countries¹⁴, higher world prices increase the value, and sometimes the volume of exports. In the EU, removing export subsidies lowers domestic prices and lowers agricultural output as productive resources are re-allocated from sectors like sugar, dairy, grains and meat into other sectors of the economy. For countries such as Australia, the US, and the MERCOSUR group, higher world prices stimulate domestic agricultural production, partly offsetting the EU output decline. The extent and scope of output expansion varies among countries. For Australia and the MERCOSUR countries, there is a modest increase (1-2 %) in production for most commodities, notably dairy and sugar. For other exporters, output expansion in agricultural sectors requires pulling resources away from other sectors.

Elbehri (2002)¹⁵ in his study used the Global Trade Analysis Project (GTAP) model to examine the impact of export subsidy removal. In his analysis, export subsidies are framed in relation to other trade distorting policies, and the country effects are identified based on the net agricultural position. The latest GTAP database Version 5 is used, with per-unit export subsidy rates derived from 1998 WTO data submission, representing comprehensive compilation of agricultural export subsidies. In addition to export subsidies, two alternative scenarios are considered: (a) removal of export subsidies for agricultural commodities by all WTO members; and (b) removal of export subsidies plus domestic support and import barriers. Results show that the removal of export subsidies alone is welfare improving only for the subsidising country and net exporters, but welfare reducing for net food importers who experience both worsening terms of trade and loss of allocative efficiency. As higher food prices reduce imports, it also increases the welfare cost of existing import barriers, hence lowering welfare. Under scenario (b), all countries show welfare gain, including net food importers whose allocative efficiency gains, owing to removing own import barriers, outweigh the terms of trade losses.

The analysis shows that reducing export subsidies by themselves may not be beneficial for food importing countries as long as import barriers are also not addressed. That is, the potential welfare gains expected from trade liberalization are for a large part contingent on removing the fairly dominant domestic support and import trade barriers. What is critical for food importers, particularly developing countries, is that their own trade liberalization may be at least as important to their economic welfare as reforms in foreign markets.

Out of the negotiations on agriculture at Hong Kong, food security became the main issue for the resource-poor net food importers LDCs. Food security depends on an adequate supply, distribution, and access to culturally appropriate food for every individual. It depends on intricate social, cultural, economic, and political relationships that differ enormously from place to place and over time. While affordability is a mere function of price and earning, the fluctuation of market price of food grain has the due implications on the food affordability for poor. The planned measures of agricultural subsidy withdrawal are likely to scorn the interests of net food importing countries food security and the poor majority of her will face the real threat to maintain their livelihood.

The likely impacts of the AoA on the level and stability of market prices raised food security concerns among food importing LDCs. In the short run, the low-income food-deficit countries are concerned that more liberal world agricultural markets will lead to higher import prices or reduce their food aid and reduce food security. In the past, several food importing LDCs benefited from exporter subsidies. With reductions in subsidies, these food-importing LDCs must pay higher prices for commodities after the expected liberalisation.

Distributional Effects of Reforms in Bangladesh

Bangladesh has a two way position in the arena of the agriculture and international trade as it a major producer of food grain especially rice and also a major importer of rice in the world market. Among the rice importing countries Bangladesh places second just after Indonesia. Bangladesh also has shared about 3.5 % of total rice production of the world. That makes the situation very crucial for Bangladesh to formulate the national strategy for agriculture negotiation at the WTO as it is always argued that the reduction of the agricultural subsidy in the developed economy will benefit the poor producers of the poor countries through the increase of the world price level. But the argument seems to not hold in case of Bangladesh, since the fragmented markets in most of the LDCs are the main impediment to appropriate the increased price by the small producers. Again the higher price for importing food grain will obstruct food security of urban poor consumers.

Despite the fact that the new WTO mandate subsidy reduction is yet to be activated in full, the price of rice and wheat in the international market has continued to rise for three consecutive years from 2002. Where above 80 percent rural population depends on buying food from market the price spirals have the due consequences on them. Though the increase in the price of rice and wheat in Bangladesh cannot be attributed to international price rise of food grain alone rather other major causes may be the syndication of the market by the businessmen through hoarding and other illegal activities, recent increase in the dollar price, increase in the transportation costs due to the international price rise of oil etc. Nevertheless, the rise in the international market price played a crucial role for food grain price rise as the inflation rate for food item is much higher than that of non-food items in Bangladesh. According to Bangladesh Bank it is 7.9 for food item whereas it is 6.5 percent for non-food items in 2005¹⁶.

Consequences on availability of food

A sustainable food production system requires protection of land, and increasing productivity through optimal and scientific use of all inputs. Effective institutional arrangements at the national and local levels will be required for these. However,

land is a scarce natural resource for Bangladesh. At present, the net land area available for cultivation is about 8.0 million hectares and the total cropped area is about 14 million hectares (BBS, 2004)¹⁷. About 70 per cent of the cropped area is planted with rice every year. There is a little or no opportunity for bringing more land under cultivation. Yet, about 80,000 hectares or 1.0 per cent of the total agricultural land is going out of agriculture every year for other uses (BBS, 2004). Land, even that with irrigation facilities, is continuously being shifted to non-agricultural use. Within the rural population of 22 million households of the country, 22 percent are landless, 34 percent with homesteads only, 12 percent are marginal farmers having 0.2 to 0.4 ha of land, and 14 percent are small farmers having 0.4 to 0.8 ha of cultivated land (BBS, 2000). That is 82 percent of the rural population are not in the state to produce their need for minimum diet with rice or wheat themselves and they are primarily dependent on others to produce through market mechanism.

Currently with a cropping intensity of about 178 per cent, Bangladesh produces about 26 million tons of clean rice annually, which have to be increased to 30 million tons by the year 2020 if we want to maintain the current level of per capita production. As the scope of further increasing cropping intensity is extremely limited, the increase in production will have to be only realized by raising yield per unit area.

Raising the yield per unit area is possible with the sustainable and optimum use of agricultural inputs like seed, fertilizer, water, credit etc. But unilateral liberalization of agriculture sector in Bangladesh makes the input market highly dis-favoured one for small producers in Bangladesh that hinders the potential of yield raise per unit area. Government has hardly any control on the seed market as they supply only 5% of the total need of seed in the farming sector through Bangladesh Agricultural Development Corporation. Fertilizer market is also opened for private importers and Urea dealers often hoarding it during the peak season to make the artificial price hike. Means of irrigation is also highly concentrated to the rural elites. About 83 per cent of the irrigated area (6.97 million hectares) is served by groundwater under what is often called "minor" irrigation scheme and the rest by surface water sources. Shallow tubewells (STWs), deep tubewells (DTWs) and other small devices account for 75 per cent, 17 per cent, and 8.0 per cent of all groundwater-served areas, respectively. All STWs and most DTWs are privately owned. About 53 per cent of the total surface water irrigated area (1.43 million hectares) is served by low-lift pumps (LLPs) that are mostly privately owned and number between 75,000 and 80,000 (Ministry of Finance & BBS)¹⁸. These private owners are the water lords who charges high price for selling water to the farmers in the rural Bangladesh.

When market fails to protect the interests of the majority, State has the due role to protect them from adversity- that is often made by subsidy mechanism towards the thrust sectors. In contrast, Bangladesh has minimized its support towards agriculture for from mid 1980s, following the prescription of the World Bank and IMF in the guise of structural adjustment. Available data shows that the support to agriculture as WTO defined Amber Box subsidy amounts only 0.67 percent of GDP value addition of Agriculture¹⁹ while it can be up to 10 percent under the negotiation made to AoA in Uruguay Round.

The decreasing support for agriculture has directly affected the poor producers in gaining the momentum in production. Still there is possibility to increase production, despite the fact that cropping intensity is already high and cultivable land is squeezing day by day. This can only be done if support to agriculture is increased tremendously and technological innovation takes place which also need the special

arrangement in the policy arena regarding agriculture. But the reverse measures undertaken over the years under the policy guidance of World Bank and IMF have seriously damaged agriculture in general and have worsened the situation of the poor in particular. If it continues, there is virtually no hope for increasing production to feed the nation particularly the insecure with available supply of food.

Consequences on affordability of food

Income of the poor and marginal farmers can raise either through the increment in the real wage both in the agricultural and non-agricultural sectors or through providing adequate rural non-farm activities by facilitating small scale investments in the rural areas or by ensuring effective market mechanism by which the small producers can appropriate the real price of the products.

Affected affordability: Wage versus Inflation

At present the wage rate is increasing at a slower rate than that of inflation. Inflation is high in food item than the national average that makes the real threat for the food security of the poor as it directly impacts on the affordability of the poor to buy food. The effect of such upward trend can be minimized if wage increment keeps pace with that of price especially in the sectors where poor have the maximum concentration, i.e. agriculture and construction where majority of the daily labourers are engaged. But, unfortunately, the wage increment in those sectors is very low. In agricultural sector it is 5.33 in 2005 while it is only 3.36 in the same year for construction sector where inflation for food item is 7.9. For rural wage earners the situation is more vulnerable as inflation for food item in the rural areas goes 7.99²⁰. Possibility of further increment in wage also has no optimism. Huge unemployment persistence may be the cause due to a recent shift of policy paradigm for privatization often leading to a massive de-industrialisation. Moreover, the profitability of the agriculture also declining over the years for the small farmers as the input market is opened through unilateral liberalization resulted in higher costs for necessary inputs for agriculture²¹. So, the only way to make food affordable for the poor producers and consumers is to maintain a low priced foodstuff. WTO negotiation on Agriculture to eliminate subsidies by the west can contribute to further misery on the life and livelihood of the poor through possible price rise of those.

A similar conclusion is drawn in Chowdhury, Farid and Roy (2006)²² who employed a multi-market model and found that the price rise in rice and wheat due to agricultural liberalization under WTO will decrease the income of the poor and contribute to the increased nutrition gap as well in Bangladesh especially for poor. They show that the real incomes fall except for the most well-off rural income class across all simulations. At the upper bound increase in world price of both rice and wheat, real incomes of the rural large farm households rise by about 1.5%, while the urban poor and rural landless lose nearly 2% of their real incomes. This follows from large farmers being net-producers for whom the increase in domestic price in line with increase in world prices raises their revenues. The increase in world price of wheat has much larger effect on real incomes than the increase in world price of rice. These changes (rise / loss) in the real income across household types are roughly halved when the increase in the world prices are at their lower bound. In terms of calorie intake, however, all households witness a decline. Expectedly, the decline is highest amongst urban poor and rural landless, by 65 and 40 calories per capita per day, respectively²³

Unsustainable agriculture hinders the due flourishing of RNF activities

Effective rural non-farm (RNF) programmes can contribute to the creation new employment for the rural poor and thus increase wage through triggering competition. Non-farm activities can be classified into three categories: (i) mostly manual labor based, (ii) human capital based occupations, (iii) physical and human capital-intensive activities²⁴. In Bangladesh most of the rural poor are engaged in manual labour-based and human capital based RNF activities that are highly positively related to the sustainability and profitability of agriculture and small and cottage industries. As the profitability of agriculture for small producers is falling over the years following the market adjustment for agricultural input guided by the WB, the due potential of rural non-farm activity is not materialized. Moreover liberalization of interest rate made a very negative implication hindering the flourishing of the small and cottage industries as it unconcealed this thrust sector from enjoying rational interest rate. The available data show that the nationalised and private commercial banks lending in the agricultural sector is squeezing day by day. The lending in the small and cottage industry sector is tremendously marginalized. The credit allocation index- calculated as the ratio of sectoral advances to their proportion in the GDP indicates that the ratio was 0.577 for agriculture and 0.859 for small and cottage industry in 1987, but the ratio decreased to 0.42 and 0.398 in 1998 for agriculture and small and cottage industries respectively. It creates a multiplier effect in the income, wage and the employment of the poor people²⁵.

Market disintegration makes farmers loss in the domestic market

Keeping the issue of income rise aside, farmers often face income loss in the domestic market as they have no bargaining power in the market due to various unfavourable institutional arrangements for them like sharecropping system, payments in kind, debt for input collection like fertilizers and irrigation water etc. A recent study showed that farmers lose Tk 87575 Million in 2005 in the domestic market mechanism due to existing interlocking in the market practice. If this amount is compared with the contribution of crop and horticulture sector in the economy for FY05, it would be more that 1/5 of the GDP share of the sector and 1/6 of the total agricultural share to the GDP²⁶. In one way the wage is not keeping pace with the inflation along with investment curtailing in small and cottage industries, in the other way farmers are losing potential income in the domestic market leading the poor peoples survival into a deep question whether they appropriate their food security or go for the way of persistent hunger.

Curtailing PFDS allocation kicks away the poor from last resort

The Public Food Distribution System (PFDS) was introduced with the objective of providing price support and income protection to various sections of the population. PFDS became a powerful tool in the hands of the government to exercise control over the food situation in the country. Of the monetised channels, the Statutory Rationing (RS) was limited to four cities up to 1972; it was later extended to Rajshahi town in 1973 and to Rangamati town in 1976, but gradually diminished from 15% in 1982 to 5% in 1993, and now it is suspended.

Distribution under Modified Rationing (MR) for rural people remained irregular and was suspended in 1989, only to be replaced by a new rationing system called Palli (Rural) Rationing (PR/RR) in 1990. RR however, was also suspended in 1992. Food grain distribution under the Large Employer (LE) channel of PFDS was, in fact,

sale of food at fixed prices to employees of the public sector, and of a selected number of private enterprises. Beneficiaries of the PFDS channel of Essential Priorities (EP) are the personnel in army, navy, air force, police, Bangladesh Rifles (BDR), Ansar and the Village Defense Party (VDP), employees of ordnance factories, and employees and inmates of jails and hospitals. Employees of a wide variety of public sector agencies including boards, departments and directorates, some research organisations, teachers of primary and secondary schools, colleges and madrasahs and local government bodies, and inmates of orphanages and rehabilitation centres receive food at subsidised prices under the Other Priorities (OP) channel of PFDS.

The non-monetised PFDS channel Gratuitous Relief (GR) distributes food as grant-in-aid to distressed people and to those affected during natural disasters. The channel Test Relief (TR) provides food for work during the monsoon season for repair and reconstruction of houses, roads etc. In addition to the above seven, there are a few other Open Market Sale (OMS) is executed when the price of food grains soars high in situations of short supply, especially in SR areas. Also in similar situations, the government uses the irregular Marketing Operation (MO) channel to occasionally check price hikes through selling foodgrains to the poor/marginal people at subsidised prices. Under MO, the government sells food directly through mobile carriers, while under OMS foodgrains is sold to the public through retail traders²⁷.

Most significant among the non-monetised channels of PFDS is the Food for Work (FFW) Programme. First introduced in 1975 to combat food scarcity, the programme became a regular part of poverty alleviation programmes. Initially, it offered wheat as relief in exchange of labour in various types of work performed in rural areas. Such work includes road rehabilitation/construction, building of small dams for flood control, digging of ponds and canals, desalination of rivers, tree plantation, re-excavation of fish ponds and water tanks, construction of raised land platforms (flood shelter) and the like. The programme subsequently started using food as wage for workers in activities under the Rural Maintenance Programme (RMP), Local Initiative Schemes (LIS) and the Post-monsoon Rehabilitation Programme (PMR). Recently, upon recommendation by the Task Force for Strengthening Institutions for Food Assisted Development (SIFAD), the FFW programme had been restructured for better utilisation of food as a vehicle for development.

Food distributed purely as relief under the Vulnerable Group Feeding (VGF) programme has now been renamed as the vulnerable group development (VGD) programme. This programme distributes food to distressed, pregnant and lactating women and undernourished children @ 31.25 kg of wheat per family per month. A special PFDS channel is the Food for Education (FFE) channel started in 1994 to encourage the poorer section of the people to send their wards to school for education in exchange of food grain. Now the maximum coverage for food distribution for distressed people is amounted for VGD. Maximum of the public food distribution is run from collected food aid and rest is met from public stock that is officially called buffer stock. Over the years, food aid to Bangladesh shows a decreasing trend, as it was 1356 thousand MT in 1988/89 now reaches at 290 thousand MT (2004/05).

Public food grain procurement for maintaining a buffer stock also has the same trends and in recent year the stock reaches it's lowest in the history. A food stock reserve of 0.8 million MT is said to be risky in food management to ensure food security. The latest stock is reported to be 0.6 million MT (2005), of which forty-two

thousand two hundred and eighty-two MT are in the pipeline. The stock on June 30, 2004 was 0.83 million MT. The most important implication of low food grain stock is the way the state steps towards coping with it. It is evident that government cut the allocation for TR and VGF programmes as the immediate response of shortage in the minimum stock. All these measures have possible consequences on the livelihood of the poor. If the international price is high, the duty free import seldom can affect the market price and feed the poor. The cash transfer policy also has the due potential of leakage and inflation in the rural areas as well that ultimately do not serve the poor in the long run.

Consequences on macro-Economic Stability

Bangladesh can ensure food security for her population either by producing more food in the country, or by importing from abroad or by sustainable food aid distribution. Bangladesh faces a rapid decrease in food aid flow and a sharp increase in the import of the food to meet the production gap in the country. That means that the import will continue to increase in coming years that can effect on the balance of payment situation of the country.

The United States Department of Agriculture projected that long run real world food prices would rise by about 12 percent if global trade liberalization of agriculture carried out.²⁸ If that is the case, then Bangladesh import bill for food will also increase infringing the macro economic stability. In 2004-05 the import bill for foodstuff (Rice and Wheat) was 574 million US dollar accounting 4.36 percent of total import bill in Bangladesh.²⁹

Conclusion and strategic options for Bangladesh

Under normal circumstances, the reduction in export subsidies raises the world price of the product, benefiting developing country exporters, hurting importers. There is an unavoidable erosion of preferences for NFILDCs who are enjoying subsidized price of basic foodstuffs. The erosion is not only related to hurting the macroeconomic stability through BoP crisis rather it has a tremendous negative effect on livelihood sustainability of the poor majority in NFILDCs through raising price of basic food items like rice and wheats. So, there should be some fruitful mechanism in the WTO framework that would be able to mitigate the adverse effect on the poor of the NFILDCs like Bangladesh as stated in the Marrakash Agreement.

Since, Bangladesh agriculture consists predominantly of small producers and crop intensity in agriculture has already almost reached its peak, the speculation of production boom due to price rise is beyond optimism. The similar implications can be drawn in other net food importers LDCs. Thus, NFILDCs strategy in pursuing future WTO negotiations must focus on the technological advancement, food aid efficacy and need based subsidy concerns on the ground of food availability issue, international import insurance or a financial rebate program on the ground of price and affordability of the poor, and a countervailing mechanism on the ground of BoP crisis.

The WTO negotiations remained silent about the principle of governing the provision of subsidy. The negotiations were nowhere nearer to upturn the arrangements in agriculture to ensure that domestic support should be allowed to farmers in those countries, who need these but not to those living in the countries with abundant financial resources. The negotiations also did not make any progress as regards the Bretton Woods Institutions that had forced the LDCs to eliminate

subsidies to needy farmers under unilateral liberalisations carried out as a part of structural adjustment, continue preaching to eliminate whatever subsidies are given, and do not allow these countries to support the small farmers, even at the allowable *de minimis* level. NFILDCs should advocate for provisions of subsidy available based on need not on the basis of availability of resources. A different box can be created to support the poverty stricken poor producers by pooling resources globally.

Food aid should not be curbed, as it is the major source of feeding many poverty reduction programmes like VGF, FFW, and FFE that enormously helping the poor. In the recent years food aid distribution in LDCs reached it's lowest in the history making the real threat on the life of the income poor population fed by the so called social safety net programme.

As the net food importing LDCs are very prone to face the difficulty in the balance of payment issue while the price is expected to rise in the world market there need to have an effective mechanism to compensate the economy with the volatility of the international market. A kind of international import insurance or a financial rebate program for the NFILDCs countries would be very helpful in this concern.

Technical assistance for agriculture production growth and infrastructure development is needed in the concern of ensuring food availability through capacity building in the agriculture. For a dynamic improvement in the production scenario, it is urgently needed to make major investment in the agriculture research, development and technological advancement and WTO mechanism should allow some space to provide necessary support to the NFILDCs as per negotiation made at Marrakesh.

A comprehensive package is needed to make agriculture production sustainable as well as maintaining livelihood of the poor. Elements of such package could be, amongst others: correction of inequities in access to irrigation; bringing all cultivators into the ambit of institutional credit, including tenant farmers; augmentation of farming through technology, extension, price and other incentives; encouragement of cheaper and more sustainable input use, with greater public provision and regulation of private input supply and strong research and extension support; protection of farmers from high volatility in output prices; and enhancement of rural economic diversification to more value-added activities and non-agricultural activities.

All these measures need extensive support to agriculture. However, NFILDCs are not capable enough to support their agriculture. It has been shown that Bangladesh has no problem as far as WTO's rule on AMS is concerned, the problem she is having is with her limited resources. Given the resource constraints, as the study shows that the government support in agriculture is not sufficient and in fact declined over time, which is well below the WTO's allowable limit for the last ten years, the right choice for Bangladesh and other LDCs should be to bargain for creation of funding mechanism to ensure that farmers in poor countries get at least the *de minimis* level support like those in the developing countries.

End Notes

¹ WTO (2004). Decision Adopted by the General Council on 1 August 2004, WT/L/579, WTO Secretariat. Least Developed Countries are countries which according to the United Nations exhibit the lowest indicators of socioeconomic development, with the lowest Human Development Index ratings of all countries in the world. A country is classified as a

Least Developed Country if it meets three criteria based on (a) Low-income; (b) Human resource weakness; and (c) Economic vulnerability.

² Hertel, T.W. and R. Keeney (2006). 'What is at stake: The relative importance of import barriers, export subsidies, and domestic support', in K. Anderson and W. Martin (eds.), *Agricultural Trade Reform and the Doha Development Agenda*, Palgrave Macmillan and World Bank, New York.

³ Concerns about the potential impact of reductions in agricultural subsidies for poor net food importers were first raised in the Uruguay Round. However, those concerns proved to be premature because the limited reforms that were adopted had little, if any, impact on world food prices.

⁴ <http://www.fao.org/docrep/005/Y4671E/y4671e07.htm> accessed on 14th July, 2007

⁵ The Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Program on Least-Developed and Net Food-Importing Developing Countries.

⁶ The concessions include a longer implementation period (ten rather than six years) and lower reduction commitments for programs that support agricultural production and trade. The principle of special and differential (S&D) treatment was used to provide developing countries with these more favourable terms. LDCs are exempt from tariff reductions (although they must bind them to a maximum level) and cuts to domestic support programs (although they are subject to a spending

⁷ The Uruguay Round Agreement (URA) has provisions for determining the trade distortions created by domestic support policies to agriculture that either raise the price of agricultural goods or lower the cost of production or in one way or another restrict or encourage production beyond the level of what it would have been in absence of such policies. As domestic output changes, it impacts upon the direction and cost of trade. The URA provides for the monetary valuation of all such policies and calculation of an 'Aggregate Measure of Support' (AMS). The URA has grouped policies for domestic agricultural support into three groups often called boxes, viz., the 'Amber Box', the 'Green Box' and the 'Blue Box'.

⁸ The level of domestic support allowed in the agriculture under WTO is called De minimus principle of exemption. According to the De minimus principle, if the value of total domestic support for agriculture is at most 10% of the total agricultural production, then that support value need not be reduced or curtailed.

⁹ Special Safeguard Mechanism (SSM) is the mechanism that protects the producers in developing countries who are vulnerable to import surges and imported price volatility, in the absence of alternative risk management and safety net instruments.

¹⁰ A trade policy tool used to protect a domestically-produced commodity or product from competitive imports. A tariff rate quota (TRQ) combines two policy instruments quotas and tariffs. In a TRQ, the quota component works together with a specified tariff level to provide the desired degree of import protection. Imports entering during a specific time period under the quota portion of a TRQ are usually subject to a lower, or sometimes a zero, tariff rate. Imports above the quota's quantitative threshold face a much higher (usually prohibitive) tariff.

¹¹ Paragraph 18 of the July Package

¹² Konandreas, P, Greenfield, J (1995), Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-Importing Developing Countries - Some Issues of Interpretation and Implementation of the Decision, paper presented at UNCTAD, 18-19 May 1995.

¹³ Kerkelä, L, Niemi, J and Lehtonen, H (2006), Trade and Welfare Implications of the ExportSubsidyAbolition.

http://www.ifama.org/conferences/2006Conference/SymposiumFinal/1086_Paper.pdf
accessed on June 27, 2007

¹⁴ Regional Trade Agreement (RTA) between Brazil, Argentina, Uruguay and Paraguay, founded in 1991 by the Treaty of Asunción, which was later amended and updated by the 1994 Treaty of Ouro Preto. Its purpose is to promote free trade and the fluid movement of goods, peoples, and currency.

¹⁵ Elbehri, Aziz (2002), How Significant are Export Subsidies to Agricultural Trade? Trade and Welfare Implications of Global Reforms presented in Presented at the 5th Annual Conference on Global Economic Analysis, Taipei, Taiwan

¹⁶ Bangladesh Bank, Annual Report 2005, Government of Bangladesh

¹⁷ Bangladesh Bureau of Statistics (BBS), Statistical Yearbook, 2005

¹⁸ Author's calculation from various issues of the Bangladesh Economic Review, Ministry of Finance, Government of Bangladesh. and BBS, GoB.

¹⁹ Titumir, R.A.M; Sarwar, G; Ahmed, M.I (2005), Undercutting Small Farmers: Rice Trade in Bangladesh and WTO Negotiations, Unnayan Onneshan, Dhaka

²⁰ Data is presented from various issues of Bangladesh Economic Review, Bangladesh Bureau of Statistics, Government of Bangladesh

²¹ Adnan, S., 1999. 'The Political Economy of Technological Change in Bangladesh'. In: B. Rogaly, B. Harris-White and S. Bose, eds., 1999 Sonar Bangla? Agricultural Growth and Agrarian Change in West Bengal and Bangladesh. Dhaka:University Press Limited, 177-228 1999

²² Chowdhury, N., Farid, N. & Roy, D. 2006. Food policy liberalization in Bangladesh: how the government and the markets delivered? MTID Discussion Paper No. 92. Washington D.C., IFPRI.

²³ Chowdhury, Farid and Roy, 2006

²⁴ Mostly manual labour based activities include self-employed subsistence-oriented cottage industries, wage employment in rural business enterprises, transport operation, and construction labour. Human capital based occupations include salaried service in public and private organizations, teachers and imams, village doctors, and various types of personal services. Physical and human capital-intensive activities include commercial type rural industries, including agro- processing, shop keeping, peddling, petty trading, medium and large scale trading, and-contractor services (Hossain. M Rural Non-Farm Economy-Evidence from Household Surveys. Economic and Political Weekly 39:3636, 4053-4058, Sameeksha Trust, 2004)

²⁵ Centre for Policy Dialogue (2001) Election 2001: National Policy Forum, Policy Brief on Financial Sector Reforms, CPD Task Force Report. Dhaka.

²⁶ For details see Titumir, Ahmed and Sarwar, 2005

²⁷ Ministry of Food, Food Planning and Monitoring Unit (FPMU), Various Years, Database on Food Situation, Government of Bangladesh

²⁸ USDA (2005), Agricultural Baseline Projections: Global Agricultural Trade, 2006-2015

²⁹ Bangladesh Economic Review, 2006

SOCIO-ECONOMIC AND DEMOGRAPHIC PROFILE OF DRUG USERS UNDER TREATMENT AND THE CAUSES OF THEIR DRUG ADDICTION : A STUDY IN KHULNA CITY

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Abstract : In Bangladesh drug abuse is considered as one of the overwhelming national problems. Actually drug addiction is not only a problem of the users. It also affects their family, community and society as a whole. The present study makes a humble attempt to highlight socio-economic and demographic profile of drug users under treatment in Khulna City and the causes of their drug addiction.

1: INTRODUCTION

Drug abuse refers to the illegal use of drugs for non-medicinal purposes. Such drugs include alcohol and other narcotic drugs and psychotropic substances but exclude medical and non-psychotropic substances (Islam, 2004: 55). It is said that drug addiction brings human frustration and spoils the life of users forever. It has negative impact on physical structure of the users and their income and occupational pattern. Actually the effect of drug addiction on the drug users is multi-dimensional-physically, mentally, emotionally and spiritually (Drahozal, 2004:66). Drug addiction causes reduction of work and tarnishes social status of the users. It also causes potential harm for self actualization and mastery of one's own environment (Agarwal, 1977:28). Drug abuse also creates many social and economic dysfunctions causing devastating threat upon economic and social life in a society (Parrillo, 1989:77). Drug abuse in its true sense is not a problem or disease. Rather it is the symptom or out come of the multi-dimensional problems of the society. It can also be viewed as a social and moral challenge since it is a threat to the social, psychological and physical integrity of human beings.

2: The Problem

Drug abuse has reached epidemic proportions around the world. During the first third quarters of the 20th century, drug addiction was considered as an American problem, because the great majority of all individuals considered as drug users lived in the United States (Bhuiyan, Hossain and Habib 1996:1). It is said that the use of drugs was very limited till the end of the 19th Century (UNAB 1989:17). In the recent past

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drug addiction has turned into the shape of a national as well as a global problem. It is said that abuse of drugs and their illicit trafficking in Bangladesh has significantly increased. Its harmful effects on health, economy, families and societies and on the overall environment have also increased commensurately (Haque, 2004: 52). It is now considered as one of the alarming problems of Bangladesh.

Generally Bangladesh is not considered as one of the major drug producing countries. The only drugs produced in Bangladesh for local consumption in small amounts are cannabis and alcohol (DNC 2005:40). But transit of drugs through the country has caused significant spillage. Bangladesh's proximity to the major narcotics producing belt in the world and lengthy land borders with neighbouring countries have made comparatively easy drug trafficking possible causing increase in the supply of drugs and introducing new substances and their abuse (Haque, 2004:52). Besides, recently it is located that poppy flower is being cultivated in some remote border areas of the country, from which heroine is made (*Prothom Alo*, 23 February 2009). According to Department of Narcotics Control, the number of drug users here is about 50 lacs (*Prothom Alo*, 26 June 2008). It means at least 1 person is addicted out of each 28 persons in the country. These addicted persons spend about 8 crore money per year for drug purpose. On the other hand, according to the survey of Family Health International, about 1 lac people in the country are engaged in drug business directly or indirectly. Among them, 30 percent are women and children (*Naya Diganto*, 7 July 2008). Under such circumstances awfulness of the situation is easily understandable.

It is reality that Bangladesh shares a long border with India and Myanmar at its East, North, West and South-East side. The most of the territories in these borders are plain land. Therefore, the smugglers and illicit drug traffickers find it very easy to carry their shipments in these ways. The major routes of smuggling are located at the western and eastern borders and sea routs of the country (Hossain 2005:41). It is known that more than 60% of the smuggling of drugs from India is conducted through the western border of the country and almost all of the rest 40% through the eastern border and the Bay of Bengal¹ in the South. There is another indication that under-privileged women and children are largely engaged in smuggling and selling of drugs.

3: Objectives

The objectives of the study are as follows:

- (i) To assess the socio-economic and demographic profile of the drug users;
- (ii) To find out the nature and causes of drug addiction;
- (iii) To know the opinion of drug users regarding treatment centres;
- (iv) To make suggestions for the improvement of drug treatment system.

4: Methodology

(a) Method and Techniques. The present study has been conducted mainly following social survey method. Primary and secondary data-both have been used for the study. But the main emphasis has been given on primary data. For the study necessary primary data have been collected mainly through structured interview-

¹ The Bay of Bengal is the most vulnerable region for smuggling drugs, as it shared by the fishermen of Bangladesh, India, Myanmar and Thailand.

schedule in which both- open and close-ended questions have been incorporated. Side by side, informal interview have also been applied in the study. Primary data have been collected from drug users under treatment in different drug addiction treatment centres of Khulna city. On the other hand, secondary sources such as books, journals, magazines, periodicals, reports and dailies have also been reviewed and used. During the survey there were eight Drug Addiction Treatment Centers (1 Government and 7 Private) at Khulna City where a total of 176 drug users were under treatment. Out of them, 80 (45.45%) drug users have been selected randomly. The data have been gathered from October 2007 to December 2007. Collected data have been analysed with the help of computer. Then the processed data have been interpreted in simple tabular and descriptive form.

(b) Study locale: Khulna is the divisional headquarter of the south-western region of Bangladesh. At present, the total area of Khulna City is 45.65 sq. km. The total number of population is 773216, of whom 411842 are male and 361374 female. The total household under the City is 171984. The average household size is 4.5 and literacy rate is around 94% (Population Census, 2001). The city, for administrative purposes, is divided into 31 wards: each ward consists of different *mahallas*, the total number of which is 143 (Population Census, 2001).

5. Drug Consumption in Khulna City

It is known that the drug available in Khulna City comes mainly from nearer country India. The users here get their drug supply from *dalal* (Broker), medicine shop, residential hotel and restaurant, tea stall, friends and co-addicts. It is known through the study that they spend about 60-70 tk. per day for this purpose. In almost every *mohallas* of Khulna City, about 35-45 persons, majority of whom are young and adolescent, take different types of drugs which include heroin, opium, phensidyl, *ganja*, *tari*, pethidine injection, T.D.zesic injection, buprenorphine injection, liquor (overseas, Indian and country), morphine, *ram*², denatured spirit, drug related medicine etc. The most widely used drugs in the area are *ganja*, heroine, phensidyl and *tari*. The users are mostly unemployed youths, students, businessmen, industrial workers, transport workers, employees and slum dwellers. Among the youths and students, phensidyl, heroine and *ganja* are popular.

There are about 80 spots in Khulna City where drugs are transacted every day costs about 5 lacs tk. (Daily Inquilab, 19 August 2004). The spots include Sonadanga slum, Bus stand, Truck stand, Nirala, Chanmary, Dolkhola bazar, Gallamary, Sheikhpura, Raipara, Maulavipara, Shibbary more, Khulna University Gate, New Market area, Railway slum, Khulna Junction, Rupsha ghat, Four and five number ghat, Khalispur new road more, Daulatpur, Nurnagar, Baikali bazar and moilapota more etc. Among the above mentioned places Railway slum and Sonadanga bus stand are mostly known places for drug supply.

6: Major Findings and Discussions

6.1: Age

It is often argued that addiction to drugs is an outcome of having some sort of romantic and exciting experiences of adolescence and of frustrations emanated from

² New arrival drug in Khulna. It is known that this drug comes from crossing the Mynmar boarder.

some real or perceived deprivations of youth. But drug abuse has spread to all classes and age groups, though youths remain the most vulnerable group (United Nations, 1991: 291). Therefore it is necessary to know the age structure of the drug users. Table-1 shows the age group of the users which reflects the fact that the major concentration of users is prevailing among the adolescents and youths.

Table 1: Age Structure of the Drug Users

Sl. No.	Age (in year)	Drug Users	Percentage (%)
1.	under 20	12	15.00
2.	21-24	18	22.50
3.	25-28	24	30.00
4.	29-32	16	20.00
5.	33-36	10	12.50
Total		80	100.00

6.2: Sex

It is said that most of the drug users are male; however, drug abuse among females is increasing (Hossain, 2002:40). According to a recent report of UNICEF, 449 women and female children of Dhaka, Chittagong and Rajshahi are drug users (UNICEF, cited in Joli, 2006:97). On the other hand, the present study shows that of all drug users under treatment in Khulna City none is female. Under the circumstances it would be unwise to think that there is no female drug user in Khulna city. The reality is that the family members of the female drug users feel hesitance to take them to treatment centers considering different social and environmental problems. For example, family honour of the female drug user may be degraded in the eyes of society or the family may face problem to find out a suitable husband for an unmarried female drug user etc. Besides, families of female users with poor economic background are not interested to expend for their treatment. But if the user is male it is possible that in spite of poor economic condition his family will try best for his treatment. This occurs due to patriarchal mentality of the society. In a word, the difference between the treatment of male and female users on behalf of their families lies in socio-cultural context of the country. Therefore, it may be said that the cause of absence of female drug users in treatment centres is either the family of female users have not arranged treatment for them or arranged their treatment secretly outside the treatment centres. Even it is possible that the family may arrange female users' treatment outside their own area.

6.3: Marital Status

Generally marital status presents a network of duties and obligation at level of social life. The married persons have to administer all economic and social activities of their own families (Sachdeva and Gupta, 1980: 158). Following is table-2 which shows marital status of the drug users under treatment.

Table 2: Marital Status of the Drug Users

Sl. No.	Marital Status	Drug Users	Percentage (%)
1.	Married	44	55.00
2.	Unmarried	36	45.00
Total		80	100.00

Here it is noteworthy that among drug users married people are more in number than the unmarried. It is observed from table-2 that majority of the drug users are

married. Through the study it is known that married users are taking treatment being concerned about the future of their wives and children. On the other hand, the unmarried users have been inspired by their parents or other kin members or friends to have treatment for avoiding further physical complications.

6.4: Education

Education is one of the important factors in the life of an individual. An educated man can handle his problems properly. Generally, illiterate people involve in drug addiction being unaware of its effect. On the other hand, failure of educational attainment both in terms of degree and getting job is often argued to be a cause of frustrations leading to drug addiction. Table-3 shows the educational attainment of the drug users under the study.

Table 3: Level of Education of the Drug Users

Sl. No.	Level of Education	Drug Users	Percentage (%)
1.	Illiterate	8	10.00
2.	Can sign only	16	20.00
3.	Below SSC	16	20.00
4.	SSC ³	12	15.00
5.	HSC ⁴	4	5.00
6.	Graduate	20	25.00
7.	Post-graduate	4	5.00
Total		80	100.00

The above table shows an alarming rate of drug addiction among the educated persons in the study area. But a Rapid Assessment Survey on the drug abuse situation in Bangladesh revealed that the majority of the drug abusers have less educational background (Haque, 2004:52). The results of the two studies vary possibly for the reason that educated drug users come more in treatment centres rather than uneducated or less educated users. The family of the educated drug users is supposed to be educated, economically more solvent and more conscious than the family of illiterate or less educated drug users. Hence, the number of educated drug users is found to be more under the study.

6.5: Occupation

There is a clear relation between illegal drug use and occupation. There are many possible explanations behind this, but the most parsimonious conclusion is that high unemployment serves to foster drug abuse (Heller et. al, 1987:1). It is revealed from the present study that the users under treatment have come from a variety of occupational groups. Among them, people related to business are at the top of the user list. Table-4 shows the occupational status of the drug users.

Table 4: Occupation of the Drug Users

Sl. No.	Occupation	Drug Users	Percentage (%)
1.	Business	30	37.50
2.	Student	20	25.00
3.	Unemployed	9	10.00
4.	Service holder	6	7.50
5.	Transport worker	6	7.50
6.	Bus/ truck driver	5	6.25
7.	Others	4	7.50
Total		80	100.00

³ Secondary School Certificate

⁴ Higher Secondary Certificate

6.6: Family Income

Family income is generally measured in terms of monthly income earned by the family members. This income varies due to the variety of occupation. Here drug users are widely distributed in terms of their level of family income in table-5.

Table 5: Family Income of the Drug Users

Sl. No.	Monthly Income (in tk.)	Drug Users	Percentage (%)
1.	1000-3000	16	20.00
2.	3000-5000	24	30.00
3.	5000-7000	20	25.00
4.	7000-9000	12	15.00
5.	9000 -11000	08	10.00
Total		80	100.00

It is found from the above table that there is no user under the study whose family income is above 11,000 tk. per month. Therefore, it is assumed that the prevalence of drug abuse among the poorer section is an outcome of their poverty.

6.7: Type of Drug Used

The choice of drug to a user depends on a number of factors such as availability, price, taste etc. Hence, a single user not always remains fixed with using a single item. It is observed from the study that drug users mostly prefer oral items rather than intravenous drugs. Alcohol, heroine, *ganja* and phensidyl are highly used by the users under the study. The higher rate of use of these items may lie in the fact that these items are easier to use than intravenous items. Following table-6 shows the type of drugs used by drug users under the study.

Table 6: Type of Drug Used by Drug Users

Sl. No.	Type of Drug	Drug Users	Percentage (%)
1.	Heroin	40	50.00
2.	Phensidyl	16	20.00
3.	Heroin+ <i>Ganja</i>	8	10.00
4.	<i>Ganja</i>	8	10.00
5.	Alcohol (country and overseas)	4	5.00
6.	Others	4	5.00
Total		80	100.00

6.8: Causes of Drug Addiction

There are many reasons of being drug addiction in every society. The present study reveals that majority of drug users under treatment has become addicted either being influenced by their peer-group/friend or due to their curiosity and getting pleasure. From the study it is also evident that to remove frustration, poverty/unemployment, failure in love, family conflicts and to have fun and availability of drugs are other influential causes of drug addiction. Following is table-7 which indicates the causes of drug addiction.

Table 7: Causes of Drug Addiction

Sl. No.	Causes of Drug Addiction	Drug Users	Percentage (%)
1.	Influence of peer group	22	27.50
2.	Curiosity/ getting pleasure	20	25.00
3.	To Remove Frustration	10	12.50
4.	Poverty or Unemployment	08	10.00
5.	Failure in Love	04	05.00
6.	Family Conflicts	08	10.00
7.	To have fun	06	07.50
8.	Availability of drug	02	02.50
Total		80	100.00

6.9: Sources of Fund for Treatment

It is reality that no drug user comes to treatment centre until he/she feel severe physical problem. As the magnitudes of the manifestations of physical problems of the drug users become severe, generally they are not able to collect necessary funds for their treatment. As a result their family, friends and relatives come forward to savage the users. It is found from the study that the fund for treatment of the majority users is supplied by their family and intimate relatives. Again, for the treatment of a major portion of the users funds are supplied by their parents and for a minor portion of the users funds are managed by their family as well as by themselves. And only few drug users collect necessary money for their treatment by their own. Following is table-8 which shows the sources of funds for the treatment of the drug users.

Table 8: Sources of Funds for Treatment of Drug Users

Sl. No.	Sources of Fund	Drug Users	Percentage (%)
1.	Parents	24	30.00
2.	Family and Relatives	36	45.00
3.	Family and Drug User Himself	12	15.00
4.	Drug User Himself	8	10.00
Total		80	100.00

6.10: Causes of Taking Treatment

There are a variety of causes that direct a user for taking treatment. Broadly, the causes may be of two folds i.e. physical or psychological and socio-psychological. It is found through the study that majority of the drug users have come under treatment to avoid physical hazards like disability, continuous headache, burring sensation, vomiting tendency etc. whereas a major portion of the users have underscored the need for restoring family peace and stability by giving up this bad habit. Among the others, some have emphasized on getting rid of withdrawal symptom of drug abuse, some have indicated to avoid wasting money and some are concerned about fear of being an outcast due to drug abuse. Following is table-9 which indicates the causes directed the drug users to treatment.

Table 9: Causes that Directed the Drug Users to Treatment

Sl. No.	Causes	Drug Users	Percentage (%)
1.	Physical problem or hazard	36	45.00
2.	Disturbance of familial atmosphere	24	30.00
3.	To get rid of withdrawal symptom	8	10.00
4.	To check wasting money	10	12.50
5.	Not to be out cast	2	2.50
Total		80	100.00

6.11: Control of Drug Addiction

In the study there is an effort to know the opinion of drug users under treatment about the measures of controlling drug addiction. In this effort each of drug users has suggested more than one measure through which they expect to be benefited as an individual and as a whole. Here the highest proportion of drug users has recommended strict enforcement of law. According to them, the laws regarding illicit drug trafficking are not enacted properly in the country. As a result different types of drugs are available which ultimately plays a vital role for increasing the number of

drug addicted people. Besides, they have given importance on creating social resistance, increasing public awareness, arrangement of proper treatment and rehabilitation of the users, showing sympathy to the users etc. Following is table-10 which reveals opinions of drug users regarding control of drug addiction.

Table 10: Opinion of Drug Users regarding Control of Drug Addiction

Sl. No.	Opinion	Drug Users	Percentage (%)
1.	Government should be more active and sincere	44	14.96
2.	Strict law enforcement	50	17.00
3.	Arrangement of proper treatment and rehabilitation for the drug users	26	8.84
4.	To create social resistance	40	13.60
5.	To control illicit drug trafficking	46	15.64
6.	Conscientization of public awareness	16	5.44
7.	To show sympathy to the users	30	10.20
8.	To formulate the proper and strict law	42	14.28
Total		294*	-

6.12: Evaluation of Services of Treatment Centres

The history of drug addiction treatment centers is not much old in our society. It is a new dimension in health care systems of the country. It is found through the study that only few of the treatment centers of Khulna city are well organized whereas majority of the centers are beset with a lot of problems. In this regard it has been tried to have an evaluative response from the drug users under the study on the basis of the services they received from the treatment centers.

Table 11: Evaluation of Services of the Treatment Centres

Sl. No.	Rank	Drug Users	Percentage (%)
1.	Very good	40	50.00
2.	Good	32	40.00
3.	Not good	8	10.00
Total		80	100.00

It is revealed from the above table that most of the users are satisfied with the services getting from treatment centres while only few differ with them.

6.13: Suggestion for Improvement of Treatment System

It is previously said that majority of the drug users under treatment are satisfied with the services they received in treatment centres. Nevertheless majority of them have opined for the improvement of the treatment facilities. In this regard some of them have given importance on more consciousness and sincerity of the doctors in taking care of the drug users. Besides, most of them have appealed for the extension of the duration of treatment and more co-operation and helpfulness of nurses to the drug users. Moreover, a small number of drug users have given importance on strict and regular supervision of the activities of doctors, nurses and other employees of treatment centres. On the basis of the opinion of drug users it can be said that the condition of the drug addiction treatment centers needs to be improved in terms of

* Multiple answer

trained and experienced manpower and other facilities. In fact, a multidimensional plan covering prevention, cure and rehabilitation of the drug users is needed to face the problem. Moreover, all the programs and activities for treatment and rehabilitation of the drug users in the treatment and rehabilitation centers should be followed and covered by appropriate aftercare, follow-up and monitoring system. The recovered users should be affiliated with the treatment and rehabilitation centers at least for three years after they are relapsed on completion of the consolidated course of treatment and rehabilitation. The ex-users should meet a counselor at least twice a month. The counselors and social workers should visit the families of the recovered users at least once a month to monitor their behavior and performance to maintain sobriety.

7: Conclusion

Like any other country of the world, Bangladesh too is afflicted with drug trafficking and drug abuse problem. This problem is neither much talked of nor acutely perceived of by our society even before the 80s of the last century. For this the problem never be controlled, rather it has increased day by day. It is a matter of hope that considering the awful situation now consciousness regarding drug addiction has grown within government and non-government sectors of the country, though not in appropriate level, and they have come forward to resist illicit drug trafficking and arranged treatment facility for the addicted persons.

As it is seen in Khulna, health care facilities are mainly provided by the Government agencies, while the sectors still are not much well organized and beset with various problems in regard to providing appropriate services to the drug users. As we could identify the constraints at providing better services, fund problem remains at the top of all. In addition to that the shortage of trained manpower for taking care of users has been making these noble attempts futile. In short, both human and technical facilities of the drug users' health care system should be made available to render better services to the users under treatment. The major cause of failure in drug addiction treatment and rehabilitation is that it is not combined and integrated with all these processes. Side by side, lack of proper implementation of law regarding illicit drug handling and trafficking make hindrance in the ways of controlling drug trafficking and drug abuse. Moreover, lack of consciousness in family and social level makes the situation more complex. At last it can be said that drug addiction is not a problem of individual level only, it is a curse for the whole nation. So, all should take a renewed pledge to save our nation from the curse of drug abuse and secure a drug free world for our future generations and do something positive which is possible on their part for the remedies of drug abuse.

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OVERSEAS LABOUR MIGRATION : A NEXUS BETWEEN REMITTANCES AND WELLBEING

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Abstract: This article attempts to make public how and in what ways the migrants make the most of their individual, household and community well-being using remittances sent by them from overseas. It has found that the contributions of remittances make social, economic, psychological, spiritual and cultural well-being from individual to community levels. The article also looks into the theoretical and practical meanings of wellbeing. Lastly, the central focus of this article is to scrutinise how much and in what ways the wealthy, middle and poor migrants' households contribute to their well-being based on theory of wellbeing and recent studies on migration and remittances.

Introduction

International labour migration and one of its outcomes, remittances, are an escalating phenomenon in the current development discourse, which encompasses economic as well as social improvements. Simultaneously, it takes new shapes in the case of social inequality within the same society. People perceive the outcome of migration in different philosophical outlooks and thoughts that make them wellness and illness over the last three decades in Bangladesh. 'People's perceptions of well-being are context-specific. In a general sense, well-being refers to optimal experience and functioning; it focuses on daily interpersonal inquiries and intense scientific scrutiny' (Ryan and Deci, 2001:142). Well-being varies according to the socio-economic, cultural, political, demographic and geographic factors that affect people. Additionally, psychological and philosophical stipulations determine the well-being of individuals. Looking at two perspectives of well-being, Ryan and Deci (2001) illustrate that the hedonic approach focuses on subjective well-being (SWB) of the individuals, which is relevant to happiness or pleasure, while the eudaimonic approach focuses on psychological well-being, which is based on Self-determination theory (STD). The prerequisite for well-being is that individuals find contentment in their own context. In an effort to achieve contentment or a good life, a human being will try endlessly until he or she arrives at the optimal goal. Driven by the intention of accomplishing this target, people move from one place to another (for economic and non-economic reasons), leaving their family members behind; this is the root of migration. The experience of international labour migration, as well as the form it takes, has an

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influence on well-being whether the family is rich, middle income or poor. McGregor (2004) states that it is important to think about poverty based on material resources, which Gough (1991) illustrates in his "Theory of Human Needs" as being the material dimension. Based on these theoretical and practical backdrops the central focus is to think about the contributions of remittances to individual, household and community levels.

Methods and Methodology

Economic and Social Research Council (ESRC), UK started a project named "Wellbeing in Developing Countries (WeD) in 2003 in four countries namely Bangladesh, Thailand, Peru and Ethiopia. The main objective of WeD was to develop a conceptual and methodological approach for understanding the social and cultural construction of well-being in developing countries. In accordance to this, six research sites in Bangladesh have been selected through a two-stage process. Firstly, two districts such as Manikganj and Dinajpur were selected based on their distance from the capital city, Dhaka. Manikganj district, one of them, is close to Dhaka and enjoys very good communication with the capital city. Within this main district town, one urban and two rural sites have been selected. One rural site has been selected based on its proximity to the main district town and another based on its remoteness. The concepts of proximity and remoteness have been used to capture the sense of connectedness and integration. For this article, the remote site named Farirchar has been selected because of the number of overseas migration in this village is more as compared to other villages. WeD first conducted survey in Farirchar village where there are in total 310 households. However, according to the criteria of WeD, it conducted RANQ (Resources and Needs Questionnaire) on 250 households out of 310. From the RANQ data it has seen that RANQ has covered 30 overseas migrants were working in various countries of Middle East mostly in Saudi Arabia. Amongst them, 8 were rich, 14 middle and 8 were poor income households. One of the research themes of WeD was to explore the relationship between remittances and wellbeing.

With the intention of exploring the relationship between remittances and wellbeing two qualitative methods were employed such as Focus Group Discussion (FGD) and case study. The core aim of FGD was to understand how villagers with different age and gender groups perceive their wellbeing. On the other hand, case study method was used to know wellbeing of individual, household and community levels by interviewing the migrants (who were present during fieldwork), their spouse, parents, brothers, sisters, and cousins. The main aim was to select the respondents who know everything about the details of expenditure and utilization of remittances.

Understanding and Conceptualising Well-Being

Sociologists, anthropologists, economists and psychologists have concentrated on, and discussed, the concept of 'well-being' from the viewpoint of their distinct academic positions. As a result the term 'well-being' carries multidimensional meanings. By blending subjective and objective indicators of well-being together, the theorists have positioned themselves which have created much argument and the multi-dimensional meanings. For this Gough (2003:1) considers the term well-being to be 'ubiquitous' and 'protean'. Subjective well-being (SWB), for example, refers generally to people's own evaluations of their lives (Diener and Lucas, 1989). Diener

et al. (2003) argue that people evaluate their lives for both a shorter, and a longer, period in time. Christopher (1999) states that an individual evaluates his/her life based on his/her own criteria. On the other hand, Diener (1984) mentions two components of subjective well-being (SWB): 1) judgements about life satisfaction and 2) affective balance. Life satisfaction depends on a subjective cognitive appraisal, which determines the good life of an individual. Christoph and Holl (2003) state: "life satisfaction is supposed to reflect a cognitive personal evaluation of the total life situation against the background of individual aspirations, expectations and value orientations" (p.3). The other component, affective balance, is related to the term 'happiness'. Happiness is orientated to the assessment of well-being leading to a "preponderance of positive affects over negative affects" (Christoph and Holl, 2003, p.4). Through examining the indicators of social, human and financial well-being, Clark and Oswald (2002) argue that many factors are associated with happiness such as social relationships, health and financial issues. From a different angle, Ryan and Deci (2001) approach well-being from hedonic and eudaimonic perspectives. Hedonic well-being can be equated with happiness most of the time, and is defined as greater positive effects than negative effects, and larger life satisfaction. Ryan and Deci (2001) consider the eudaimonic perspective an approach to psychological well-being. It has been formed based on the "theory of psychological need", which is called Self-determination theory (SDT). It includes three components: autonomy, competence and relatedness, which are essential for self-determination and psychological health.

In a different way, Argyle (1989) looked at a number of demographic variables, which correlate with an individual's subjective and objective well-being, such as his/her age, education, social class, income, marital status, ethnicity, employment, leisure, religion, life events and competencies. These variables are interrelated and vary between populations. However, Ryff (1989) criticises the concept of subjective well-being because it is the result of historical accidents, and not designed to define the basic structure of psychological well-being. Based on this critique, she developed an alternative approach, which she refers to as Psychological Well-being (PWB). She constructed a measurement of well-being around six sub-scales: autonomy, environmental mastery, positive relations with others, purpose of life, personal growth and self-acceptance. Ryff (1989) argues that well-being has positive as well as negative dimensions, which serve as indicators of happiness.

A few studies have been conducted on well-being in Bangladesh. Some empirical studies looked at the indicators of well-being; Mahbub and Roy (1997), for example, explore some indicators such as peaceful life with family members, economic solvency, good health, education, income, adult male members in the family, three meals a day, family size and access to medical services. Khatun *et al.* (1998) consider five elements of well-being: self-confidence, self-esteem, conscious thinking, knowledge about social environment and life satisfaction. By using Participatory Poverty Assessment (PRA) methods Chambers (1983) analyses the well-being of the poor, tracing cultivable land with cattle, savings and investment-worthy capital, good housing, education, health, anxiety free life, good clothing, satisfactory food consumption and extended family (Nabi, 1999). Moreover, social indicators (such as education, health, and sanitation facilities), access to formal and informal institutions and economic indicators (such as occupation, land holding status, housing status, household income and expenditure, access to credit and utilization of loans) are important for people's well-being (Kabir, 2002). Mahmuda (2003) mentions similar indicators of well-being in Bangladesh, including indicators of material well-being

(money, fixed income, three meals a day, land), human well-being (education, good morality), social well-being (children and small family), physical well-being (access to health service), and psychological well-being (happiness and peaceful life) are essential. Furthermore, the Livelihoods of the Extreme Poor (LEP) (2003) study, conducted by PROSHIKA, collected perceptions of poverty by using some economic and non-economic indicators of well-being such as land holding status, income and employment, occupation status, savings, household structure, quality and quantity of food intake, skills and education, physical strength, access to local power structure and institution, access to drinking water and sanitation, dowry and age of marriage, access to resources and food security (Hossain and Atiquer, 2003).

Overseas Labour Migration, Remittances and Well-Being

Individual well-being

Many prolific writers have explored an assortment of the contributions of remittances at the individual level, but most of them did not concentrate on the amount of remittances at this level. They have, in fact, analyzed the findings by considering human and social well-being of the individuals. Demon (2004), Akuei (2004) and Hacettepe (2004) illustrate that household use remittance to provide food, clothing and health care. Thinking about education as one of the basic indicators for human well-being, Hedden-Dunkhorst (1993:16) argues "Investment in children's education for off-farm employment is regarded as a long-term strategy to secure the household's livelihoods" (in Schrieder & Knerr, 2000). Gilani (1983) finds the human well-being of individual is affected in the sense that the rate of enrolment in school is higher in migrants' families than in the non-migrants counterparts. The migrants' households spend the remittances on the welfare of the individual, such as clothing, treatment and education, which account for 10% of total investment (Siddiqui, 2003). Sander and Maimbo (2003) explain that the bulk of remittances are used for consumption and invested in human capital such as education, health and better nutrition. In a completely different way Hadi (1999) explores the effects of remittances on morbidity and mortality rates. Hadi *et al.* (1997) explain that better living conditions have reduced the magnitude of illness and therefore reduced the rate of morbidity, which contributes to well-being at the individual level. Through remittances the migrant's families can improve their food habits, nutritional status and health-seeking behavior. Due to exposure to diversified cultures, the migrants' family members may get more access to information about modern health facilities than others. Because they are financially better off, the migrant's household members can afford to visit qualified practitioners (Hadi and Kamal, 1997).

Household well-being

While the contributions of remittances to the individuals are relevant to human and social well-being, the influences at household level additionally contribute to material and economic well-being. Sander and Maimbo (2003) and Anh *et al.* (2003) point out that it is common for the migrants family to primarily invest the remittances in buying land, livestock and building or improving a home, and secondly to use the money to create savings or invest in business or repay debt. They add that remittances are mostly used for consumption and other household needs, but a small portion is invested in properties or businesses. In a similar manner, Helweg (1983) states that migrants spend remittances firstly on family welfare and land productivity, secondly on consumables and lastly on symbolic resources (in De Haan 2002). Demon (2004)

mentions that remittances contribute to the household consumption and financial support for other purposes, while Miyan (2003) states that remittances are used for building or repairing houses and acquiring land. Migration increases the family's income and improves their standard of living (Miyan, 2003 and Anh *et al.*, 2003). A major portion of the remittances the migrants' families invest in buying agricultural and homestead lands, by repairing houses or building new houses, releasing mortgaged land or taking on a mortgage, repaying loans and investing in businesses (Siddiqui and Abrar, 2003). The household members of the migrants do not only use remittances for housing, land purchase and consumption, but also for savings and loan repayments. Sander (2003) notes the bulk impact of remittances on improving standards of living with a knock-on effect for the local economy due to consumption and investment in land, housing and livestock. Simmons *et al.* (1977) suggest that the migrants' incomes help their families in buying modern farm equipments, which increase the agricultural productivity. They also argue that these positive impacts of migration encourage future migration.

Community well-being

The empirical studies on international migration suggest that the migrants and their family members spend a very small portion of the remittances on community activities, while they invest a large portion at the individual and household level. Sander (2003) and Sander and Maimbo (2003) mention that some migrants participate in a community, which comes together to engage in activities for their countries of origins. After collecting remittances, they are used for building or renovating schools and churches. These are different from those at the household and individual level, because of their low volume. Skeldon (2003) suggests that overseas remittances contribute to building roads, schools and hospitals at the regional or community level in Southeast Asia, but less so in China. The migrants send remittances, which are used for charity or community development purposes. Siddiqui and Abrar (2003) state that the small portion of the remittances the migrant households spend on community activities such as Mosque and *Madrasha* (Muslim religious institute) account for only 0.10%. After returning, the migrants repay loans as well as investing in educational institutions (Allen, 2003; Schrieder & Knerr, 2000). This type of well-being has been focused on the local institutes, which contributes to the welfare of the community or society.

Villagers' Perceptions on Well-Being

At individual level, different age and gender groups mentioned a variety of indicators regarding the well-being of individuals. Most of them brought up human resources such as education, health, good behavior and good looks. At the same time another group mentioned spiritual healing power, good qualities, being well articulated, giving honest advice, donating land for *Madrasha*, praying the everyday prayer, and being considerate as influences on individual and community level well-being. At household level, a group of elderly females has envisaged a happy household in Farirchar village as having a son working in paid employment, land, Allah's blessing, property, a husband who is still alive, a happy husband and a son, family members working in paid employment, and food provided to the parents by their son. A group of young females, however, described a somewhat different picture of a happy household, in which they prioritize children's education, small family size, health, good husband/wife and good marriage. Emphasizing the

importance of religious beliefs, a group of elderly men considered a job, international migration, land ownership, income, a 'good' or 'moral' characters, 'honesty' and justice to be important for the happiness of a household. Similarly, at community level, the participants mentioned similar sorts of indicators for the well-being at the community level. Emphasizing infrastructure (such as roads), electricity, Mosques and *Madrasha*, they also mentioned indicators such as unity among the villagers, good communications, mills/factories and good health of the villagers. The above illustrates that the villagers precisely and spontaneously expressed a range of indicators of objective and subjective well-being, which relate to different types of well-being such material, human, social, economic, cultural and spiritual at various levels. These findings have illuminated a set of elements contributing to the 'good' life from the respondents' subjective perceptions.

Contributions of Remittances to Well-Being

The study data suggest that the impacts of remittances vary from social class to class on account of the resources they use for making migration in overseas. Likewise, the volume of remittances and the outcome of it depend upon the duration of migration. This study suggests that in some cases migration has improved both economic and non-economic indicators of well-being of the rich migrants' family and individuals. The latter includes status and prestige, which have enhanced their social and psychological well-being.

Contributions to individual well-being

Individuals' education and health: human well-being

The members of the migrants' households use remittances in various ways, but the most important source they acquire is education, because it is one of the potential human resources, which makes people capable of doing something. By deploying the output of education people earn money, which increases the individual's financial resources etc. Additionally, education helps individuals to obtain social prestige and status, which simultaneously increases individual social well-being. Out of the 30 migrant households, ten have spent the remittances on the education of their children or other family members. The investment in education has been seen in rich and middle classes. *Alim, for example, is a 35-year-old wealthy person. He went to Saudi Arabia ten years ago. He spent a lot of money for various purposes. Aside from these, his family is spending some money on his two children, who are studying in Nabinagar town in K.G School. While they are studying, they are living in their aunts' residence.* It has been seen from the RANQ data that 57 and 30 percent households think that the standard of education of their children are 'just adequate' and 'not adequate' respectively whereas 4 percent consider it as more than adequate. On the other hand, the people of the study area suffer from various diseases, some of which are chronic and transient. The majority of villagers are not able to afford the treatment costs in the hospital and clinic. The study suggests that most of the migrants' households have spent a lot of money on medical treatments, which they couldn't afford without receiving money from overseas. There are five households out of the thirty that have spent an exceptional amount of money on treatments for their household members. The people from the rich and the middle class seek modern medical for their family members, which is another indicator of human well-being. For instance, *Kabir's, middle class, family used the remittances in order to meet their essential requirements. His mother had been suffering from an acute disease. With a*

hope for treatment he sent 40,000 taka back home. His family took his mother to the capital city, Dhaka, for medical treatment, where they spent 20,000 taka, but at last she died. In the case of treatment it is seen that 52 percent households are not satisfied with their health care but 44 percent think about this as just adequate while 4 percent regard as it more than adequate. It is noted that the educational achievement and treatment scope are better amongst the migrants' households as compared to the non-migrants households.

Individuals in kind: social well-being

A portion of remittances is transferred in kind, which is very difficult to measure. When the migrants return home they either bring these things with them, or they send them through friends. Donating clothes to household members and their relatives has a distinctive impact on the individual level. These kinds of gifts or donations contribute positively to peoples happy. The study also reveals that the migrants send other goods such as gold chains and wrist watches to their families and relatives. This makes people content and therefore adds to the individuals' psychological well-being. Eight out of the 30 migrants sent gold chains, and three sent wrist watches back home for their family members and relatives. *Muktar, 25, middle class, went to Saudi Arabia five years ago. His family often spends money on clothes. He gave golden chains to his sisters and mother. He also gave wrist watches and a charger light to his two brothers-in-law.* Well-being at the individual level depends on well-being at the household level. The household members invest remittances to the former level subtly; they could not measure the actual amount of money they spent, for instance, on education. The investment of remittances on this level promotes the individuals future destiny.

Contributions to household well-being

Material sense of well-being: having enough

The study found that the remittances the migrants send to their respective households are mostly use to buy arable and homestead land in the village and town. Then they invest remittances in building new houses, repairing old ones, buying vehicles and furniture, setting up sanitary latrines and deep tube-wells, and releasing the mortgaged arable land. These kinds of indicators create well-being at the household level. The findings show that the money they invested in buying arable and homestead lands makes up 45.47% (38.19%+7.28%). They also invest a large amount of money in building dwelling houses, mostly tin-made, which accounts for 12.17% of the total investment at the household level. The data from RANQ reveals that 65 percent households articulate that the level of satisfaction regarding their housing is 'just adequate' whilst 31 percent are 'not satisfied' although 4 percent think that what they have is more than enough. *One of the rich migrants, Badar, articulated that after donating money for the poor, Mosque and Madrasha his family built a brick house. Before his departure he did not take out a loan, therefore it was possible for him to spend 150,000 taka on building a house.* Similarly middle class household's case is like this: *Israfil, 30, sent a lot of money to his family at different times and his family used it for various purposes. After repaying their loan and releasing mortgaged land they purchased 130 decimals of arable land. They spent 220,000 taka (2075 Pounds) in order to buy the land.* On the other hand, *Rabeya is from poor income group household said that the money she sent back to her husband repaid a portion of their loan and interest. Although he hasn't repaid all his*

debts, he repaired and extended his only tin-made house. Apart from these, a portion of remittances they use in buying different kinds of foods such as rice, fish, vegetables and other daily foods which amounts they cannot bring to mind. Sixty six percent respondents state that the food consumption of them and the level of satisfaction of it are more than adequate. At the same time the equal number of respondents (17%) points out that the level of food consumption is not adequate and just adequate.

Economic-sense of well-being: savings

The striking finding is that it is out of imagination for the poor and few middle class households to save money sent by the migrants from overseas. The root cause of it is that for the arrangement of money for migration all the poor households take loan with high interest. However, those who invested cash for migration, the rich for example, can save money in a bank or in different ways. For the middle class households after repaying loans and purchasing arable and homestead lands few of them save. This class is enjoying a somewhat better quality of life than the poor but not as high as the rich, because of the resources it is using for migration. Like the rich, the middle class acquired the finances for migration by selling and mortgaging arable land and borrowing money from *Mahajan* and relatives. They also used other sources such as cash. The data reveals that out of the 30 migrant households, four have saved money, accounting for 4%. This economic solvency helps the households to tackle any predicament they might face later on. For example, *Sabuj, 30, wealthy, went to Saudi Arabia six years ago. Five years ago his family was middle class in this village. After repaying their loan, sending his brother to Saudi Arabia, purchasing homestead lands, building new brick-built house and sanitary latrine his family saved 50,000 taka in a bank.* It is obvious from the RANQ data that more than half percent respondents let us know that their total income over the last five years is 'much better' (30%) and 'a little better' (26%) now. On the contrary, the reverse picture is seen in point of 34 percent respondents whose income is 'a little worse' and 'much worse' now. Between these two countenances, 9 percent respondents talk about that their income has been unchanged over the last five years. It is obvious that the individual well-being depends on household well-being and vice versa.

Contributions to community well-being

People articulate their satisfaction with life in different ways, which may be psychological or material. The study suggests that families, which are receiving remittances, donate money to various institutes such as Mosque, *Madrasha* and graveyard. These donations contribute to the community, because they enable the building of new institutes or the repairing of old ones. Remittance-receiving families have donated money to different religious institutes 26 times, which accounts for approximately 78% (twenty-four thousand *taka*) of the portion of remittances spend at the community level. Eighteen out of the 30 the rich and middle households have given money to either Mosque or *Madrasha*, while some households donated money to both. At the same time, the poor households are not competent to donate money to religious institutes or other community activities because of their debts. For instance, *Badar sent 10,000 taka to his family. He wrote a letter to his family asking them to donate 2,000 taka to Mosque and Madrasha, and 1,000 taka to the poor. His family did it.* Another important contribution of remittances is the donation made to graveyards. This also brings psychological contentment to the migrants and their

family members. The villagers buy land to set up a graveyard with the accumulated money. *Muktar, for example, out of a total of 30 migrant households, has donated 200 taka towards a graveyard to ensure his peace of mind.* Additionally, the direct social well-being-enhancing indicator of remittances is the donation made to the community people who are poor. Six migrant's households have contributed money to the poor, which makes up for 17.08% of the entire community donation. The families of Badar and Alim donated 2,000 and 2, 00 taka respectively for the arrangement of the marriage of a poor villager. The migrants' family thinks that they get peace, at the same time they enjoy some sorts of social prestige and status, which meet their needs for a short span of time.

Social Class, Remittances and Well-being

With the intention of meeting their needs and improving quality of life the migrants' households have deployed the different resources they had to a greater and lesser extent. The study suggests that the contribution of remittances has played a huge role boosting material, human, social, cultural and economic well-being at the individual and household level of the rich and some middle class household. From the above findings with analysis it concludes that a few migrants from the rich and few middle classes made donation to different organizations such as mosque and *Madrasha*. Furthermore, they donate clothes and *Fitre* (Muslim religious charity) to the poor and their close relatives in order to enhance their prestige and status. Such donations don't only enhance the psychological or eudaimonic well-being (Ryan and Deci, 2001) of the migrant households but also make a contribution to the well-being of the community. This study has revealed that most of the rich migrant households are happier now than they were five years ago. The main reasons for the increase in their happiness is that they invested the money received through remittances in clothing, health, shelter, and a clean, safe and sanitary environment which are fundamental for survival as well as for achieving a good quality of life i.e. well-being and savings for future security (Clark and Oswald, 2002 and Ryff, 1989). Thus, this group of people has enhanced its quality of life by investing remittances.

On the other hand, the middle class is enjoying a somewhat better quality of life than the poor but not as high as the rich, because of the resources it is using for migration. Like the rich, the middle class acquired the finances for migration by using cash, by selling and mortgaging arable land and borrowing money from *Mahajan* and relatives. The RANQ data suggests that eight families of the middle are moderately happy while four are unhappy. The root cause of this is the issue of acquiring money for the migration. Out of all middle class migrants, the very happy ones and the moderately happy ones, some households' income has increased more than others. At the same time, some households' incomes have stayed unchanged and a few of them are therefore unhappy.

The final category of people, the poor, has migrated borrowing a huge sum of money from *Mahajan* with high interest and in few cases they sell material resources such as land, houses, livestock and trees. Their remittances are mostly used for the repayment of their debts, which hinders them from allocating money to improve their basic needs i.e. livelihoods. Thus, their quality of life is debilitating. Additionally, the community people have limited the freedom (Ryan and Deci, 2001 and Ryff, 1989) of female migrants' households by treating them with a negative attitude. They face the problem of repaying their loan, and have to take out further loans with interest to provide for their families. To lesser extent a very few of them have utilised

remittances for repairing and extending dwelling house. This cycle of debts is creating a boundary for meeting immediate and future needs. The RANQ data reveals that all of the poor migrant households are having a hard life because their economic condition became slightly worse after migration.

Conclusion

This article has endeavoured to expose the wellbeing of the individual to community levels through the utilisation of remittances sent by the overseas migrants. It has to mention here that the recent studies of overseas migration has contributed a lot to various levels but the theoretical background of wellbeing somewhat suggests the practical scenario in the perspective of Bangladesh because of class variations and the levels of contributions. The community well-being is being enhanced through the donation of remittances the rich and middle class make. However, these contributions depend on the extent to which the migrants' households had to deploy their resources in order to arrange the migration, as well as the duration of the migrant's visit abroad. Additionally, the degrees of demands determine the magnitude of well-being e.g. quality of life. From the perceptions of well-being of the villagers, it has been found that meeting only material needs does not make them happy, a variety of psychological indicators of well-being play a role as well. The income of the wealthy households has increased over the last five years and they have met their needs and perceived a higher quality of life. On the other hand, the needs of most of middle class and all of the poor remain unmet for several reasons, one of which is their lack of material and financial resources. In other words, they, especially the poor, are perpetuating their poverty or fortunes by creating a debt cycle.

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DETERMINANTS OF SCHOOL DROPOUT OF THE TRIBAL CHILDREN IN BANGLADESH

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Abstract: Education is the stepping stone for the road ahead for all individuals. The international discussion about 'Education for All' focuses largely on national policies to get children into school. Despite substantial efforts made by the Government of Bangladesh to increase education level, many of the children especially from disadvantaged groups stop continuing study in the midway of secondary and even primary schooling. Studies on educating the tribal children, particularly in Bangladesh, are inadequate, however. Apart from research interest, this study examines the socioeconomic correlates of school dropout of the tribal children in the south-eastern part of Bangladesh using primary data. The findings of the study reveal that, overall 29% of the tribal children aged 6-15 were out of school. The corresponding figures for boys and girls were found to be 25% and 33% respectively. The highest and the lowest rates of school dropout were found to be in the Tanchangya and Marma tribes. The results of the study further suggest that girls were more likely to be out of school compared to their peer boys' counterparts, indicating gender disparity in formal education of the tribal communities. Results of the multivariate analysis reveal that individual as well as household level attributes are important determinants of school drop out. Age, sex, father's education and occupation, residence and electricity connection in the household were found to be highly significant predictors in determining dropping out from school among the tribal children of Bangladesh.

Introduction

Equal access to education is a basic human right essential to well being for individual as well as of nation. Impartial education benefits men and women, poor and rich, advantaged and disadvantaged groups and ultimately equalizes relations between them. To become agents for equality, development and peace, both advantaged and backward groups must have equal opportunities in education. In view of educating the future, the government of Bangladesh has made primary education free and mandatory through the Compulsory Primary Education Act (CPEA) 1990. The stipend programme especially for the girls provided by the government of Bangladesh with the conjecture of donor agencies has widened the opportunity to reduce the gender inequality in education. As a result, the scenario of familiar disparity in enrolment ratio between boys and girls of the country has come to be removed. In fact, the net enrolment rate for girls has overtaken boys in recent years.

The Government of Bangladesh (GOB) has instituted several programs that attempt to redress the negative effects of poverty on primary schooling. In 1990, the

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GOB enacted the CPEA to ensure that no child would be deprived of primary education due to inadequate school places, poor instructional quality and discrimination arising from gender, income, ethnicity and residence. The initiatives taken by the government have been appreciated in home and abroad. Despite this, the education programmes have not been spread out equally in every corner of the country. There are some geographical pockets in the country which have remote terrains where children are disadvantaged in terms of economic status and are being deprived of quality education due to scarcity of quality institutions.

Despite the fact, gender disparity in education, females with lower literacy rate was reported in 2001 for both rural and urban areas. Disparity in literacy rate was found higher in urban areas, 46% for females compared to 55% for males. In rural areas the literacy rates for females and males were 30% and 36% respectively. Although participation of rural people in literacy programmes is increasing, rural-urban differences continue to remain a challenge to overcome (CAMPE, 2004). BBS (2001) reported that literacy rate in Chittagong Hill Tracts (CHT) is very low (20%) compared to the national level (48%). Among the major religion groups, the Buddhists had the lowest literacy with a rate of only 38% (BBS, 2003). The slum dwellers and the Buddhists in the CHT and other ethnic minority groups were lagging behind in education due to financial disadvantages.

A recent study conducted by Campaign for Popular Education (CAMPE, 2005) reported that ethnic minorities living in the CHT were advanced in literacy status than their plain-land counterparts with a difference of 10%. The study also noted that in the CHT, the Chakmas were 11% ahead than other tribal groups. Although there was no gender difference among the plain land children, the girls of the CHT were more likely to be out of school than their peer boys (26% vs. 19%). A quarter of the Chakma girls aged 6-15 years were out of school. The corresponding figure for other tribes was about 31%. The study further reported that 62% of the girls and 56% of the boys of the tribal groups dropped out school before completion of primary schooling.

In another study it was mentioned that, around 1998 the net enrollment rate (NER) among the children aged 6-15 years in the CHT was 57% (Nath, 2001). The NER of the children varied widely among the ethnic groups with the highest in the Bangali (66%) and the lowest in the Mro (8%). Among the ethnic minority groups, the current enrollment rate was recorded the same 57% for Chakmas and Marmas and 43% for Tripuras respectively. Although, statistically no gender difference was observed in the enrollment rate in the Bangalis and Chakmas, however, the girls were found less likely to be enrolled than the boys in these two ethnic groups. Besides, the NER of the girls lagged much behind the boys in the case of the Marmas, Tripuras and the Mros. Over 30% of the households with eligible children aged 6-15 years for schooling were not currently enrolled in schools.

The education programme has been planned to make it an inclusive one with giving emphasis to different disadvantaged ethnic minority and tribal groups. Those who will miss the opportunity to access formal education for any reason would be covered by non-formal education (CAMPE, 2004). However, so far known, study on dropping out from school particularly of the children of the different tribal groups is still inadequate. Hence, this study is an effort to fill in this gap through a micro level investigation in understanding the socioeconomic determinants of dropping out from school of the tribal children of the CHT region, with special reference to those of the Rangamati Hill District.

Data and Methodology

The data for the present study have been gathered from a field survey conducted during January-March, 2006 through a pre-structured questionnaire from three upazillas of Rangamati Hill District, located in the south-eastern part of Bangladesh. The survey gathered information on the socioeconomic as well as demographic perspectives from four major tribal groups: the Chakma, Marma, Tanchangya and Tripura. A systematic multistage random sampling technique was maintained to collect data from 897 households. Among the households a total of 918 children of aged 6-15 years were found. Although the survey was specially designed to study the socioeconomic, demographic and reproductive behaviour of the tribes of Rangamati Hill District, however, such a dataset provided a unique opportunity in understanding the state of education of the tribal children of the CHT region particularly of the Rangamati Hill District. Moreover, these data do not provide information about school quality, individual preferences and parental attitudes toward schooling or on academic performance. These variables are strong predictors of dropping out of school in many societies (Velez 1989; Ensminger and Slusarcick, 1992). Thus the data of this study will address some but not all of the issues that explain why children dropout school in the tribal zones of Bangladesh.

In assessing the variability of dropout from school, the effects of individual as well as household level characteristics were examined in this study. In doing so, the both bi-variate and multivariate statistical treatment were employed. Bi-variate technique was used to examine the association between school dropout and individual as well as household level factors, while multivariate technique namely 'binary logistic regression' was carried out to examine the net effects of the background factors. The logistic regression model that has been considered for the present study is as follows:

$$\ln\left(\frac{p}{1-p}\right) = a + \sum b_i x_i$$

where, p is the probability of a child to be dropped out from school; a is the constant; b_i values are the estimated regression coefficients; and x_i are the background characteristics of the tribal children under study.

In the present study "school dropout" has been defined as, "any school-aged child who ever attended school but was not attending school in the last three months preceding the date of interview and who had not completed school graduation but left school during the survey". Therefore, the children who never attended school have been excluded from multivariate analysis.

Results

Schooling Status of the Tribal Children

Table 1 demonstrates the schooling status of the children aged 6-15 years under study and that of the ethnic minority children in Bangladesh as a whole as obtained in the field survey, 2006 and an earlier study conducted by Campaign for Popular Education (CAMPE, 2005). The table exhibits that the tribal children in the study area are being deprived from education than other ethnic minority children in Bangladesh. As a whole, the ethnic minority children in Bangladesh were found to be 8.9% advanced in current enrollment rate than that of the study group. The dropout rate was higher by 2.8% in the study hill tribes of Rangamati district as compared to other ethnic children of Bangladesh. The never enrolled children were almost 6% higher in

the study area as compared to those of the same status in other areas of Bangladesh. The phenomena of the tribal girls of the study district were found even worse as compared to their other ethnic sisters. While 81.9% of the ethnic girls were found to be currently enrolled, the corresponding figure for the study tribal children was observed to be 66.4%, indicating their lower participation in schooling. The dropout rate was recorded higher by 3.4% and never enrolled girls were found almost two times in the study area compared to the other ethnic minority girls in Bangladesh. The schooling status of the tribal boys was found also worse compared to the other ethnic boys in Bangladesh. The observations presented in the Table 1 indicate that the tribal children in the hill areas were lagging behind even their peer ethnic minority counterparts in Bangladesh.

Differentials of school dropout

Table 2 demonstrates the percentage distribution of the tribal children dropped out from school in the study district as was found by the field survey, 2006. The rate of school dropout was recorded as 16% among the study tribal children. As can be seen from the table that, school dropout significantly varied with tribal groups. The dropout rate was recorded the highest in the Tanchangya (22.29%), followed by Tripuras (20%), Chakmas (13%) and Marmas (10%). A significant variability was observed between age and school dropout. The dropout ranges from 4.6% for the age group 6-9 and rose to the peak 32.8% for the children aged 13-15 years. The rate of school dropout among the girls was observed slightly higher than their boys' counterparts. Father's education and father's occupation was appeared as a highly significant factor for dropping out from school of the tribal children. The dropout rate was recorded the highest (26%) for the children whose fathers' were illiterate and the lowest (6%) among those whose fathers' had secondary or higher education. Current residence and electricity connection were also found to be significant predictors in the variation of school dropout. The rate of school dropout among the rural children was observed higher with a difference of 15% than their urban counterparts. There exists an inverted U-shaped pattern between dropout from school and household income of the study tribes.

Determinants of school dropout

In assessing the determinants of school dropout of the tribal children of Rangamati Hill District, multivariate analysis was felt appropriate in the present section of the study. It is important in driving up the understanding of the socioeconomic factors influencing to be dropped out from school controlling over other confounders. Considering the dichotomous nature of the dependent variable (dropped out or not) binary logistic regression analysis was thought to be a suitable statistical technique in determining the influential factors (Hosmer and Lemeshow, 1989). To carry out the logistic regression analysis through Statistical Package for Social Sciences (SPSS) version 11.5, the dropped out children was coded as '1' and '0' for currently enrolled children. The never enrolled children were excluded from this analysis. Thus the present section of the study considers only 774 children who ever enrolled in school. The results of the logistic regression analysis have been presented in Table 3 with estimated regression coefficients, odds ratios and standard error (S.E.) with 95% confidence interval for easy interpretation. To avoid multi-collinearity with father's education, mother's education was excluded from the analysis. A set of eight variables were entered into the model and finally six of them appeared as statistically significant determinants that influence to be dropped out from school. 'Tribal group'

and 'household income' were found to be insignificant factors in school dropout of the study tribal children. Although tribal identity was appeared as a significant predictor in the bi-variate analysis, however, the factor was found no more significant in the multivariate analysis. This is partly due to the homogeneity socioeconomic and behavioural characteristics of the study tribes of the study area.

The results of the logistic regression show that the risk of school dropout increases with age of the children. The children aged 10-12 years and 13-15 years were 5.19 times and 18.78 times respectively more likely to be dropped out from school than children aged 6-9 years. The possible explanation of this result may be translated by the way that children aged 10 or more years were likely to supply labour force participation in the traditional professions of their parents or guardians which substantially shortens the opportunity of continuing school. Parental urgency to get the children involved in work ultimately force the elder children in dropping out from school without completing full cycle even of primary education (Nath et al, 2005). The tribal girls were tended to be dropped out from school 1.60 times higher than boys. Studies reveal that, girls are more likely to leave school because of the need to minimize social opportunity costs associated with prolonged schooling such as marriage and childbearing (Fuller, 1995). It is also possible that difficult communication in the hilly areas also resist girls from going to school.

Father's education was appeared as a highly significant predictor in determining dropout from school of the tribal children. The risk of dropout from school of the children decreases with the increase of father's education. As expected, dropout from school of the tribal children decreases by 54% and 58% respectively among the children with fathers who had primary and secondary education respectively as indicated by the odds ratios. The risk of dropout from school decreases by 52% among the children whose fathers were engaged in other occupations than agriculture. Perhaps the educated fathers and those engaged in the profession other than agriculture are more conscious regarding the benefit of higher education. Rural children were 75% more likely to be dropped out from school than those of urban areas. Limited schooling opportunities in the hilly remote terrains could be behind the high likelihood of dropping out from school among rural tribal children. Besides, children having no electricity connections in their households were 3.60 times more likely in dropping out from school than those having electricity connections in their households.

Conclusion

The present study is an effort in driving up understanding regarding the state of school dropout of the tribal children in the Rangamati Hill District, located in the south-eastern part of Bangladesh. The findings of the study reveal that the rate of school dropout among the study children was almost 16%. The rate of school dropout was found 5% higher in the girls as compared to their boys' counterparts. The study showed that various individual and household level factors such as: children's age, sex, father's education, father's occupation, residence and electricity connection in the household are important determinants of dropping out from school. The highest rate of school dropout was found in the Tanchangyas and the lowest in the Marmas. Although racial groups were found as a significant predictor in dropping out from school, however, the other confounders of the multivariate treatment substantially attenuated the effect, proves the homogeneity socioeconomic characteristics of the tribes under study area. The urban tribes are better facilitated

with modernization process which leads their children in staying more at school than their rural counterparts. The findings of the study showed that despite of actions taken by stipend programme in enhancing the education of the girls of the country, the rate of school dropout among the tribal girls is still pervasive. The free primary schooling and female stipend programme in the high school level are yet to attract the tribal community in staying their girls in institutions for prolonged education which is an obstacle in achieving the target of the Government of Bangladesh.

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Appendices:

Table 1: Schooling status of the children aged 6-15 years under study and that of the ethnic minority children in Bangladesh as obtained in CAMPE (2005)

Schooling status	Tribal children of the Rangamati Hill District*			Ethnic minority children in Bangladesh**		
	Boys	Girls	Both	Boys	Girls	Both
Currently enrolled	75.21	66.4	70.9	81.9	77.6	79.8
Dropped out	13.94	18.08	15.89	9.9	11.3	10.6
Never enrolled	12.39	18.89	15.58	8.2	11.1	9.7

Source: * Field Survey-2006 and ** CAMPE-2005.

Table 2 : Percentage distribution of dropped out from school of the tribal children aged 6-15 in Rangamati Hill District, Bangladesh

Background characteristics	N = 774	Dropped out from school		chi-square
		No	Yes	
Tribal identity				12.344***
Chakma	266	86.84	13.16	
Marma	174	89.66	10.34	
Tanchangya	166	77.71	22.29	
Tripura	168	80.36	19.64	
Age group				74.495***
6-9	326	95.40	4.60	
10-12	247	83.00	17.00	
13-15	201	67.16	32.84	
Sex of children				2.484†
Male	409	86.06	13.94	
Female	365	81.92	18.08	
Father's education				41.017***
Illiterate	277	74.01	25.99	
I-V	201	84.08	15.92	
VI+	296	93.58	6.42	
Father's occupation				17.011***
Agriculture	403	78.91	21.09	
Others	371	89.76	10.24	
Residence				22.202***
Rural	597	80.74	19.26	
Urban	177	95.48	4.52	
Electricity connection				39.629***
No	429	76.69	23.31	
Yes	345	93.33	6.67	
Family income				7.091*
<3001	93	83.87	16.13	
3001-6000	305	80.00	20.00	
6001+	376	87.50	12.50	
Total	774	84.11	15.89	

Source: Field survey-2006. Note: *** p<0.01, ** p<0.05 and † p<0.10.

Table 3: Logistic regression analyses showing the risks of school dropout of the tribal children aged 6-15 years

Background Characteristics	β	S.E.	Exp(β)	95.0% C.I. for Exp(β)	
				Lower	Upper
Age group					
(6-9)	--		1.00		
10-12	1.648	0.329	5.194***	2.724	9.904
13-15	2.933	0.341	18.778***	9.624	36.640
Sex					
(Boys)	--		1.00		
Girls	0.470	0.233	1.600**	1.014	2.526
Tribal group					
(Chakma)	--		1.00		
Marma	-0.490	0.364	0.613	.300	1.249
Tanchangya	0.269	0.309	1.308	.714	2.397
Tripura	0.571	0.431	1.770	.761	4.115
Father's education					
(Illiterate)	--		1.00		
Primary	-0.778	.276	0.459***	.267	.789
Secondary+	-0.878	0.347	0.416***	.211	.820
Father's Occupation					
(Agriculture)	--		1.00		
Non-agriculture	-0.739	0.371	0.477**	.231	.989
Residence					
(Urban)	--		1.00		
Rural	0.559	0.504	1.749***	.652	4.695
Have electricity connection					
(Yes)	--		1.00		
No	1.281	0.330	3.602***	1.886	6.879
Family income (in TK.)					
(≤ 3000)	--		1.00		
3001-6000	0.180	0.395	1.197	.552	2.595
6001+	0.389	0.257	1.475	.891	2.442
Constant	- 4.478	0.610	0.011		
-2Loglikelihood	498.668				
Cox and Snell R-Square	0.207				
df	13				
Chi-square	179.148				

Source: Field survey-2006. Note: *** p<0.01 and ** p<0.05. Reference category is in the parentheses.

SUSTAINABLE DEVELOPMENT ISSUES: THE BANGLADESH PERSPECTIVES

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Abstract: Sustainable development requires equitable participation of both men and women, but women's equal participation and benefit sharing remains inadequate in the Country. This paper examines the Bangladesh's achievement in gender and sustainable development matters, since the Rio Summit held in 1992. It argued that a numbers of initiatives have been undertaken by the Country e.g. National Policy for Women's Advancement, National Action Plan (NAP) for women's advancement etc. But there are a number of implementation constraints and barriers to address the gender issues of the country for achieving sustainable development.

1. Introduction and Background

¹Gender and ²sustainable development issues are an essential component of ³Agenda 21 and other international agreements. Agenda 21 was adopted during the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro, 1992. Agenda 21 includes Chapter 24: "Global Action for Women towards Sustainable and Equitable Development", outlining strategies to achieve the necessary full and equal participation of women in order to bring about sustainable development. In

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¹ Gender refers to the social, economic and cultural roles and relations between women and men, including their different responsibilities in a given culture or location and in different population groups (children, aged people, ethnic groups, etc.). Gender is socially constructed and can change over time and vary according to geographic location and social context. 'Gender Issues' relate to the concepts/ social practices originating from inequality linked to gender viz. patriarchy, division of labor, gender gap, gender discrimination, women's oppression etc.

² In the broadest sense, sustainability refers to the capacity of socio-ecological systems to persist unimpaired into the future (Raskin *et al.*1996). Sustainable development refers to the development process that enhances sustainability.

³ UNCED (United Nations Conference on Environment and development) adopted a number of action programmes called Agenda 21 for coping the challenges of the 21 first century. The third part of Agenda 21 has emphasized the role of special groups including women. The phrase 'gender balance' has been mentioned in several parts of Agenda 21.

addition to the chapter, gender issues have been addressed throughout Agenda 21, emphasizing the "gender mainstreaming" approach.

Since Rio summit of 1992 gender has been an explicit part of many key UN conferences, specially: World Conference on Human Rights (Vienna, 1993); International Conference on Population and Development (Cairo, 1994); World Summit for Social Development (Copenhagen, 1995); Fourth World Conference on Women (Beijing, 1995); Second UN Conference on Human Settlements (Istanbul, 1996); World Food Summit (Rome, 1996); World Summit on Sustainable Development; and the five-year review conferences: ICPD+5 (1999), WSSD+5(2000), Beijing+5 (2000), Beijing+10 and so on.

2. Objective of the Study

The major objective of the study is to assess: the Bangladesh's achievements in gender and sustainable development matters as per its commitments and obligations in different international conferences; identify constraints; and recommend for the further implementation strategies.

3. Methodology of the Study

The study is a part of the assessment on the 'Agenda 21: The Bangladesh Compliance of Sustainable Development since Rio' conducted by the ⁵IUCN Bangladesh with support of the Earth Council, Costa Rica. The rationale of the study was to: review the progress of gender and sustainable development initiatives (as a part of 10 years celebration of Rio Summit at World Summit on Sustainable Development in Johannesburg in 2002); find out constraints; and made necessary recommendations.

A survey was done on the relevant government agencies in order to collect information on the initiatives taken by the country matching the Agenda 21 obligations. The original copy of Agenda 21 and other relevant documents were collected and consulted for understanding the Agenda 21 obligations. The other relevant agreements/commitment was reviewed in the process but the major focus would be Agenda 21. Sizeable volumes of literature (both national and international) were collected and reviewed to carryout assessment.

The study has drawn upon secondary sources of data and information and on discussions with persons with relevant experiences in gender and sustainable development issues, including governmental organizations (e.g. Ministry of Environment and Forest, Ministry of Agriculture, Fisheries and Livestock, Ministry of Women and Children Affairs, Director General's office of Health Services, Ministry of Education, Ministry of Social Welfare, Ministry of Law, Bangladesh Agriculture Research Council and so on), NGOs (BRAC, PROSHIKA, Steps, Ain-o-shalish Kendra, Gono Shakhharata Abhijan etc) and various international organizations (Oxfam GB, CIDA etc).

4. Gender and Sustainable Development Issues in Bangladesh

Women constitute 49 percent of the total country's population. Of them, 86 percent live in rural areas. Though women are almost half of the total country's population, their

⁴ 'Gender Mainstreaming' is a strategy of integrating gender equity and equality concerns into politics/ development programs for ensuring equitable sharing of benefits.

⁵ IUCN- The World Conservation Union, Bangladesh is a global alliance of governmental and non-governmental organization organizations that have come together to assist societies to conserve nature and ensure equitable and sustainable use of natural resources.

status is much lower than that of men. Traditional socio-cultural practices limit their opportunities in education, skill development, employment and participation in the overall development process.

The women are mainly involved in ⁶reproductive activities; their participation in ⁷productive activities is limited. Their traditional works has not been enlisted in the government statistics, as household activities are not being considered from economic perspectives. The table 4.1 shows that adult male members are engaged in incomes generating activities nearly eight hours a day, whereas the female members are less than one hour a day. Their mainly involved in reproductive and unpaid productive work.

4.1 Time Use by Gender (adult members in the household)

(Hours of work)

Activities	Male	Female	All
<i>Income-Generating Work</i>	8.57	0.88	4.66
Productive Work (unpaid work)	0.37	0.31	0.34
Expenditure-Saving Work	0.59	0.53	0.56
<i>Non-Market Productive Working</i>	0.96	0.84	0.90
Cooking	0.03	3.87	1.99
Firewood collection	0.06	0.85	0.46
Water collection	0.02	0.76	0.40
Child Care	0.55	1.62	1.09
Family Care	0.22	0.75	0.49
Household Work	0.41	2.45	1.45
Shopping	0.97	0.04	0.50
<i>Household chores</i>	2.26	10.34	7.83
Community work	0.39	0.06	0.23
Leisure	2.23	2.03	2.13
Watching TV/Radio, etc	0.67	0.61	0.04
<i>Sleeping</i>	7.68	7.73	7.71
<i>Leisure Plus</i>	10.97	10.43	10.71
<i>Others</i>	1.24	1.51	1.35

Source: GBS-NSU survey, 2003

Life expectancy is 60.7 years for men and 60.5 years for women. Excess mortality has resulted in a negative sex ratio in the population whereby there are 104 men for

⁶ The reproductive roles comprises the childbearing /rearing responsibilities and domestic tasks undertaken by women, required to guarantee the maintenance and reproduction of the labor force. It includes not only biological reproduction but also the care and maintenance of the workforce (husband & working children) and the future workplace (infants and school going children).

⁷ The productive role comprises work done by both women and men for payment in cash or kind. It includes both marker production with an exchange, value, and subsistence/home production with an actual use-value, but also potential exchange value. For women in agriculture production this includes work as independent farmers, peasants' wives wage workers.

every 100 women. 58% women suffer from anemia during pregnancy as they don't get adequate food. As a result 50% children born with low weight. 87% of women get assistance from Traditional Birth Attendance (TBA) during childbirth in every 1-hour. Maternal mortality rate is 3.0.

Women's literacy rate is only 50%, whereas the male literacy rate is 63%. The educational expense for female is 31% and male is 69%.

Table 4.2 : x disaggregated data on women and men in Health and Education

Item	Male/ Boys	Female/ Girls	Male/ Boys	Female/ Girls	Male/ Boys	Female/ Girls
1. Health	58.9 (1995)	58.0 (1995)	60.7 (1998)	60.5 (1998)	64.4 (2004)	65.7 (2004)
a. Life expectancy						
b. Maternal mortality rate		4.4 (1995)		3.0 (1998)		3.65 (2004)
2. Education						
a. Enrolment rate	80.7 (1995)	73.4 (1995)	98 (2000)	96 (2000)		
c. Literacy rate (Adult 15+)	50.5 (1995)	34.2 (1995)	62 (2000)	49.5 (2000)		

Source: BBS

Though women work about 21 hours more in a week than the male partner, they get discriminatory wage in compare to them. According to Labor Force Survey, 1999/2000, women's participation in the labor market indicates that only 23.9 percent of the women participate in the labor force where as the male participation rate is 84% compare to men (6.4%), a proportion of women (about 34.3%) work as unpaid family workers. About 26.9% of women are self employed while about 51.6 % of men are self-employed.

In case of wages, the difference is striking. Though women worker possess 85% in the Garment sector, they get 23.3% low wages in compare to men. On an average, women can earn only 58.5% of the average earnings of male day laborers. Among the self-employed, 66% of the women earn less than Tk 1000 per month and 92.7% of the men earn more than Tk 1000 per month. In the case of salaried worker, 61 % of women earn less than Tk 1000, whereas 84% of the men earn more than Tk 1000 per month (LFS, BBS, 2002). The following table 4.3 and 4.4 shows discriminatory features of income Men and Women based on a survey conducted by GBS-NSU in 2003. Also Table 4.5 and 4.6 shows inequitable gender profile of occupation and landholdings

respectively.

4.3 Share of Income between Men and Women

	Male	Female	Total
0 thru 500	4.46	34.28	7.99
501 thru 1000	11.74	22.80	13.04
1001 thru 1500	12.29	9.15	11.92
1501 thru 2000	17.40	6.82	16.15
2001 thru 2500	8.26	3.83	7.73
2501 thru 3000	13.83	6.66	12.98
3001 thru 4000	10.66	4.49	9.94
4001 thru 5000	7.45	5.32	7.20
5001 thru 6000	4.15	2.83	3.99
6001 thru 10000	7.30	3.00	6.79
10001 thru Highest	2.45	0.33	2.26
N=5085	100.00	100.00	100.00

Source: GBS-NSU survey, 2003

4.4 Average Monthly Income (gross) by gender

N=5085 Gender	Monthly Income		
	Total	Regular	Irregular
Male	10,439.28	3,296.44	7,142.84
Female	3,042.21	1,776.94	1,265.28
All	6,669.72	3,116.55	3,553.17

Source: GBS-NSU survey, 2003

4.5 Main Occupation by gender

First Job	<i>In percent</i>	
	Gender	
	Male	Female
Agriculture	23.6	1.1
Business	10.8	0.5
Salaried Person	8.3	2.3
Semi-Skilled Professional	2.5	0.5
Skilled Professional	2.5	0.6
Agriculture Labor	4.4	0.4
Industry	0.4	0.1
Construction and Transport	7.0	0.1
Unpaid Household Worker	2.4	4.8
Student	28.9	27.4
Retired	3.1	3.4

Unemployed	4.4	3.0
Household Activity	0.5	53.5
Household Servant	0.3	1.9
Others	0.9	0.5
Total	100.0%	100%

Source: GBS-NSU survey, 2003

4.6 Landholdings by Gender

N=17343	Male	Female	Joint	All
Homestead Land (owned/occupied)	5.87	0.87	0.44	7.18
Rented Homestead	0.04	0.01	0.01	0.06
Industrial Land	0.01	n.a.	0.00	0.01
Commercial Land	0.24	0.12	0.00	0.30
Cultivated Land (owned/occupied)	36.38	1.49	3.21	41.08
Fallow land (owned/occupied)	0.67	0.10	0.01	0.78
Orchard Land (owned/occupied)	1.17	0.08	0.05	1.30
Pond Area (owned/occupied)	1.86	0.03	0.12	2.01
Other Land (owned/occupied)	0.29	0.02	0.03	0.34

Source: GBS-NSU survey, 2003

Women's presence in the position of administration and management is 10%. There is no woman judge in the Appellate Division and only three women is in the high court Division of the supreme court. Chairperson of Public Service Commission (PSC) is the first ever women in the position. Their participation in institutional development and decision-making is also insignificant. There is no women secretary in our administration yet. Only 2 additional secretary, 11 joint secretary and 46 deputy secretary and 261 first class officers work in the civil service. (based on the report of MoWCA, 2005)

Women's participation in political arena in very much insignificant. The table 4.7 shows that only 19 women have been directly elected among the 300 Members of Parliament. Currently there are only 5 ministers (including the Prime Minister) sitting in the 38 member cabinet. Women's seats in the parliament are only 18.5 % and women are of 13% at the minister level.

4.7 Women in Politics

Representation of Women in General and Reserved Seat of National Parliament							
Year Of Election	Women candidate (%)	Directly elected in general seat	Elected women in Bi-election	Total elected women	Elected women in General seat (%)	Reserved seat for women	Women's representation in Parliament in general (%)
1973	0.3	-	-	-	-	15	4.8
1979	0.9	-	2	2	0.7	30	9.7
1986	0.3	5	2	7	1.7	30	10.6
1988	0.7	4	-	4	1.3	-	1.3
1991	1.5	8*	1	6	1.7	30	10.6
1996	1.3	11*	2	7	2.7	30	11.2
2001	1.9	13*	-	6	2.0	-	2.0
2009	5.2	21*	-	19	15.7	45	18.5

*according to constitution a parliamentarian can keep only one seat leaving others (if any)

47% of women oppressed in life. 50% homicides of women happen due to

domestic violence. Average age gap between men and women is 10 years during marriage. As a result, 90 percent of the widowed population is females. Table 4.8 shows the severity of violence against women in the county. It is worthwhile mentioning that the real situation behind these data is outrageous.

Table 4.8 : olence against women and Children from 2002 to 2005

Types	2002	2003	2004	2005
Rape	776	1550	1072	928
Dowry Related Violence	271	124	371	385
Acid Victim	238	254	218	140
Murder	411	740	328	319
Trafficking	335	329	377	267
Fatwa	10	27	32	40
Total	2041	3024	2398	2079

Source: BNLWA, 2005 cited in Afsar and Bhuyan 2008:28

5. Review of the International Obligations and Agreements on gender a sustainable development

5.1. Agenda 21

The major obligations stated in the chapter 24 of Agenda 21 titled "Women and Sustainable Development" are as follows:

1. Governments should take active steps to implement

- (a) Measures to review policies and establish plans to increase the proportion of women involved as decision makers, planners, managers, scientists and technical advisers in the design, development and implementation of policies and programmes for sustainable development;
- (b) Measures to strengthen and empower women's bureaus, women's non-governmental organizations and women's groups in enhancing capacity-building for sustainable development;
- (c) Measures to eliminate illiteracy among females and to expand the enrolment of women and girls in educational institutions, to promote the goal of universal access to primary and secondary education for girl children and for women, and to increase educational and training opportunities for women and girls in sciences and technology, particularly at the post-secondary level;
- (d) Programmes to promote the reduction of the heavy workload of women and girl children at home and outside through the establishment of more and affordable nurseries and kindergartens by Governments, local authorities, employers and other relevant organizations and the sharing of household tasks by men and women on an equal basis, and to promote the provision of environmentally sound technologies which have been designed, developed and improved in consultation with women, accessible and clean water, an efficient fuel supply and adequate sanitation facilities;
- (e) Programmes to establish and strengthen preventive and curative health facilities, which include women-centred, women-managed, safe and effective reproductive health care and affordable, accessible, responsible planning of family size and services, as appropriate, in keeping with freedom, dignity and personally held

values. Programmes should focus on providing comprehensive health care, including pre-natal care, education and information on health and responsible parenthood, and should provide the opportunity for all women to fully breastfeed at least during the first four months post-partum. Programmes should fully support women's productive and reproductive roles and well-being and should pay special attention to the need to provide equal and improved health care for all children and to reduce the risk of maternal and child mortality and sickness;

- f) Programmes to support and strengthen equal employment opportunities and equitable remuneration for women in the formal and informal sectors with adequate economic, political and social support systems and services, including child care, particularly day-care facilities and parental leave, and equal access to credit, land and other natural resources;
- (g) Programmes to establish rural banking systems with a view to facilitating and increasing rural women's access to credit and to agricultural inputs and implements;
- (i) Programmes to eliminate persistent negative images, stereotypes, attitudes and prejudices against women through changes in socialization patterns, the media, advertising, and formal and non-formal education;

5.2 Different International Conferences

International Conference on Population and Development (ICPD), Cairo 1994

ICPD built on and broadened the consensus achieved at previous conferences on population (Bucharest 1974, Mexico City, 1984). The major success of ICPD was shifting from focus on population as family planning to women's reproductive rights and reproductive health. ICPD also reflected the widespread recognition that population is inextricably linked to the full range of human development concerns - including poverty alleviation, women's empowerment and environmental protection.

ICPD+5: Review of the International Conference on Population and Development, New York 1999

ICPD+5 sets out a series of recommendations on population and development issues including gender equality, equity and empowerment of women, reproductive rights and reproductive health, resource mobilization, adolescent sexual and reproductive health and HIV/ AIDS.

The Fourth World Conference on Women, Beijing 1995

In the Fourth World conference a Platform for Action (PFA) was adopted dealing with 12 critical areas of concern viz. women and poverty; education and training for women; women and health; violence against women; women and armed conflict; women and the economy; women in power and decision-making; institutional mechanisms for the advancement of women; human rights for women; women and the media; women and the environment; and girl-child.

Beijing +5

To assess the implementation of the agreement of all above 12 sections of Beijing PFA at national and international level an UN General Assembly Special Session, titled "Women 2000: Gender Equality, Development and Peace for the 21st Century" was held in June 2000.

The World Summit on Social Development, Copenhagen 1995

The Copenhagen Declaration and Programme of Action on Social Development dealt with 10 Commitments where 'achieving equality and equity between women and men' was significant one.

Copenhagen +5

UN General Assembly Special Session titled "Achieving Social Development for all in a Globalizing World" assessed the Commitments. Gender issues were discussed in the session extensively. The discussions focused on the global target for poverty eradication; procedures and institutions for social dialogue; gender mainstreaming and promoting gender equality nationally and internationally; support for activities to fight the spread of HIV/AIDS; debt relief for the heavily indebted low-income countries; reversing the current decline in ODA; standardization of development indicators.

The World Summit on Human Settlements, Habitat II, Istanbul 1996

Section III.D. of the Habitat Agenda deals specifically with "**Gender Equality**". Clauses in Section D.III. and elsewhere address the following issues: women's full and equal participation in urban planning and management; women's equal access to resources, services and opportunities to employment, inheritance, ownership, credit, personal development, and decision-making; women's equal access to safe drinking water and sanitation; women's empowerment and poverty eradication; combating social exclusion and discrimination; reviewing structural adjustment in the light of gender specific impacts; practical methods to integrate gender perspectives in human settlements development; gender disaggregated data; building partnerships between people and government; education and training for women; shelter policies benefiting vulnerable groups.

The World Food Summit (WFS), Rome 1996

The Declaration and Programme of Action of the World Food Summit constitute the most comprehensive international commitments and agreements on enhancing and empowering women's key role in household food security; and, in developing countries, throughout the food chain (production, harvesting, storage, processing/preservation, transport, marketing), and in the conservation of bio-diversity and management of land, forest and water resources.

World Summit for Sustainable Development (WSSD), Johannesburg 2002

During the WSSD- ten years celebration of the Rio Summit (UNCED) adopted a Plan of Implementation for achieving sustainable development where, gender issues were reflected. Section IV of the plan of Implementation titled "Protecting and managing the natural resource base of economic and social development" called for transferring technology, promoting best practice and supporting capacity-building for water and sanitation infrastructure and service development, ensuring that such infrastructure and services meet the needs of the poor and are gender sensitive. Women's access to public information and participation in the policy and decision making related to water resources management and project implementation was emphasized. Participation of women in at all levels relating to sustainable agriculture and food security was underscored.

5.3 Conventions

Convention on Elimination of All Forms of Discrimination Against Women (CEDAW)

The UN has adopted the CEDAW to eliminate all forms of discrimination against women and establish gender equality in social, economic, political and cultural arena. It is the milestone of eradicating gender discrimination. The main objective of CEDAW is - to recognize women's right as human right; and ensure gender equality in terms of fundamental rights, dignity and values.

Convention on Biological Diversity (CBD)

The UN adopted the CBD in May 1992 with a view to: i) conserve the biological diversity of the world, ii) sustainable use of biological resource and iii) equitable sharing of benefits arising from use of genetic resource. CBD recognizes the vital role that women play in the conservation and sustainable use of biological diversity and affirms the need for the full participation of women at all levels of policy-making and implementation of strategies and program.

Millennium Development Goals (MDGs)

The Millennium Development Goals (MDGs) set out a powerful agenda for a global partnership to fight poverty, offering a shared vision of a better world by the year 2015. The third agenda of MDGs is to "Promote gender equality and empower women" through eliminating gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015. The indicators to achieve the target has been identified as: i) Ratio of girls to boys in primary, secondary and tertiary education; ii) Ratio of literate females to males of 15-24 years olds; iii) Share of woman in wage employment in the non-agriculture sectors; and iv) Proportion of seats held by women in national parliament.

Poverty Reduction Strategy Paper (PRSP)

On October 2005 the Government of Bangladesh introduced its first PRSP titled 'Unlocking the Potential: National Strategy for Accelerated Poverty Reduction' (NSAPR) with an intention of using it as a guideline and road-map for the overall development of the country (including attainment of MDGs) and to achieve women's advancement towards achieving gender equality. NSAPR involves spelling out four supporting strategies. These are: i) ensuring participation, social inclusion and empowerment; ii) promoting good governance; iii) ensuring effective service delivery; and iv) caring for the environment and sustainable development.

6. Bangladesh's Achievements

The following initiatives have been undertaken by the Country to accomplish its obligations that came from the above international events and agreements. These initiatives address the gender and sustainable development issues of the country.

1. Policy and strategies

Constitutionally, women in Bangladesh have equal rights with men in all spheres of the State and its public life. These have been clearly reflected in Articles 9,10,18,19, 28 and 29 of the Constitution. It is stated in the constitution that 'nothing shall prevent the State from making special provision in favor of women or for the advancement of any backward section of the population [article 28 (4)].

1.a. National Policy for Women's Advancement (NPWA)

The NPWA was announced on International Women's Day on March 08, 1997. The NPWA aims to promote and protect women's human rights; ensure equal rights to have access to politics, administration, sports, culture and socio-economic activities, ensure

equal access to health and nutrition, eradicate persistent burden of poverty on women, prioritize education and skill training for women, reflect positive image of women in the media, emphasize protection from environmental hazards, support measures including elimination of trafficking and violence against women and rehabilitation of women affected during natural calamities. In 2004 some amendments have been made with article 7,8,9,12. It ensures women's constitutional rights in formulation and implementation of economic policy.

1.b National Action Plan (NAP) for women's advancement

The National Action Plan (NAP) approved in 1998 for the Advancement of Women: Implementation of the Beijing Platform for Action is another major achievement. NAP emphasizes concerns such as gender equality, need for gender disaggregated data and information allocation of public funds, and designs programs and projects targeted to benefit men and women equality.

2. Ministry of Women and Children Affairs (MoWCA) and WID Focal Point

Over the years MoWCA has evolve and emerged as an important lead institution in gender governance. The MoWCA acts as the focal point and catalyst for action on issues of women's equality and for developing and promoting comprehensive and consistent responses to the needs and priorities of women in all government agency activities.

In 1996, a WID Focal Point (WIDEP) mechanism was introduced for all ministries to ensure inclusion of gender concerns in policies, plans and programs. WIDFP is also responsible for implementation of NAP. The format for monitoring projects by the WIDFP has been revised and reintroduced. The MoWCA acts as a facilitator and catalyst through a network of WIDFP.

3. Gender Responsive Budget (GRB)

In the recent year, the Government has emphasized on GRB or gender budgeting to sensitize national budget. During 2007-2008 financial year the government provided with gender statements to each and every ministries and department, where direct and indirect expenditure has been identified. The Government has set up different indicators to control government expenditure. The government has restructured women's income limit for women tax payee. The following Table shows gender expenditure in different ministries/department.

Gender Responsive Expenditure of Different Ministry/ Departments						
Description	Direct gender expenditure			Indirect gender expenditure		
	Budget 2008-'09	Revised Budget 2007-'08	Budget 2007-'08	Budget 2008-'09	Revised Budget 2007-'08	Budget 2007-'08
Finance Department	1022.01	174.99	0.00	4888.05	5290.52	1250.52
Ministry of Food and Disaster Management	3043.84	2045.14	949.03	1015.04	462.12	316.04
Ministry of Education	1899.01	1172.3	1257.83	1899.01	1540.03	1257.83
Ministry of Agriculture	912.00	614.87	195.92	910.70	984.87	456.84
Ministry of Primary and Mass Education	848.88	737.97	776.93	848.88	1029.15	775.98

Ministry of Home Affairs	0.00	0.00	0.00	1577	1484.02	789.04
Local Government Department	762.28	547.17	602.7	762.28	-191.29	402.08
Ministry of Health and Family Welfare	561.95	512.86	474.12	843.22	819.11	711.90
Ministry of Women and Children Affairs	624.00	366.96	240.97	207.96	313.96	80.02
Ministry of Communication	491.96	186.98	0.00	719.18	733.79	867.14
Ministry of Social Welfare	200.03	152.97	149.02	200.03	183.96	148.03
Department of Power	0.00	0.00	0.00	414	500.03	418.00

Source: Unnayan Samannay, 2008

3. Women in decision-making

The government has taken initiatives to increase women's representation in the policy-making bodies i.e. governing boards, executive committees, local government bodies and project formulation, implementation and monitoring committees of the sectoral ministries and agencies. In addition, the Government has recently introduced lateral entry for women to increase the number of women in senior decision making positions (3 women diplomats and 3 Joint Secretaries have been recruited as yet). There is a provision that the Honorable President can select ten women for senior positions.

3. Political participation of women

One of the major achievements of the country is introduction of a new local government legislation which provides for direct election of women members of Union Parishad and one-fourth reserved seats for women. The 1997 elections brought 12,828 women as Union Parishad member in reserved seats and 110 regular seats. In 2006, the Parliament passed a bill which increased reserved seats for women in the parliament to 45 from 30. National Women Development Policy 2008 has kept a provision of one third of the seats in the Parliament as reserved for women to be elected through direct election.

4. Human rights for women

The Government has approved of the Prevention of Women and Child Repression Act 2000. Recently, the government has taken initiatives to conduct session on the Human Rights for the police.

5. Violence against women

A number of laws, policies and program interventions have been initiated for the elimination of violence against women. Some noteworthy measures undertaken by the government are: establishing special cell for women police headquarters and four police stations, committee for the prevention of violence against women at the national, district and thana levels, Violence Prevention Cell in DWA and JMS and Special courts with Session Judges or Additional Session Judges at district level. NGOs are also playing

an important role in providing legal education, mass mobilization, legal aid etc. The following laws provide for punishment for violence against women (trafficking, receiving and giving dowry, polygamy rape, acid attack, homicides etc):

- a) The Penal Code of 1860
- b) The Suppression of Immoral Trafficking Act, 1993
- c) Dowry Prohibition Act of 1980
- d) Muslim Family Law Ordinance of 1961 (Amended in 1985)
- e) Child Marriage Restrain Act (Amendment Ordinance 1984)
- f) Anti-terrorism Ordinance, 1992 (promulgated in September 1992)
- g) Women and Child Repression Act (Nari o Shishu Nirjatan Daman Ain) 1995 (revised in 2000)
- h) Acid Attack Crime Repression Act (2002) and Acid Control Act (2002)
- i) SAARC Convention on Combating Crimes of Trafficking in Women and Children.

6. Education and training of women

The Government has given special emphasis to the promotion of female education and reduction of disparity between the literacy rate of women and men. Various innovative programmes have been undertaken to increase the rate of female education and reduce gender disparity. Among them stipends for girls up to grade eight, free education up to grade twelve are noteworthy. In addition, three women polytechnic were set up, an International University for Women was established and computer based training for women provided. 60% posts in primary school and 100% posts in satellite schools are reserved for female teachers. 28 NGO have been given responsibilities to establish schools in village where school is nonexistent. Physical infrastructures for primary and secondary schools have been developed all over the country. Teachers are trained throughout development projects. Non formal education programme are being implemented for adults and adolescent all over the country.

7. Women and health

The Government of Bangladesh has adopted the gender equity strategy and has been pursuing a policy of providing at least minimum essential health care for all and for reduction of maternal and child mortality. The improved health services through implementation of Health, Nutrition and Population Sector program (HNPS) has contributed to improved health of women. To combat the evil of malnutrition the government has formulated Food and Nutrition Policy and National Action Plan for Nutrition. The Government has undertaken a "Women Friendly Hospital Initiative" with assistance from UNICEF. Basic health services are being provided at the door step of all households through satellite and community clinics to ensure health services to adolescent girls and young children. Birth and death registration has been made compulsory. Water and sanitation programme where women are involved in arsenic mitigation, oral dehydration therapy and Sanitation. A bill for four months maternity leave for the first four months is under effect.

8. Women and the economy

The government has introduced a policy to include the contribution of women in the economy in national accounts. The Women Employment Development Programme (WEDP) encourages the employment of women through small cottage and micro-enterprise industrial units. There is a project under the Ministry of Social Welfare for socially disadvantaged women i.e. sex workers and their children. A four-month maternity leave has been introduced. **Bangladesh Employers Federation (BEF)**

has taken several capacity building initiatives to increase women's participation in business as managers. In 1998, an unregistered forum of women known as Bangladesh National Committee for Women Workers Development was formed to promote women's leadership and establish women's trade union committees in different localities. A project titled NGO Community Based Services for Poor Women and Children is being implemented by MoWCA. About 137 women NGOs have been supported and strengthened through this project. GoB has fixed a 10 % quota for the gazetted posts and 15% quota for non-gazetted posts in the government services (Ministry of Establishment)

9. Women and environment

The government has adopted the **National Environment Management Plan (NEMAP)** in 1992, which has a strong focus on needs of women. The NEMAP was formulated through nationwide consultation with the wider civil society including grassroots women. **Sustainable Environment Management Programme (SEMP)**, the large project supported by UNDP. UNDP has allocated large amount of resources to promote environmental sanitation which was number one priority identified by women during the NEMAP consultation process. The Ministry of Environment and Forest has initiated a large project named '**Sundarban Bio-diversity Conservation Project (SBCP)**', which recognizes the role of women in biodiversity conservation. The government has undertaken **Coastal Greenbelt Project** and **Forestry Sector Project**, which also include role of women in plantation, seed production, and nursery and forestry conservation programme.

10. Women and agriculture

The following projects are aimed at increasing rural women's access to credit and agricultural programme: i) Crop Storage Credit Project; ii) Agricultural Support Services Project (ASSP); and iii) Poverty Alleviation Through Integrated Area Development Project.

11. Women and media

The GoB has planned to adopt a comprehensive broadcasting policy considering the differential access and participation of women and men. The national newspapers bring out special pages on women on weekly basis, which deal with different issues and concerns related to women's lives. The Radio is broadcasting one hundred and thirty minutes per day of programmes related to women's issues.

7. Implementation constraints/barriers

The following the implementation constraints/barriers (for achieving gender sensitive Sustainable Development) were found during the assessments process:

A. Institutional Capacity Deficits

- (i) The Ministry of Women and Children Affairs (MoWCA) and the Department of Women's Affairs have insufficient resources (0.5% of the total development budget in 2001) to deal with development projects/programmes;
- (ii) Lack of co-ordination and linkages among cross-sectoral activities for women's development;

- (iii) Lack of proper monitoring of WID activities of focal Ministries/Agencies and NGOs causes delay and ineffectiveness;
- (iv) Lack of specific indicators for measuring the gender mainstreaming effort of GoB in development plan.
- (v) Lack of quality health care facility for safe motherhood and other reproductive health issue;
- (vi) Educational initiatives undertaken by the Government have not been properly monitored and evaluated;
- (vii) Insufficient institutional mechanism to ensure women's access to large-scale capital; information, resources, trade and opportunities;
- (viii) The judiciary and ministry official as well as WID focal persons are not adequately sensitized to gender concerns;

B. Policy and Regulatory Constraints

- (i) Lack of legislative and policy measures to women to protect discrimination against women workplace (e.g. maternity leave, childcare centres etc); and conducive environment (recreation, privacy, no harassment) in work places for women;
- (ii) Lack of progress in addressing the withdrawal of the remaining reservation (Article 2 and 16.1.c) to CEDAW;
- (iii) Weak and unforced laws against violence against women e.g. trafficking, rape, dowry etc.
- (iv) Lack of legal provisions and necessary institutional facilities for removing gender gaps in education, health, employment, and other walks of life;
- (v) 'Environment Policy (1992) did not recognize women's traditional indigenous knowledge (ITK), ensure control and benefit sharing in the environmental conservation and sustainable use of natural resources;

C. Social, Economic and Political Constraints

- (i) Lack of political and social commitments towards achieving gender equality and women's empowerment within a specific time frame;
- (ii) Insufficient initiatives for promoting women's effective participation in political process; lack of legislative measures for direct elections to a number of reserved seats as demanded by the women group.
- (iii) Gender stereotyped and socio-cultural practices exist against women's advancement;
- (iv) The Members of Parliament and other elected bodies (such as Zila, Upazila, and Union Parishads) are not aware of the gender issues; the Union Pouroshava eventually has been identified as male-dominated system;
- (v) Insufficient initiatives for providing the girl child with the same facilities as the male child at household level and affirmative action in schools to improve their educational prospects;
- (vi) Inappropriate recognition of women's contribution to the society and the economy.

Conclusion and Recommendations

From the above scenario, it is found the country has undertaken a number of initiatives for addressing the gender and sustainable development issues. The major achievements may be identified as National Policy for Women's Advancement (NWPA), 1997 (Amended 2004), National Action Plan (NAP) for Women's Advancement, 1998, National Environment Management Programme (NEMAP), 1992. Besides, a number of legal initiatives and programmes have been under taken under each development sector for the advancement on women or addressing the gender issues of the country.

But there are a number of stumbling blocks remains in attaining the sustainable development of the country.

The following initiatives/actions should be undertaken by the Government for attaining sustainable development of the Country:

- (i) Strengthening institutional capacity of MoWCA with necessary budget allocation to implement the policies and programmes relating to education, health, nutrition, hygiene, and sanitation;
- (ii) Undertaking advocacy and other programmes to heighten awareness and commitment building process aimed at people's representatives at all levels, policy implementators, bureaucrats and other actors;
- (iii) Confirm enforcement of legislation for providing support services for women's employment (workplace security, provision of child-care facilities, accommodation, transport, etc);
- (iv) Take concentrated initiatives to withdraw of remaining reservations to CEDAW. Also domestic legislation should be reviewed.
- (v) Carrying out of exercises to identify various constraints on women's advancement in various fields and formulation and implementation of strategies to remove them;
- (vi) Putting in place of appropriate monitoring mechanism to identify how laws, rules, and regulations relating to women are implemented and make sure that non-compliances are quickly and actively readdressed;
- (vii) The Government should introduce legislation providing for direct election for women in the Parliament, and increased nomination of women for political positions by the political parties.
- (viii) The Ministry of Local Government, in collaboration with NGOs and women's groups working with UP members, should continue its efforts to train and support UP women representative.
- (ix) Make every effort to enforce laws to combat with violence against women; constant efforts to evaluate and reform existing services, such as the One Stop Crisis Centre for women in order to ensure that they address the needs for women.
- (x) Taking affirmative action where necessary to ensure that the gender gaps in education, health, employment, wages, and participation in decision-making are minimized.
- (xi) Enhancing women friendly health cares services for the women considering their needs;
- (xii) Promoting quality education for women with special focus on girls access to secondary and higher education;
- (xiii) Enhancing capacity of women to participate in sustainable development through necessary trainings, information sharing, technology transfer etc ;
- (xiv) Promoting increased participation of women in public service and in decision making position through advocacy for expediting quota (women), fulfillment, exemption of district quotas and adoption of affirmative action measures;
- (xv) Facilitating awareness creation on labour rights and violations of such rights, undertake appropriate measures to reach the socially and economically disadvantaged women and children such as destitute, abandoned, women with disabilities, women and girls engaged in commercial sex work and women and girls who are victims of violence and trafficking;
- (xvi) Strengthening capacity of MoWCA to enable it to take account of the gender issues through necessary resource allocations;
- (xvii) Ensure women's access to basic services such as education, health care, water and sanitation through initiatives i.e. women friendly hospitals, educational institutions, gender sensitive curriculum, easy reach, free tubewells for women in

- hard core areas;
- (xviii) Develop gender-sensitive statistical data base and disseminate of sex desegregated data;
- (xix) Encourage NGO's, women organizations and private sector organizations to complement the government efforts of improving the situation of women and children and in reaching the disadvantaged women and children; and
- (xx) Enhancing women's role and concerns in planning, conservation and management of natural resources recognizing their indigenous technical knowledge and ensuring access and benefit sharing.

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ECONOMIC PROSPECTS OF TOURISM IN BANGLADESH

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Abstract : The role of tourism in Bangladesh economy is very important. Bangladesh is a highly populated country in the world. As tourism industry is highly labour intensive, so it creates vast employment opportunities both direct and indirect in our country. The phenomenon of international tourism has been increasing rapidly. The foreign tourist arrivals in Bangladesh have an increasing trend under the study. The movement of domestic tourists is continuously increasing in Bangladesh. In this article, efforts have been made to discover the possible economic prospects of tourism in Bangladesh.

Introduction

Tourism has emerged as an instrument for employment generation, infrastructure improvement, poverty alleviation and sustainable human development. The earnings from tourism occupy an important place in the national income of many countries. The money paid by the tourist after a long series of transfers over a given period of time, passes through all sectors of the national economy, stimulating each in turn throughout the process. Thus tourist expenditure not only supports many industries directly but also helps indirectly many other industries, which supply goods and services to the tourist industries.¹ Tourism is one of the world's most important industries. There are some statistics to justify this assertion, especially for those who give more importance to facts and figures. According to the World Tourism Council, in 2006 the tourism sector alone produced over US\$ 6 trillion in revenue. It provided jobs for around 221 million people globally. It is expected that by 2015 it will be providing some 269 million jobs. Between 2006 and 2015, tourism's growth rate is expected to be 4.5 percent on an average per year.²

Creation of basic infrastructures for tourists not only benefits the tourists but also serve the other sectors of the economy like industry and agriculture. The benefits from infrastructure investments, justified primarily for promotion of tourism, the developments of airports, roads, water supply and other public utilities may be widely shared by the other sectors of the economy. Besides, the domestic tourists and visitors,

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¹M. Rajadurai, "An Economic Study of Growth and Pattern of Tourist Inflows in Tamil Nadu", Unpublished Ph.D Thesis, Madurai: Madurai Kamaraj University, 2005, p. 3.

²Mohammad Shahidul Islam, "Developing Tourism for Economic Growth", *The Financial Express*, 24 May 2007.

businessmen and residents also use tourist facilities such as hotels, restaurants, museums, clubs, sports complexes, public transport and national parks enhancing their revenue earning.

The major economic benefits in promoting the tourism industry from the national point of view are potential for earning foreign exchange.³ Income from foreign tourism in the form of foreign exchange earnings adds to the national income. Many countries, both developed as well as developing have realized the importance of tourism development and are creating and developing tourist facilities with a view to bring prosperity to their countries.

Objectives of the Study

The study attempted to achieve the following objectives:

- (1) To see the possible economic prospects of tourism in Bangladesh.
- (2) To study and analyze the economic activities related to tourism and its importance in relation to economic development of Bangladesh.
- (3) To analyze the movement of international and domestic tourists in Bangladesh.

Methodology

The present study is mainly based on secondary data. The secondary data were collected from published official statistics, reports, documents, books, articles, daily newspapers, theses, dissertations, statistics and publications of Bangladesh Parjatan Corporation (BPC) and the Ministry of Civil Aviation and Tourism, web-sites of related local and international institutions. Some statistical techniques like tabular forms, percentages, regression analysis and graphical representations were done to bring out the inner significance of the data.

The Role of Tourism in Bangladesh Economy

Bangladesh is a developing country but still her difficulties are immense. The country has achieved political sovereignty but self sufficiency is yet to be gained. Once upon a time, Bangladesh was a land of easy grace, rich in her agricultural products; but the unbalanced growth of population, colonial exploitation, uncontrolled natural calamities etc. led her to become one of the poorest nations in the world.

As a quite new field of development, tourism can definitely contribute to the development of Bangladesh. Having most of the favorable factors for development of tourism in the country, one cannot neglect in anyway the tapping of this source for the economic development of the nation when exploitation of other sources is either experimental or going to be done. Tourism development rather can share the contribution to the national economy in a more effective way.⁴ The following direct and indirect benefits of tourism to the national economy may be achieved further.

1.1 Investment and Return

Tourism industry is offering a new venue of investment in a prospective market that can ensure a better return and thus contributing more to the national economy. As tourism is a labour-intensive industry, so it takes less investment, but its return is very

³ M. Rajadurai, *op.cit.*, p. 4.

⁴Bangladesh Parjatan Corporation (BPC), *Comprehensive Plan for Development of Tourism in Bangladesh* (Dacca: November, 1980), p. 6.

high. It generates employment opportunities and earns huge foreign exchange earnings. To promote this sector, infrastructure shall have to be developed. In this respect, the Government as well as the private and foreign investors comes forward to make infrastructure in Bangladesh. The development goals of the Government are to create infrastructure facilities on par with international standards. Proceeds from tourism help to maintain and develop the already existing infrastructural facilities. Tourism offers enormous scope for properly maintaining monuments, palaces, natural attractions etc.

1.2 Multiplier Effect

Tourism industry is always developed on multilateral discipline. Unlike other productive industries, it has wide series of inputs of varied nature and as a result, expenditures on inputs are distributed more widely than that of the most of the traditional industries. The resultant distribution of wealth accelerates a higher multiplier effect in the economy. Moreover, tourism industry offers a variety of choice and in some cases it is innumerable. For example, a tourist may like to buy anything or like to visit any part of the country. The wider circulation of money through so many buyers will have obviously greater multiplier effects in the economy. There is, of course, no specific calculation of this effect as yet, but according to a report prepared for Pakistan in 1968, the multiplier effect in tourism sector was 1.5.⁵ Nevertheless, with the advent of variety of choice, this effect is definitely higher in Bangladesh at present. The major economic benefit in promoting the tourism industry is in the form of earning foreign exchange. Income from these foreign exchange earnings adds to the national income creates multiplier effect in the economy.

1.3 Increase of Economic Activity

Since this industry requires series of inputs of varied nature, it automatically gears up wide ranged economic activity in different profession and in different areas. For example, establishment of a hotel in certain area calls for regular supply of so many items and as a result, an economic activity for production and supply of those items automatically grows up there. The wide variety of choice by the visiting tourists also calls for variety of supplies from different areas and thus reacting in a chain of economic activities. Tourism is a major phenomenon of the modern society, which has emerged as an economic activity of an immense global importance. Tourism has found a niche for itself as an effective instrument for generating employment, earning revenue and foreign exchange, enchanting environment preservation of the culture and tradition and there by facilitating overall development.

1.4 Employment Opportunities

Tourism industry is highly labor intensive. It creates direct and indirect employment opportunities.⁶ Tourism generates jobs directly through hotels, restaurants, taxis, souvenir sales and indirectly through the supply of goods and services needed by tourism related business.⁷ In addition, tourism can induce the local government to

⁵ *Ibid.*, p. 7.

⁶ M. Rajadurai, *op.cit.*, p. 5.

⁷ Sakib Din Amin, "The Role of Tourism in Bangladesh Economy", *The New Nation* (Web edition), December 06, 2006, p 5, Link:<http://nation.ittefaq.com/artman/exec/view.cgi/60/32702>, Accessed on 25/06/07.

make infrastructural improvements and also make an important contribution to a country's Balance of Payments (BOP). So tourism is a powerful engine of growth for many developing countries like Bangladesh.

It is an undenyng fact that with the unbalanced growth of population in Bangladesh, the problem of unemployment is very acute and in this labor intensive economy, creation of more and more employment opportunities in the productive sector is essential. Tourism industry can create employment opportunities for productive labor force in a greater volume than that in other industries.

1.5 Contribution to National Exchequer

Service and facilities being the main products of tourism industry constitute the consumer's goods. Taxation and levies on consumer's goods and especially on luxurious consumer's products are more beneficial to the country like Bangladesh. Taxation on tourists' consumption especially in higher degrees on luxurious and prohibitive consumptions do not affect much on the common people but on the other hand contributes to the national exchequer.

1.6 Development of Infrastructure

Development of Infrastructural facilities is a prerequisite for a developing country like Bangladesh. Tourism development in both ways provides those facilities. The needed infrastructure for tourist installations also extends the same facilities to other uses. Furthermore, the transportation facility such as rent-a-car or rent-a-boat etc., of the tourism industry itself adds considerably to the national communication system. Specialization in tourism transport facilities also balances the standardization of the overall transport services.

1.7 Better Marketing of Non-traditional Products and Growth of Small Industries

The cottage industries have a spontaneous growth in every village of Bangladesh and it plays one of the most important roles in the national economy. But the striking problem is the absence of marketability of these products. Tourism obviously offers a better marketing opportunity for these products for the visiting tourists.⁹ Marketing of the product, for the tourists gives a better price which is encouraging to the producers and thus helps the growth of small industries.

1.8 Recreation Resulting in Mental Development and Work Efficiency

Recreation and holidaying develop the mental condition and thus the work efficiency. In the labor intensive economy like Bangladesh, work efficiency is a vital factor on which the overall production can be enhanced. And as one of the major factors for mental development and work efficiency, tourism can offer recreation and holidaying in most suitable way with varied choice and wide selection.

1.9 Impact of Cultural Tourism in National Economy

With the development of tourism, the culture of Bangladesh will come into focus beyond the national boundaries and the rich culture will take its rightful place. As a

⁸Bangladesh Parjatan Corporation (BPC), *Comprehensive Plan for Development of Tourism in Bangladesh*, p. 8.

⁹*Ibid.*, p. 10.

result, it would create awareness at home for its further development with broader outlook. Country's archaeological remains bearing testimonies to its glorious past, the temples and mosques, music and festivals will afford pleasure and knowledge to people from far and wide.¹⁰ The educational and moral values accruing from such cultural tourism will immensely contribute to socio-economic upliftment of the country.

1.10 Participation in International Forum and Receipt of International Co-operation and Foreign Assistance

Tourism is also a travel trade linking more widely regionally and internationally. As a result, more and more international and regional organizations have come up offering wider participation in these forums.

Bangladesh with its limitation of own resources depends much on foreign assistance at this stage. International co-operation and foreign assistance can be equally sought for tourism development of Bangladesh to a greater extent.¹¹

1.11 Foreign Exchange Earnings and Balance of Payment

Needless to say that tourism industry may be one of the major sources of foreign exchange earnings contributing considerably to the favorable balance of payment. Tourism being mostly a service industry, involves not much physical transfer of goods and services. In other words, people from other countries visit Bangladesh, enjoy the facilities, spend the foreign exchange and go back. Except their purchases of gifts and souvenirs, the other consumptions are services and facilities and there is nothing to be physically transferred. This is remarkable characteristic of tourism industry for which it is known as "Invisible Exports". For a country like Bangladesh where there is inadequate exports, this characteristic of tourism will definitely play a vital role.¹²

Tourism - A Growing Sector for Economic Development

Tourism industry provides a number of economic benefits like (i) Tourism industry is highly labor intensive. It creates vast employment opportunities both direct and indirect. (ii) Tourism is considered to be an "invisible export" as it brings immense foreign exchange earnings without exporting anything tangible.¹³

1.12 Tourism – A Source of National Income and Employment

It is true that tourism stimulates brisk activity in various spheres of the economy of the host region. The "service" sector contributes more than 70 percent of the Gross Domestic Product of advanced countries.¹⁴ Tourism is the chief source of income to countries like Maldives, Malaysia, Greece, Bermuda, Italy, Spain, Switzerland and Caribbean Islands. Tourism is the highest foreign currency generating industry in the Maldives, earning 70 percent of the country's foreign exchange, 40 percent of the government revenue and contributing almost 20 percent to the Gross Domestic Product of that country.¹⁵

¹⁰ *Ibid.*, p. 11.

¹¹ *Ibid.*

¹² *Ibid.*, p. 12.

¹³ M. Rajadurai, *op.cit.*, p. 5.

¹⁴ *Ibid.*

¹⁵ Sakib Din Amin, *op.cit.*, p. 4.

The service sector in Bangladesh accounted for 37 percent of GDP in 2002-2003. The service sector is dominated by transportation, housing and trade services. The tourism sector accounted for only 0.67 percent of service sector output in 2002-2003.¹⁶ This share can be increased largely in future.

1.13 Facilities Development of Basic Infrastructure Facilities

Tourism is a hub of economic activities. More tourism means more business to travel agents, tour operators, hoteliers, restaurants, resorts, cruise, operators, airline companies, beauty shops, laundry services, amusement parks, soft drink dealers, rent-a-dealers and courier service firms. Tourism promotes industries such as handicrafts, spices, coir, textiles, and gem, jewelers and furnishing goods. With the active involvement of private entrepreneurs, new tourism related business projects will emerge. It also generates income for the government. It enhances multiplier effects, i.e., every unit of tourist expenditure goes through several rounds of income circulation.

1.14 Social and Cultural Advantages of Tourism

In addition to the economic benefits mentioned above, tourism provides certain social and cultural advantages. Some of these advantages are as follows. It promotes social mobility. Leisure and relaxation activities create social mobility of people. It promotes universal brotherhood, international understanding and World peace. It facilitates preservation of many vanishing arts around the world. It promotes urbanization in the host region. It revives local architectural traditions, regional peculiarities, the ancestral heritage and the cultural environment. It preserves ancient monuments and historical sites. It helps exchange of cultural values. Wildlife tourism will be a check against poaching and plundering of forest wealth.

1.15 Economic Aspects of International Tourism

The term "international tourism" means tourism involving citizens or the territory of more than one country. The concept of international tourism goes back to the period of early civilization in the world, when human mobility from one country to another was a simple preference.

The phenomenon of international tourism has been increasing rapidly. During the past five decades, movements in world tourist had increased so fast that it led to an expansion of accommodation, transport, recreation and entertainment facilities in various world tourist generating countries, extending a faster growth rate in GNP of the respective countries. The increased trend of tourist movement is visible from the fact that there were about 25 million visitors in 1950 and the number increased to about 159 million in 1970 and 191 million in 1973.¹⁷

Despite a great inflationary tendency in the world economy, the world tourist movement has increased further from 191 million in 1973 to 270 million in 1979. Similarly, foreign currency earning income was also increased considerably at a faster rate. Foreign currency influx increased from US\$ 2.1 billion in 1950 to US\$ 17.9 billion

¹⁶M. Mahbubur Rahman Morshed (ed.), *Bangladesh Tourism Vision 2020* (2nd ed., Dhaka: Bangladesh Parjatan Corporation, 2006), p. 11.

¹⁷Bangladesh Parjatan Corporation (BPC), *Comprehensive Plan for Development of Tourism in Bangladesh*, p.13.

in 1970 and US\$ 31.3 billion in 1973 and US\$ 75.0 billion in 1979.¹⁸ Between 1950 and 1999, international tourism generated an increase in revenues from US\$ 2.1 billion to US\$ 455 billion. Since the mid – 1980s, with an average of 8.1 percent between 1989 and 1998, international tourism income has grown faster than the overall volume of trade. While UNWTO reports that there were 286 million international tourists' arrivals for 1980, the number increased to 458.2 million in 1990 and to even 686 million in 2000. In 2005, the number of international tourists' arrivals reached an interim all-time high of some 800 million, representing a growth rate of 5.5 percent over the previous year. In that year, tourism generated US\$ 683 billion in total tourism revenues.

The data of world tourist movement as well as foreign currency influx for the period from 1950 to 2005 are shown in Table 1.1

Table 1.1 : International Tourist Arrivals and Receipts (1950-2005)

Years	Arrivals (In millions)	Annual growth (Percentage)	Receipts(In billions US\$)	Annual growth (Percentage)
1950	25.3	-	2.1	-
1960	72.1	-	6.8	-
1970	158.7	-	17.9	-
1971	169.4	6.7	20.9	16.7
1972	184.3	8.8	24.8	18.6
1973	191.3	3.8	31.3	26.2
1974	196.7	2.8	34.1	8.9
1975	206.9	5.1	38.6	13.1
1976	227.0	9.7	43.7	13.2
1977	243.6	7.3	52.4	19.9
1978	259.4	6.4	65.0	24.0
1979	270.0	4.0	75.0	15.3
1980	286.0	5.9	105.3	40.4
1981	287.1	0.4	107.5	2.0
1982	286.1	-0.4	100.9	-6.1
1983	289.6	1.2	102.5	1.6
1984	316.4	9.2	112.7	10.0
1985	327.2	3.4	118.1	4.8
1986	338.9	3.6	143.6	21.5
1987	363.8	7.4	176.8	23.2
1988	394.8	8.5	204.3	15.6
1989	426.5	8.0	221.2	8.3
1990	458.2	7.4	276.8	21.0
1991	464.0	1.2	277.6	3.7
1992	503.0	8.4	313.6	13.0
1993	518.3	3.1	323.1	3.0
1994	553.3	6.7	352.6	9.1
1995	568.5	2.7	403.0	14.3
1996	599.6	5.5	430.6	8.6
1997	619.6	3.3	438.2	0.1
1998	635.1	2.5	439.4	0.3
1999	652.0	2.7	455.0	3.6
2000	686.0	6.9	473.0	4.0

¹⁸ *Ibid.*, p. 14.

Years	Arrivals (In millions)	Annual growth (Percentage)	Receipts(In billions US\$)	Annual growth (Percentage)
2001	684.0	-0.3	459.0	-3.0
2002	703.0	2.8	474.0	3.3
2003	691.0	-1.7	525.0	11.8
2004	763.0	10.4	622.0	18.5
2005	808.0	5.5	683.0	9.8

Source: UNWTO

Table 1.1 states that the world tourist movement as well as foreign exchange earnings has since been continued to increase irrespective of world political and economic situation. It shows that in 1950, there were 25.3 million international tourists' arrivals, the number increased to 270 million in 1979, 286 million in 1980, the number increased to 458.2 million in 1990 and to even 686 million in 2000. In 1982, the annual growth rate of tourism was negative due to the War of Iraq-Iran. It is also observed from Table 1.1 that after a slight decline in 2001 and 2003 due to the 11 September terrorist attacks, Severe Acute Respiratory Syndrome (SARS) and the Iraq conflict, but the year 2004 saw an increase to 763 million international tourists' arrivals. In 2004, international tourists' arrivals reached a double-digit growth rate of 10.4 percent compared to the previous year. In 2005, the number of international tourists' arrivals reached 800 million representing a growth rate of 5.5 percent over the previous year. Similarly, between 1950 and 1999, international tourism generated an increase in revenues from US\$ 2.1 billion to US\$ 455 billion. Since the mid-1980s, with an average of 8.1 percent between 1989 and 1998, international tourism income has grown faster than the overall volume of World trade. The international tourism income reached US\$ 622 billion in 2004, representing a growth of 18.5 percent over the previous year. Every region benefited from this development, particularly Asia and the Pacific as well as the Middle East. In 2005 tourism generated US\$ 683 billion representing a growth of 9.8 percent over the previous year.

1.16 Bangladesh's Achievements from Economic Aspects of Tourism

As a newly independent country, Bangladesh with its few mighty rivers and innumerable tributaries, natural attractions and also with modest creative facilities could not play a great role in the world tourism movement.¹⁹ But keeping conformity with the general trends of the tourists who prefer calm and quiet tourist resorts of the East than traditional crowded tourist spots of the West, Bangladesh is in a better position to attract a good number of foreign tourists from the whole world.

1.16.1 Foreign Tourist Arrivals and Earnings in Bangladesh (1972-1995)

The flow of international tourists is increasing gradually since 1972. During 1972, 34580 foreign tourists visited Bangladesh, while the figure increased to 156231 in 1995 making about 1708 percent increase over 1972. This shows that Bangladesh is being capable of attracting growing number of foreign tourists. The data of tourist arrivals and earnings in Bangladesh for the period from 1972 to 1995 are shown in Table 1.2.

¹⁹ *Ibid.*, p. 17.

Table 1.2 : Foreign Tourists' Arrivals in Bangladesh (1972-1995)

Year	Arrivals	Percentage Change Over Previous Year	Earnings (Taka in Lakh)	Percentage Change Over Previous Year
1972	34580	-	155.00	-
1973	40450	16.98	137.00	-11.61
1974	64942	60.54	201.43	47.03
1975	63847	-1.69	304.20	51.02
1976	37380	-41.45	554.00	82.18
1977	45288	21.16	789.49	42.51
1978	50220	10.89	874.00	10.70
1979	57232	13.96	1390.00	59.04
1980	64160	-12.11	2382.00	71.37
1981	49315	-23.13	2079.99	-12.68
1982	53705	8.90	2732.10	31.35
1983	79818	48.62	4990.45	82.66
1984	103130	29.21	7718.17	54.66
1985	145634	41.21	6470.39	-16.17
1986	129070	-11.37	4464.21	-31.01
1987	106765	-17.28	2117.00	-52.57
1988	120782	13.13	2395.00	13.13
1989	128064	6.02	2200.00	-8.14
1990	115369	-9.91	3029.00	37.68
1991	113242	-1.84	3315.00	9.44
1992	110475	-2.44	3291.00	-0.72
1993	126785	14.76	5944.00	80.61
1994	140122	10.52	7594.00	27.76
1995	156231	11.50	9552.00	25.78

Source: BPC

Table 1.2 shows the trend of tourist inflow to Bangladesh from 1972 to 1995. From the above Table, it is quite obvious that the tourist inflow was less in 1975, 1976, 1980, 1981, 1986, 1987, 1990, 1991 and 1992 over their respective past years. However, the analysis of the above Table is that the arrival trend of the tourists to Bangladesh in above mentioned years, there is considerable decline over the respective past years. The reason can be assigned to some non-economic determinants like political disturbances, natural calamities etc. In the years 1975 and 1976, for example, less number of tourists came to Bangladesh due to the political instability and uncertainty after the assassination of Sheikh Muzibur Rahman in August, 1975. Again, the decline of arrivals of tourists in 1981 may be linked with the assassination of Ziaur Rahman, the then President of Bangladesh. In 1986, 1987 and 1990 there were prevailed tremendous political unrest throughout the country to topple down the military regime of Hussain Mohammed Ershad. Besides, in the last quarter of 1987, a devastating flood swept all over Bangladesh. Decline in the number of visitors in 1986, 1987 and 1990 may be linked up with these happenings. Political instability and unrest are the major reasons which prevent foreign visitors from visiting a particular destination especially of third World countries. On the contrary, the rest of the years for example 1973, 1974, 1977, 1978, 1979, 1982, 1983, 1984, 1985, 1988, 1989, 1993, 1994 and 1995 are quite good. The arrival trend to the tourists to Bangladesh shows in those years that there is considerable

increase over the respective past years. After the fall of the autocratic government in the year 1990, the democratic government came to power. After that the arrival trend continued to increase.

Similarly, from the above Table 1.2, in case of earnings it was seen that in 1973 it was a decreasing trend. But from 1974 to 1980 it was an increasing trend. Only in 1981 again it was a decreasing trend. After that it recorded an increasing trend up to 1984. But after 1984, it experienced a tremendous fall up to 1987. After that, it was also an increasing trend up to 1995. The analysis of the above Table is that the highest growth rate of earnings was 82.66 percent in the year 1983 over the respective past years.

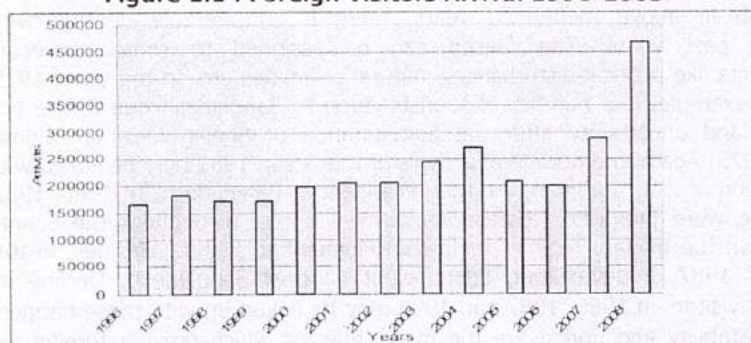
1.16.2 Brief Analysis of Tourist Arrival Trend and Foreign Exchange Earnings in Bangladesh for Last 10 Years (1996-2008)

The tourism industry in Bangladesh faced with some difficulties in terms of visitors' arrival to the country. The number of arrivals in the first month of 2005 looked quite promising but the trend did not continue throughout the year. For the year as a whole, the country registered 207662 arrivals which signify a decrease of 23.45 percent. The unexpected emergence of the Avian Flu in Asia, bombings in Bali, the after shocks of the tsunami and some stray incidents within the country adversely affected consumers' confidence which had impact to some extent on the arrival of international visitors to Bangladesh.²⁰ 2007 and 2008 are the years that finally brought tourism in Bangladesh back to growth, leaving behind two years of bleak performance

Foreign tourist arrivals in Bangladesh have been showing an upward trend in the recent years. Statistics of the last 10 years are presented in Table 1.3

From Table 1.3, it is observed that the arrival of foreign visitors is increasing day by day. But total percentage is changing. In 1996, total change was 6.18 percent. In 1997, it was increased to 9.97 percent. But in 1998, it was negative by -5.73 percent. In 2005, it was also negative by -23.45 percent. In 2007 and 2008, a high growth rate was achieved due to a sound political environment. So, there were ups and downs in the growth rate of the arrival of foreign visitors to Bangladesh. The floods of 1998 and political unrest in 2005 had negative impact on the arrival of foreign visitors.

Figure 1.1 : Foreign Visitors Arrival 1996-2005

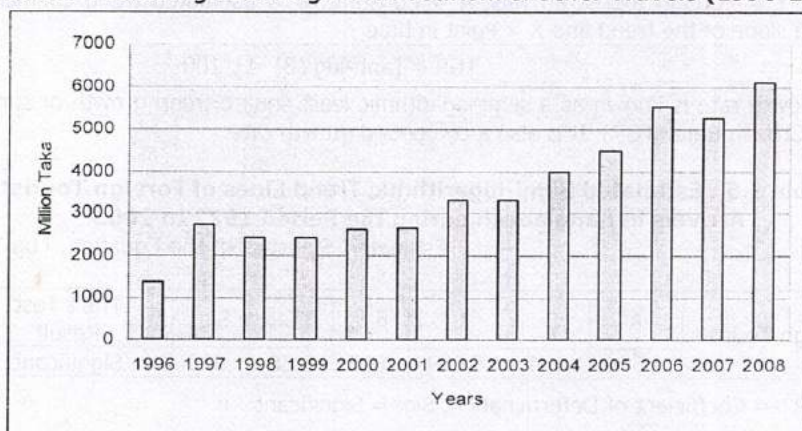


Source: Table 1.3

²⁰Bangladesh Parjatan Corporation (BPC), *Tourism Statistics of Bangladesh 2005* (Dhaka: Planning, Training and Statistics Division, BPC, 2005), p. ii.

Table 1.4 presents that 2005 was the highest foreign exchange earning year from tourism and other travels and the year 1996 was the lowest earning year. It is observed that the foreign exchange earnings are gradually increasing day by day. It is mentioned that foreign exchange earnings from tourism in 2005 registered double digit growth of 13.27 percent over that of 2004 contributing Tk. 4.4 billion to the country's economy. Foreign currency earnings from tourism in 2007 however registered a slight decline of 4.80 percent in growth over 2006, contributing Tk. 5.26 billion to the economy. But in 2008, a positive growth was achieved, contributing to Tk. 6.12 billion to our economy.

Figure 1.2 : Exchange Earnings from Tourism & Other Travels (1996-2005)



Source: Table 1.4

1.17 Domestic Tourism

Domestic tourism is defined as comprising the activities of residents of a given area traveling only within that area, but outside their usual environment. The importance of domestic tourism as an actively is that it is contributing national integration and regional development and to achieving income distribution. In Bangladesh, this is reflected in the policies and aspiration of BPC and the government which strongly emphasizes domestic and youth tourism not only for their benefits in terms of social development, but also as an effective approach to the preservation and enhancement of local art and culture.²¹ The movement of domestic tourists is continuously increasing in Bangladesh. There is no official record of movement of domestic tourists by private sector. But in the public sector, Bangladesh Parjatan Corporation (BPC) keeps regular record of foreign and domestic tourists. From the data of BPC, it is observed that there were 55240 domestic tourists in 1996, 64058 in 1997, 72559 in 1998, 78051 in 1999, 79854 in 2000, 85551 in 2001, 90239 in 2002, 81862 in 2003, 55239 in 2004, 68185 in 2005, 78337 in 2006 and 81073 in 2007. There were ups and downs in the movement of domestic tourists also. The natural disaster and political unrest had negative impact on the arrival of domestic tourists.

²¹ M. Mahbubur Rahman Morshed (ed.), *op.cit.*, p. 107.

1.18 Trend Analysis of Foreign Tourist Arrivals in Bangladesh during the Period 1972 to 2008

The researcher has analyzed the growth pattern of the foreign tourists' arrivals in Bangladesh during the period 1972-2008. Semi-logarithmic trend lines are estimated for that period. The semi-logarithmic trend equation showing the relationship between foreign tourists (Y) as dependent variable and time (X) as independent variable has been fitted by the least square method and the significance of the coefficient of time has been tested by the t test technique. The estimated form of the semi-logarithmic equation is:

$$\text{Log } Y = A + BX$$

Where, Y = Foreign tourist arrivals, A = Constant, B = Estimated trend coefficient i.e., the slope of the trend and X = Point in time

$$\text{TGR} = [\text{anti-log } (B) - 1] * 100$$

This growth rate is known as a semi-logarithmic least square trend growth or simply Trend Growth Rate (TGR). It is also a compound growth rate.

Table 1.5 : Estimated Semi-logarithmic Trend Lines of Foreign Tourist Arrivals in Bangladesh during the Period 1972 to 2005

Estimated Statistics of the Equation: $\text{Log } Y = A + BX$

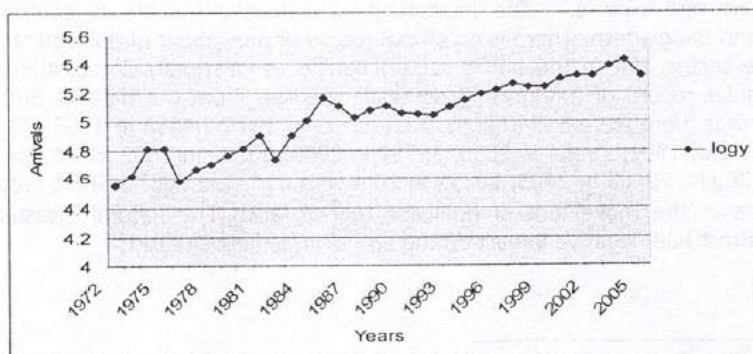
A+BX

Foreign Tourist	A	B	t	R ²	TGR	Sig.	The t Test Result
	4.594	.024	16.324	.893	5.68	.000	Significant

Note: R² = Coefficient of Determination, Sig. = Significant

The table shows that each of the trend line equations has positive slope (i.e., the sign of the coefficient of time denoted by B is positive) and the slopes were found statistically significant at five percent level of significance. The R² value of 0.89 revealed that the independent variable explained for about 89 percentages of the variations in dependent variables. The estimate of 't' (16.324) was found to be highly statistically significant. The trend growth rate of foreign tourist arrivals is found to be 5.68. Thus, it may be concluded from above analysis that the foreign tourist arrivals in Bangladesh have an increasing trend during the period under the study.

Figure 1.3 : Estimated Trend Line of Tourist Arrivals in Bangladesh during 1972-2005



Source: Table 1.2 and Table 1.3

1.19 Findings of the Study

- The phenomenon of international tourism has been increasing rapidly. It is found in this study that the trend of international tourists' movement is increasing day by day in the world. The world tourist movement has increased from about 25 million visitors in 1950 to 808 million in 2005.
- Similarly, foreign currency earning has also increased considerably at a faster rate. Foreign currency influx has increased from US\$ 2.1 billion in 1950 to US\$ 683 billion in 2005.
- Bangladesh's achievements from economic aspects of tourism are significant. In 1972, 34580 foreign tourists visited in Bangladesh. But the figure increased to 207662 in 2005, making 500.52 percent increase over 1972. In 2008, a high growth of 61.65 percent was achieved over the previous year.
- Similarly, in 1972, the foreign exchange earnings were Tk.155 million. While the amount increased to Tk. 44939 million in 2005, making 28892.90 percent increase over 1972. In 2008, the growth rate of foreign exchange earnings was achieved by 16.32 percent over the previous year of 2007.
- This study has identified that in case of domestic tourism in Bangladesh, the domestic tourists' movement is continuously increasing day by day. From the data of BPC, it is found that there were 55240 domestic tourists in 1996. In 2005, it was increased to 68185, making 23.43 percent increases over 1996. So it is concluded that the foreign tourists as well as domestic tourists are increasing day by day in Bangladesh.
- It is found in this study that the R^2 value of 0.89 revealed that the independent variable explained for about 89 percentages of the variations in dependent variables. The estimate of 't' (16.324) was found to be statistically significant. The trend growth rate of foreign tourist arrivals is found to be 5.68. Thus, it may be concluded from above analysis that the foreign tourist arrivals in Bangladesh have an increasing trend during the period under the study.

1.20 Conclusion

From the above analysis it is concluded that tourism has a bright prospect in Bangladesh. If domestic tourism is developed, automatically international tourism will be developed. The observation of the researcher is that traveling is a human trait. People can not travel to anywhere because of their financial incapability, insecurity and lack of residence etc. So, considering all these factors, the tourism industry should be developed further in Bangladesh to meet the needs of domestic as well as foreign tourists.

Table 1.3 : Foreign Visitors Arrival by Months (1996-2005)

Month	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
January	15609	17600	14485	17663	23160	25548	23711	22193	23670	20213	16382	16733	39345
February	13011	16490	19900	14022	18730	20724	16152	19041	25012	15848	13473	17308	30788
March	9878	17485	17394	15333	17982	20062	17898	16506	24262	19853	13659	17579	30079
April	11112	14453	18143	13730	14976	19216	15372	15299	23173	16234	12261	23956	25128
May	12402	14788	13169	13430	15647	19256	15771	17996	14959	18555	20971	20853	36929
June	11178	13311	12076	12484	14212	16606	15754	21867	23020	17496	17002	24483	39158
July	14016	12830	12475	13688	14809	15517	14345	22957	26991	19773	25604	32223	42457
August	13282	13484	11348	13016	13399	16739	14315	19041	21938	15292	14244	20614	36017
September	12263	12468	9986	11529	12874	11015	13022	17968	19860	13166	16823	18509	26723
October	15582	15688	15127	17126	15855	13053	18601	23498	21785	15568	17237	27073	43213
November	15827	16971	13909	15388	19499	15265	17136	21028	27208	18399	14734	30308	39996
December	21277	16852	14049	15380	20078	17528	25169	27115	19392	17285	17921	39471	77499
Total	165887	182420	171961	172779	199211	207199	207246	244509	271270	207662	200311	289110	467332
percentage Change	6.18	9.97	-5.73	0.48	15.3	4.01	0.02	17.98	10.94	-23.45	-3.54	44.33	61.65

Source : BPC

Table 1.4 Foreign Exchange Earnings from Tourism & Other Travels (1996-2005)

Month	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
January	70.20	231.80	351.20	184.90	227.80	273.80	297.50	259.00	457.00	450.42	653.71	561.13	749.28
February	73.40	106.50	146.00	224.90	261.60	218.10	260.60	327.00	393.70	502.73	554.11	624.04	585.06
March	81.30	142.60	302.70	255.30	230.90	196.10	336.20	355.90	425.90	468.50	538.94	471.90	527.79
April	84.20	130.50	170.60	207.20	234.00	219.00	312.50	241.10	309.40	335.56	411.62	387.22	459.35
May	121.80	182.90	161.70	172.30	210.70	240.50	282.70	226.30	305.00	347.95	452.02	449.95	423.06
June	137.10	172.20	176.80	182.70	193.10	221.70	313.00	288.00	279.70	301.23	394.96	366.17	509.52
July	98.10	156.70	167.50	167.00	234.80	207.10	267.50	302.30	303.60	296.98	398.14	346.63	461.98
August	111.40	145.20	192.50	182.80	129.30	170.50	251.50	212.00	285.90	354.61	424.16	363.72	417.30
September	99.40	692.80	154.50	179.70	218.10	193.40	245.90	217.30	293.10	332.67	362.29	342.54	464.46
October	157.40	256.10	167.30	186.10	239.40	187.00	205.00	265.10	247.90	332.67	362.29	359.68	415.67
November	176.50	253.20	245.50	280.50	234.50	234.80	277.70	224.20	250.42	324.45	444.50	440.25	519.39
December	190.40	270.90	215.50	218.50	212.80	291.80	262.5	371.80	415.94	444.65	568.25	551.96	591.66
Total	1401.20	2741.4	2451.8	2441.9	2627	2653.8	3312.6	3310	3967.6	4493.9	5530.65	5265.19	6124.52
%Change	46.69	95.65	-10.56	-0.40	7.58	1.02	24.82	-0.08	19.87	13.27	23.07	-4.80	16.32
Million \$ Total	33.59	62.45	52.37	49.95	50.37	47.56	57.21	56.98	66.82	70.01	80.44	76.40	89.26

Source: Bangladesh Bank

(Million Taka)

UPGRADATION OF SLUM AND SUSTAINABLE URBAN ENVIRONMENTAL DEVELOPMENT IN KHULNA CITY, BANGLADESH

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Md. Abdus Sattar**

Abstract : This study has tried to portrait the present condition of urban slum in Khulna City. The recent growth rate of slums in Bangladesh is 4.28% whereas the world slum growth rate is 2.28%. In the study, the two selected slums of Khulna City are 'Vanga Mohollar Slum' and 'Kashipur Slum', of which the social, economic, educational, occupational, health and some other conditions are piteous. Hereafter the study has tried to find some options to improve their condition in terms of these parameters.

Introduction

Bangladesh is one of the most densely populated countries of the world. As a result the slums grow at a rapid rate here. The growth rate of slum in Bangladesh is 4.28% and 2.28%, 0.54%, 2.40%, -0.07% and 4.88% are of world, developed region, developing region, transition countries and least developed countries accordingly (Slum Dweller Estimation, 2001). The fastest growing sections of the urban areas are the slums (Rahman, 1992). According to the definition of the urban poor by the World Bank there are 12.45 million urban poor and 6.97 million urban hard-core poor in Bangladesh, who lived in slum and squatter settlements (Islam, 1998). In Bangladesh the major urban areas are highly congested due to the high density of population, where all the utilities are either insufficient or absent. For the study, Kashipur Railway Slum in Khalishpur and Vanga Mohollar Slum in Shekpara have been selected to find out their existing different conditions. Basic services like water supply, sanitation, education, health facility, waste management are the most important needs of the human life. Only ensuring the improved basic services can give guarantee of prosperous nation. They do not have minimum access to basic urban services needed for their mere living. They get almost no utility services and civic amenities. The slum dwellers are legal citizens of the country. There are a numbers of slum dwellers are living in Khulna city and they play a vital role in the informal activities as well as city's economy. The associated urban problems are aggravating faster. These problems are becoming acute in the overcrowded slums of Khulna city. On the other hand, living environment of the slums and the whole urban environment are closely interrelated as a lion share of the urban population lives in the slum. Khulna City is not out of such threat of slums. As such, it is needed to take necessary steps regarding the improvement of the slum dwellers which can ensure a better urban environment to safeguard the urban masses. The city is expanding

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faster and new slums are developing day by day. The situation is assumed to be more horrible.

Objectives

The prime objectives are given below:

- i. To identify the problems of urban slum; and
- ii. To find out the possible solutions for sustainable environmental upgradation of existing management approach of urban slum.

Methodology

Selected two slums were Kashipur Railway Slum in Khalishpur, Vanga Mohollar Slum in Shekpara. Selected slums are located in ward number 7 and 20 respectively. Prior to data collection, a reconnaissance survey had been conducted in each of the study areas. The household head of the Kashipur Railway Slum and Vanga Mohollar Slum collaborated with the KCC officials were selected for the primary sources of information for better improvement of urban slum and also for identifying the existing condition of the slum. Techniques used for primary data collection is systematic random sample technique. As the study is mainly based on primary sources, so questionnaire preparation was an important part of this study. Simple random sampling technique has been applied as sampling procedure. A complete list of households in the KCC was used for the determination of sample size was the required sample size and the size of total households was 590 in the KCC. The method adopted for sampling purpose was simple random sampling. Relevant information was collected both from primary and secondary data collection procedure. After collection of all primary and secondary data, data processing and interpretation had been completed. All the processed information and data had been analyzed to obtain extract findings of the study. For the study, Kashipur Railway Slum in Khalishpur and Vanga Mohollar Slum in Shekpara have been selected to find out their existing different conditions. Basic services like water supply, sanitation, education, health facility, waste management are the most important needs of the human life. Only ensuring the improved basic services can give guarantee of prosperous nation. They do not have minimum access to basic urban services needed for their mere living. They get almost no utility services and civic amenities. The slum dwellers are legal citizens of the country. There are a numbers of slum dwellers are living in Khulna city and they play a vital role in the informal activities as well as city's economy. The associated urban problems are aggravating faster. These problems are becoming acute in the overcrowded slums of Khulna city. On the other hand, living environment of the slums and the whole urban environment are closely interrelated as a lion share of the urban population lives in the slum. Khulna City is not out of such threat of slums. As such, it is needed to take necessary steps regarding the improvement of the slum dwellers which can ensure a better urban environment to safeguard the urban masses. The city is expanding faster and new slums are developing day by day. The situation is assumed to be more horrible.

Results and Discussion

This study was designated to explore the conditions and the problems of the urban slum. Problems and level of satisfaction also depends upon their consumption pattern and this consumption pattern is widely varied among the socio economic characteristics of the respondents.

Household size: It was found that the condition of houses of slum dwellers is very poor and unreasonable house occupancy is existed. Generally these houses occupy more people than its carrying capacity. The household size has been classified in four classes. In this way it has been observed that, above half of the households are restricted in 4-6 household size class 58% in the study area. It is almost more than double of the nearest 1-3 household size class 28% while very few are restricted in 8-11 household size class 9%. The class of 4-6 household size dominates in the slums, as equating the average house hold size of the slums of the large cities (Mahmud and Toufique, 2004).

Occupational pattern: In the two slums of KCC different types of labor, rickshaw or van puller, hawker, small business are found to live. But the informal sources are dominant. Some times people earn from several income sources which can be termed as primary occupation and secondary occupation.

Primary occupation: There are a large number of income sources, which people used as primary income sources. Almost all of the income sources are informal. Among the income sources the average percentage of the slums rickshaw and van pullers are highest 23.25% and second highest is day labors 18.11%. On the other hand, Nasrin (2006), found 22% day labors, 26% rickshaw puller, 12% work at hotel, 6% service holder and 8% were unemployed in Slum. The occupations are varied because they face always uncertainty of their job. However, still a huge number of people, 9.42% (average) are unemployed. In Vanga Mohollar Slum, the numbers of not working person are 4.77% that differ with Kashipur Railway Slum, in which the amount is 14.09%.

Secondary occupation: People are also earning from some secondary income sources. It found that in Kashipur Railway Slum, day laborers is the main occupation 31.25% that people take as their secondary occupation. On the other hand, maid servant is found to be main secondary occupation in Vanga Mohollar Slum 28.57%. About 22.88% respondents of the study area serve as maid servant as their secondary occupation.

Income pattern: The income levels of the respondents vary with their profession and social condition. Almost uniform feature of income level among three slums i.e.; among mentioned income ranges 2001-3000 taka is highest (45.28% of the total) and in Kashipur Railway Slum, 45.31% people earn in between this range while the amount is 45.24% in Vanga Mohollar Slum. But only 3.13% and 2.38% families in Kashipur Railway Slum and Vanga Mohollar Slum respectively are restricted up to above 5000 taka so, the income level is retaining an unsatisfactory level. On the other hand only 3% family's income is smart in comparison with the other household of the study area and the amount is about 5000 taka. It also has been found that another major portion of income range is 1001 to 2000 taka which is about 23% of the total surveyed respondents. In contrary, according to KCC (2006), feature of income level is quite different from slum income level. Here the highest average income range of people 34% is 3501-5500 taka and 14% people earn between 2501-3500 taka that is the highest range of income in the study area.

Housing conditions: Jhupri or Bamboo shed house is a common situation of the slum. Another common situation is that, most of the houses are unauthorized. However there are also owner and tenant of those houses which is some times acted as authorized settlement. About 54% respondents live in own house and 46% as tenant. All of the slums are dominated by jhupri house 49%, some people live in bamboo shed house 14%, some people live tin shed house 12%, and some people live wood made house 9%. Ignorable number of people lives on pucca houses 3%. More over there are also some people who live in semi pucca houses 13%.

Consumption pattern of the slum dwellers: Slum dwellers are enjoying municipal services that are provided by the KCC authority. In case of basic services like water supply, sanitation, drainage, solid waste management the percentage are respectively 65%, 48%, 60%, and 20%. The slum dwellers have very poor access to some services provided by KCC. According to field survey these services are health facilities, educational facilities, street light, mosquito control, road maintenance etc. The slum dwellers of the study area have good access to some services and limited access to some services provided by the KCC authority. From the above table it has been found that the slum dwellers have limited access to solid waste management, educational facilities, health facilities, street light and road maintenance, and the percentages are respectively 80%, 75%, 90%, 65% and 50% respectively.

Water supply: There are different source of water such as deep tube-well, shallow tube-well and pond. People are mainly 68% using deep tube-well water for their different purposes. Besides this people use 28% shallow tube-well water and pond 4% water. In another study, Nasrin (2006) opined that, 78% people of Jessore Ghop Slum use tube well water and 22% use tap water.

Problems of the slum dwellers in access to water supply: The problems that are faced by the slum dwellers for getting water supply in details. That 28% respondents of the two slums thinks that the existing drinking water in the slum is not safe for drinking because of the salinity intrusion in the ground water level. This is the main problem in the context of drinking purpose in the two slums. For this reason a large portion of the families of the study area collect drinking water from a long distance (about 1 or 2 km) by van rickshaw from other places. The other major problems in access to water supply condition by the slum dwellers includes lack of maintenance of tube well by the authority 9%, financial inaptitude to avail the services 19%, unhygienic environment in the surrounding area of the sources 21%.

Condition of drainage facilities: Drainage condition in the slum of the study area is miserable. Unavailability of sufficient drainage in the desirable distance forces the people of slums to dispose waste water and sometimes solid waste here and there around the houses. Thus insufficient drainage causes the poor sanitation condition in the area. Lack of proper maintenance of the existing drainage system and over and above disposal of solid wastes into the drains, inadequate drain sections, natural siltation, and absence of outlets, indefinite drainage outlets and drainage paths are accounted for the prime causes of blocking in drainage system and water logging. In addition, seasonal tidal effect and flat topography of land are also causing water logging. For the consequences of such drainage condition slum dwellers faces tremendous environmental hazards and fallen into so many diseases.

Access to drain: According to KCC source, the total length of various types of existing drains is about 381 km in the KCC area and about 68% of the households have no planned drainage facilities while only 32% have some short of drainage facilities. Some families where the drains are not in close proximity dispose water and solid waste in front or back attached to their houses. In this way they create unhygienic environment for living in the slum. The slum dwellers are more or less uneducated and unaware about the cleanliness and health care. So they keep doing the same for long. About 41% people thought that narrow drain is the main problem in access to drainage facilities. Other prominent problem are the solid waste disposal off into the drain 17%, water logging 16%, not clean regularly or as necessary 23%, and polythene holds 3% respectively.

Role of KCC authority for solving the drainage problem: Khulna City are the responsible authority for monitoring and solving the different problems related with all urban services provided in the slum area. Here the role of KCC authority for solving drainage problems are categorized as good, fair and bad. These categorization is mainly depends on the respondents own feelings. About 25% respondents among the surveyed persons think that the roles of KCC for solving drainage problems are good. The KCC role for solving drainage problem are fair 25% and bad 50% where good has 25%, fair is 25% and bad is 50% which is maximum value.

Access to solid waste disposal: Slum dwellers have poor access to solid waste disposal because there are few dustbins beside the slum areas and these dustbins are far away from their house but they produce solid waste ever day. Very often most of the slums dweller disposes off their solid waste near their house drain i.e. not in the dustbin and here and there. It has been found that only about 22% of the households dispose off their garbage in dustbins where as 58% of the households throw waste into nearby drain and 20% of the household throw indiscriminately.

Duration of cleaning community bin: It has also been found from the results of household's survey that after dispose off waste, cleaning of this is not frequent or as necessary. Only 5% households gave their opinion about regular cleaning. But the KCC authority has the regular cleaning schedule of their dustbin. It also has been found that maximum 81% families among the surveyed respondents in the study area think that the duration of cleaning of the community bins are not frequent which indicates the poor access to this facilities in the study area.

Problems of the slum dwellers in access to solid waste disposal: Disposal of solid waste is a real problem for the city dwellers and for the slum dwellers it is more prominent due to its unsatisfactory management system. About 47% of the households have not enough dustbins to dispose off their waste, so they dispose off their waste into the nearby road and drain or here and there beside their houses. Dustbins are not cleaned as required 17% is the prominent problem that is encountered by the slum dwellers. Besides negligence of the KCC authority is 5% also the prominent one.

Sanitation and health condition: Proper sanitation can control many excreta-related diseases. However, to improve health conditions through improved sanitation,

it is necessary to have a clear understanding of the diseases that are prevalent in absence of proper sanitation and their transmission routes. These diseases are excreta-related and are caused by microorganisms such as viruses, bacteria, protozoa and helminthes or worms (Ahmed and Rahman, 2003). The use of pit latrine is dominated in Kashipur Slum and ring slab latrine is dominated in Vanga Mohollar Slum but shared in type. On the other hand, hanging latrine is present in Kashipur Railway Slum. While hanging latrine is totally absent in Vanga Mohollar Slum. But in the slum sanitary latrine is very little. Lack of awareness along with poor economic condition is the main problem behind that an unhygienic latrine of study area (Vanga Mohollar Slum) that is used as shared by 15 household. It is unaesthetic and produces bad smell. It pollutes the environment which has adverse impact on the health of slum inhabitants.

Types of diseases suffered by slum dwellers: Disease causation not only depends on environmental condition but also socioeconomic conditions of the human beings. Among them major share of slum dwellers are suffering from ARI (Acute respiratory Infection). Around 30% slum dwellers are suffering from ARI. Second major disease is fever and cough attacked 23% slum dwellers of the study area and this fever is mostly viral fever 4% are suffering from measles. DD (Diarrhoeal Diseases) and this is 19%, from skin diseases were 13% and 10% found to be free of diseases. It could be interpreted that diarrhoea, fever and ARI are very frequent among slum dwellers. This is because of unhygienic condition of slum, poor housing condition and for low level of income and education level. From field, it has also been observed that children of the study area repeatedly suffer from fever and cough, diarrhoea and measles.

Facilities available: Health service facilities are basic need for human beings. Slum dwellers must have access to the highest possible standards of health and nutrition. About 30% of respondents chose doctor, 25% chose dispensary, 25% chose health center and 17% chose hospital and only 3% chose clinic due to expensive cost for any medical treatment.

Sustainability option for environmental upgradation of urban slum: All the parameters that are studied for the study are found very much unsustainable in their condition. Their household sizes are beyond of their capacity to provide the fundamental requirements. Their general socioeconomic conditions are too bad. The educational pattern, occupations, income range are also in such a condition that they are in vulnerable condition. Other urban services such as water supply, solid waste management, sanitation condition, drainage facilities etc are not in a sustainable condition at all. If the sustainability factor with all the management options is not incorporated, then the future condition will be very much vulnerable to them. Upgradation of urban slum needs multidimensional concern to attribute the sustainability approach. All the management options have to have a long term vision to make them sustainable.

Upgradation options for the existing conditions of the slums: Municipal institution including City Corporation occupies an important place in the overall system of administration and Governance in Bangladesh. This role of the municipal institution is mainly two types. Firstly, as key local government bodies for urban areas

of the country and secondly, as agencies rendering important public services and facilities to the urban population. As local government bodies constitute under law and function as autonomous self-government units and agencies of public service, they shoulder the responsibilities for providing a wide range of civic services to the people of the urban areas (Mortuza, 2002). KCC has an Ordinance entitled "The Khulna Municipal Corporation Ordinance 1984". KCC perform its activities according to the Ordinance. In KCC ordinance, functions of the provided services are stated but for study all the functions are not important. In this chapter only such functions are discussed that are relevant to the study i.e. only the functions for the selected services.

Upgradation options and public/private partnerships: The current trend is to develop management options tailored to local needs and capacity, with an equation between local authorities, private sector and communities. These options are described in various recent publications, and in many countries experience is being built. Many improvement projects around the world are private public partnerships. These range from government agencies that use private contractors for construction through to government agencies which act in regulatory roles with all services being provided usually on a contract basis, by private groups. Furthermore, few government agencies are able to develop successfully the detailed work required for community organization and mobilization. The NGO sector can play a vital role in this. Interestingly these management options are being tested in many small towns, but could prove very valuable for meeting the challenges of big agglomerations where water producing utilities are required to enter into partnership with different private and semi private smaller providers.

Upgradation options for the selected services: KCC is the responsible authority to provide municipal services to its dwellers. According to the KCC ordinance it is mentioned that KCC provide services to dwellers and they have also the provision of maintenance of these services.

Upgradation option for household size: Bangladesh is an over-populated country. Most of the families are over-populated. The condition of the slum dwellers is very deplorable. The standard of their life style is deteriorating. So, it is very much to upgrade of their household size. So KCC should do wide spread of education: Education enlightens a man. An educated man can realize the problems of a much-populated family. Child marriage: Child-marriage should be discourage because it helps to increase population. Poverty alleviation: In order to build a well-planned family, poverty must be alleviated. Social awareness: Social awareness can play a vital role in making a good, planned family. Social and religious superstitions: Social and religious superstition should be eradicated.

Upgradation option for education pattern of slum dwellers: Education is the basic need for socio economic transformation and advancement of a country. It is the prime ingredient of human resource development. After food, education is the first need of the people. However, poor people have very little opportunity for education. Here the management options may include Increasing educational access in urban slums. Improving teaching and learning quality. Increasing and improving skills development programs for out-of-school youth and for women in the community

especially for literacy. Improving educational policy and coordination. Monitoring and evaluation in the education sector. Considering costs and benefits of educational inter. Availability of teacher and teaching materials should be ensuring. Moreover children should be made eager to come to the school. To provide books, pencils, pens, bags and other educational instrument.

Upgradation option for occupation and income level: Most of the peoples of slum dwellers are mainly day-laborers, rickshaw pullers, brick-breakers, hawker maid servant and so on. They earn too little money with which they can not manage their life well. In order to improve their over-all condition. They should be given technical education. They can form co-operative farms for their own interest. They should be encouraged to take family planning. Social consciousness can play important roles in enriching their life style. For income generating activities slum dwellers need micro credit easy terms and condition. Most of the people in the study area are poverty ridden. Slum dweller's living conditions and their income will ameliorate only if they get proper training and education. So, Government, voluntary organization and political parties could initiate employment generating activities to employ the skilled slum dwellers remaining in urban area.

Upgradation option for housing condition: Housing is one of the important basic needs of the modern world. The house is the first unit of society and it is the primary unit of human habitation. Good housing can and accelerates a country's development process. Well-planned housing, on the other hand, can increase national productivity, economy of urban space, and minimize the cost of urban infrastructure. Earning opportunities in the society can be improved by locating area. Housing loan or credit for urban poor housing may be provided by government, NGO's different commercial Banks and other private organizations. Low cost housing should be provided that house and services must be within the people's ability to pay. In this area to give financial or other incentives to encourage urban poor housing development. Earning opportunities in the society can be improved by locating low-income housing areas near employment concentrations. Private Government policy and their convenient application can solve all this problems sector involvement is also encouraged to abate housing problem of the study.

Environmental management and upgradation of water supply in the study area: Water supply is one of the most important basic needs of the people in any locality with addition to in the slum area. Various types of serious, infectious and viral diseases are closely related with water supply situation. Among all the diseases of human being about 90% are water borne diseases. So for the improving the urban services delivery it is very much necessary to ensure the environmental management of water supply situation in the study area.

Table 1: Number of tubewell and the demand for improving the water supply.

Year	No. of tube wells		No. of households	No of households can use one tube well		Demand		No of households can use one tube well	
	Deep	Shallow		Deep	Shallow	Deep	Shallow	Deep	Shallow
2007	7	14	590	84	42	15	30	40	20

Source: Field survey, 2008.

Table 1 reveals that there exist 7 deep tube well and 14 shallow tube well in the study area and about 84 households can use only 1 deep tube well and 42 households can use only one shallow tube well. By field survey it has been found that the demand of the slum dwellers are 15 deep tube wells and 30 shallow tube well. If this demand can be filled by the help of legal authority then about 40 households will use one deep tube well and 20 households will use one shallow tube well (Table 1)

Table 2: Improvement of water supply situation in the study area.

Year	No. of tube wells	No. of households	No of households can use one tube well	Demand	No of households can use one tube well
2007	21	590	28	45	13

Source: Field survey, 2008.

From the Table 2 it has been found that there exist about 21 tube wells (both shallow and deep) and about 28 households can use only one tube well in average by this existing tube well. The table also shows that the demand of slum dwellers are 45 tube wells by which only 13 households can use one tube well. From this study some specific problems of the slum dwellers in the context of the water supply situation are identified by questionnaire survey which will help to make the management plan for this slum. The management options for the improving the water supply situation in the study area are about 78% slum dwellers collect drinking water from deep tube well and 22% collect from the shallow tube well. About 30% slum dwellers use deep tube well water for cooking purpose and 65% use shallow tube well water for their cooking purposes and 5% uses other sources for meeting this need. The number of tube wells must be increased and evenly distributed in and around the slum area for reducing the suffering of the slum dwellers in the study area. The facility of pipe water and tap water should be introduced in the slum area which will make the easy access to the safe source to collect drinking water for some portion of dwellers. Deep tube well must be set up in the every goli of study area which will reduce the sufferings of some dwellers of the study area for collecting drinking water. Though there are a large number of deep tube wells in the study area, the drinking water of these deep tubes well is not safe for drinking because of its high salinity. In this situation the legal authority (KCC) can take initiative consulting with the specialist of this sector for remove this problem which will increase the efficiency of environmental management of this sector. The location and surrounding space of the water sources must be suitable to ensure the healthy and hygienic environment and space for bathing and washing also should be separate. About 9% slum dwellers think that lack of maintenance of the authority is one of the main problems relating with water supply condition. So the authority must be sincere with their duty for reducing the sufferings of the slum dwellers which will act as the indicator of environmental management. Finally the slum dwellers have to be aware

about the problems, mitigation, and their duty for which both the government and non government organization can work for the welfare of the slum dwellers.

Upgradation options for improving drainage problem: Water logging is closely related with drainage problem. In the study area it has been found that main problem of drainage sector is waste disposal into the drain by the slum dwellers for which flow of water is hampered in the slum area. For the improvement of this problem there should be initiate awareness program, increasing the width of drains and increasing the number of community bins in the study area. In a nutshell the drainage facilities should be sufficient in the slum area which reduces water logging inside the houses. About 42% family have access to the 1 feet width 1 feet depth drains and 34% family have no access to any kind of drain (Table 5.14). In this situation more drains should provide with the evenly distribution in the slum area. KCC have to play the vital role for improving the drainage problem. Though the numbers of drainage in the study area are insufficient, the proper maintenance and regular cleaning can eliminate so many hazards easily. The authority has some limitations like resource constraints to solve all the problems in the whole city. In this case the community organization and non governmental organizations can also take some initiatives for solving the drainage problem and for improving the drainage condition easily.

Upgradation options for solid waste management: For improving this scenario the number of community bin should be set up in proper distance from the households with addition to increase the awareness programme in the study area. The slum dwellers are not satisfied with the existing solid waste management as there is no regular cleaning of existing some community bins. As a result the satisfaction level of the slum dwellers are very low for this service. For improving this condition the legal authority should be sincere and careful about their duty and should clean the existing bin regularly. The authority has some limitations like resource constraints, financial problems, institutional difficulties etc to solve the entire problem in the whole city. In this case the slum dwellers can make community organizations by themselves to take some positive initiative and some non governmental organization should also play the significant role for improving the garbage disposal problem in the both slums. The number of dustbin have to increase in suitable distance from the houses of slum dwellers and the awareness program by government and non government organizations have to increase.

Upgradation options for improving the sanitation facilities: The purpose of sanitation varies for different people of different regions and even for people within

the same community. Some think that the main purpose of sanitation is health, and therefore a sanitation system must be effective in reducing disease transmission. Other people may consider privacy and convenience as important functions of sanitation, and yet others may want a cleaner environment or the prestige and status of having sanitation. A good sanitation system should, therefore, be able to meet all the requirements of the people (Ahmed and Rahman, 2003). The number of sanitary latrine must be increase to ensure the easy access to the sanitation facilities by the all slum dwellers. The distance between the existing latrine and the tube wells have to minimize to reduce the sufferings of the dwellers. Dirty environment in the surrounding space of existing sanitary latrine is unhygienic. So the surrounding environment should be clean regularly to maintain a healthy environment for better management of sanitation facilities. The sanitary latrine should not be located very close with the kitchen in the study area. Because sometimes the slum people dispose their kitchen waste by the side of the latrines. As a result the sanitary latrine lost the healthy environment. In a nutshell the location of the sanitary latrine should be in appropriate situation. The authority has some limitations like resource constraints, financial problems, institutional difficulties etc to solve the entire problem in the whole city. In this case the slum dwellers can make community organizations by themselves to take some positive initiative and some non governmental organization should also play the significant role for improving the sanitation facilities in the both slums.

Upgradation options for improving health facilities: It is need to create a data base about slum dwellers health of the study area in respect of child birth, death, diseases frequently encountered by slum dwellers, existing supporting health facilities etc. If the condition of water supply and drainage system is improved then it would help to promote health condition of slum dwellers by having safe drinking water for avoiding different types of diseases. Proper drainage could help to overcome unhygienic condition of slum. Health centers need to provide adequate medicine at least cost among slum dwellers as well as instructions among mothers regarding infectious disease to prevent it. Urban local government can play role as coordinator among different NGO's working in the study area in different fields of child health, maternal health, health advocacy etc. because coordination of services will allow scarce resource to be used where they are most needed and avoid duplication. Urban local government needs to vitalize its health centers in the study area by increasing manpower or field level health worker and their responsibility would be vested in monitoring EPI dropouts as well as increase their services in terms of providing necessary medicine, first aid, ORS etc. Quarterly or monthly medical check could be

done for slum dwellers by health centers situated in the study area for eliminating diseases such as hookworms and diarrhoeal disease. Health awareness among slum dwellers could be built by publishing lift lets, posters etc. for personal cleanliness, disposing solid waste in proper manner, using sanitary toilets, washing hands after defecation etc. To resist malnutrition nutrition center could be setup by Ngo's or GO's and they would be responsible for providing nutrition education among mothers, keeping record as well as providing preventive measures. As slum dwellers are low income people it is essential to provide health facilities among all slum dwellers at least cost by government and Improving health facilities is closely related with the income level of the families. From this perspective even support for job training of the parents, microenterprise could be promoted in the study area as health interventions by GO's and NGO's.

Conclusion

The density of slum shelters is substantially high, making slum areas highly congested and without having facilities of drinking water, roads, street lights and drainage. Unhygienic and dismal squalid environment prevailing in the slums is not only the source of spreading diseases in the city, but also it is a disgrace for those who live in it. It is also disgrace for the authority and road passers, even though slum dwellers are contributors to the city's growth and prosperity. The poor represent an extremely important element of the urban labor force and contribute substantially to total productivity and labor market competitiveness. Looking to the physical condition, socioeconomic condition and life of slum dwellers, it is quite essential to upgrade the slums by providing site and service schemes and ready built housing schemes. Though slum shelters are being upgraded with all basic infrastructure facilities, the ultimate environment remains typical slum environment. At its most basic level, urban upgrading involves improving the physical environment of slums. This includes improving and/or installing basic infrastructure like water, sanitation, waste collection, access roads and footpaths, storm drainage, lighting, public telephones, etc. Upgrading also deals with regularizing security of land tenure and housing improvements, as well as improving access to social support programs (e.g. health, education) and municipal services (e.g. water, sanitation, waste collection, storm drainage, street lighting, paved footpaths, roads for emergency access). Slum dwellers, recently arrived migrants, and the very poor are all parts of the city's population, and as such, they require infrastructure and services just like other inhabitants. At the same time, they are regarded as a potential human resource for the development of the city; a resource that requires some attention both for social and economic development, and for necessary infrastructure development. The

absence of basic support services saps the strength of the urban poor and denies society the full contribution they could make. Problems with slums and squatters are the common phenomenon not only in Khulna City but also in other urban areas of Bangladesh. For the last few decades the growth of urban population is extremely high. This is due to high migration rate of rural to urban areas as well as the natural increase of population. The major cities of the country contain large number of slums and squatter settlements where the large portions of urban population are living. Slum dwellers have the legal ownership of land but these urban people are deprived of urban basic services. The slum dwellers do not get pure and sufficient drinking water. Narrow and open drains with the poor water supply and dispose of wastes here and there cause different infectious diseases in the slums. But slum dwellers have contribution towards the city. They are very important for the development of a city as they are the largest part of the city population. Improvement of the slum dwellers can bring the improvement in the overall city environment. However, the notion of sustainable development can be considered as rather recent and evolving, with many questions surrounding this concept. That said, it is often not difficult to recognize what are 'unsustainable' forms of lifestyles, and urban planning is recognized to play a crucial position in the development of sustainable cities.

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AN ASSESSMENT OF THE INVENTORY CONTROL SYSTEM OF NATORE SUGAR MILLS LTD.

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Abstract : This paper attempts to identify the various inventory control system of Natore Sugar Mills Ltd. In Bangladesh, sugar industry is known and development as a labor-intensive agro-based industry. The study observed that the internal motivating factor such as Inventory system of Natore sugar mills ltd. "Desire to work independently emerged as the main motivating factor, While occupational experience got the high- test preferences from the entrepreneurs." Besides with this study reveals the external controlling factors comprising Employee skills, internal technology, raw material, work-in-process, finished materials etc.

Introduction

The Natore Sugar Mills Ltd. a baggies based sugars mills established in 1982 was one of the most modern sugar cane manufacturing plants of the time. It was established to meet the vehicles of food advancement. Owing to high fertility of lead and climate, Natore district is the most favorable region for cane cultivation. As a matter of fact this part of Bangladesh is considered as the original home of sugar mills by using abundant sugarcane. Considering the above factors with internal demand for sugar the Bangladesh govt. took decision to establish a sugar mills at Natore. It established that time of farmer government industrialization policy. The main activities of the mills are manufacturing and marketing of sugar, Molasses and Biogases. This industrial unit under Bangladesh sugar and food Industries Corporation had to face variety of problems. It was severely damaged and valuable parts were stolen during the off-season. The application of the general theory of materials control to inventories. Minimizing the total cost of the inventory usually solves the problem of inventory control. The inventory cost is the cost of holding the stock(based on interest rates) and the costs of placing an order (for row materials inventory) or the cost of production unit change over(for limited products).

Objectives of the study

This study has been carried out in line with the following objectives such as

- (i) To go through the different policies and regulations regarding inventory control system followed by the organization under study.

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- (ii) To identify the various inputs and outputs as well as working processes stored in the inventory.
- (iii) To compare existing inventory system with the most popular scientific system regarding inventory.
- (iv) To identify the different types of causes involved with the inventory.
- (v) To make suggestions in the light of the findings of the study.

Methodology of the study

Inventory control system is normally a function of production control system. The interactions between these organizational entities are crucial. Sales information is necessary to establish appropriate demand levels other replenishment information is equally vital to proper inventory planning and control. Production schedules become an integral part of the inventory controller's planning so that the right materials can be at the right place in the right quantities. The sample of the study was compared of all sectors, which related inventory system of Natore Sugar mills Ltd. At first the information has been connected asking question to all the administrative office of Natore Sugar mills Ltd. and connected information through personnel interviews with their executive and personnel. Some information has also been collected through general discussion with top executives; some data has been collected from all the information preserved in the organization

- Internal reports
- Journals (Eknazars, Udpadon Babosthapona etc.)
- Various official reports.

Type of inventory

The three basic types of inventory stock in manufacturing systems and their main purposes are as follows:

(i) Stocks/Inventory of finished items

- (a) Act as a buffer against fluctuations in demand for a product. Even if such fluctuations in demand could be predicted, it is often undesirable or inconvenient to accommodate them by corresponding fluctuations in level of production. Consequently stocks of finished items are often maintained in order to permit a reasonably level production rate in the face of fluctuating demand.
- (b) Provide quick service to the customer.
- (c) Reduce the risk associated with stoppage or reductions in production caused by break downs, strikes storage of materials etc.

(ii) Work in progress

Disconnects or decouples the various stages of production thus facilitating production planning and enabling fluctuation in output at successive stages to occur without immediately affecting other stage this decoupling process might also enable the production rates at successive stages to be stabilized.

(iii) Raw materials and purchased items

- (a) Enable advantages to be taken of bulk or other favorable purchasing terms
- (b) Reduce the risk associated with delays in deliveries for other reasons (Inventory or stock control problems)

An inventory control system based on sternest rates, the cost of production unit changes over and the cost of a stock out i.e. what is lost if the inventory is insufficient to meet all demand third element is the most difficult to message and is solved by establishing a service level policy (What % of demand will be set from inventory without delay?) the two most common ways of replenishing stock are review of stock level at fixed initials or by reordering when the inventory falls to a predetermined level (see economic batch ordering quantity).

(NB: Many types of inventory control systems are used. One is called Base stock control. This system, organized by the US Consultant George E. Kimball, is based on satisfying each order from finished goods stock as soon as order is received it is dispatched or posted as pending.)

Store control and inventory process of Natore Sugar Mills Ltd.:

Generally Inventory is two (2) Types They are as follows

- (i) Annual inventory
- (ii) Perpetual inventory

Annual inventory justified by real inventory some of all store materials in 30th June every year. Which is listed inventory sheet although materials surplus obsolete and submitted accounting division. It is raised, inventory sheet although materials surplus obsolete and material shortage. Accounting division determines store value by part of item or inventory materials.

Generally perpetual inventory is done by divisionally and weekly. It is supervise not to purchase additional materials. This management is taken discourage additional cash purchase.

Sugar mills marketing his produce product in our country and out of country. Mainly, the following product and sub-product are producing for selling- Produce product is sugar and Sub-produce product is Molasses, Pressed mud and Bark of sugar cane etc. Sugar is sold from sugar mills in the following area

- (i) Army and police
- (ii) Whole dealer and DC dealer sector
- (iii) Sugar cane farmer and ration sector
- (iv) EPH sector.

Obsolete Materials: A lot of materials purchased in sugar mills for production process in every year. After used for production purchased materials fell use less or it is not need. These materials are called obsolete materials.

Surplus Materials: Although depend on most care fully in purchased materials it is not used fully or partially and it will not be used in next three years, These materials called surplus materials.

Scrap Materials: At the time of production in mills the partial peaces, tear, raff or useless portions are remained which is not properly counted and evaluate. These materials are called scarp materials.

Acceptation materials: When involve parties' delivery materials against issued purchased policy by mills then delivered naturals us accurate. It is Matthias according to purchase policy. This activity is justified by representation of security officer. Of this division & representation of general store. Then goods are stored in receiving materials, Materials Receiving Report (MRR) is done according to code number, have with groups and it is stored in fixed shelf by alternating Bin card of each item.

Indent preparation: Generally material users division their demand able material list submitted in general store by fill-up fixed demand form. By completing present

inventory and next three years used of demand materials, it is submitted accounting division form general sector. Is their any perhaps value and section budget of materials from accounting division it is called. It is submitted to the Managing Director for approve. If it is approve, the commercial division take decision to purchase material according to purchase policy.

Store requisition: Materials are used by each materials store requisition according to demand of demandable division. The store requisition of us used materials to the submitted accounting division the next day. Three levels are maintained to store the materials. Such as Maximum level, ordered level & Minimum level.

Store return memo: A user division takes any materials from store to the house by summing store requisition surplus materials return store by store return memo.

Profit and Loss: Pre-profit or Profit / Loss determined of sugar Mills according to achieve target production of sugar and reform. Activities implementation, fixed purchase price of sugar cane perhaps selling price of sugar and overage selling price of molasses. The produce molasses of sugar Mills are sold the following ways

- Used as raw materials in industry
- Used as domestic business institute as like (Animals foods, Nicotine, Refines) etc.
- After demanding of domestic industrial sector and business sector completely than surplus molasses are export by head quarter.

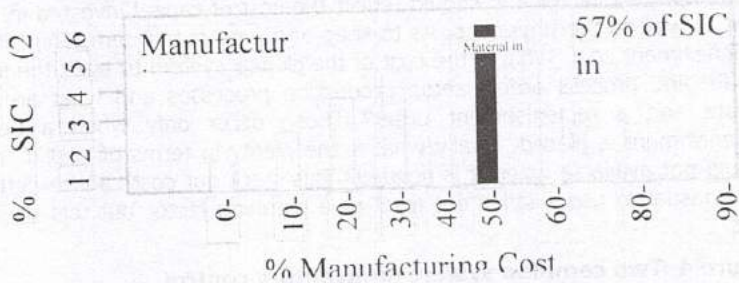
Figure1 Tabular form in NSML from July1,2004 to July1,2005: Description in the first moving, slow moving and rare moving items on basis of order per year, ordering cost, carrying cost and lead time

Group no.	Materials	Number of order	Ordering cost(lace.)Tk.	Carrying cost (Thus) Tk.	Lead Time(day)
1.	Building Materials	0.26	0.48	4.00	1875
2.	Iron Materials	6.66	3.16	2.00	730
3.	Pipe tube	4.02	4.70	0.30	088
4.	Refectories	1.46	0.02	1.00	120
5.	Fuel & Lubricate	88.87	76.80	0.38	030
6.	Raw Materials	81.70	84.66	0.62	090
7.	Paint & Burnish	0.88	1.00	0.07	075
8.	Hardware Material	3.22	1.04	0.18	120
9.	Retailers Materials	0.04	0.16	0.17	045
10.	Housing Materials	0.38	0.36	0.98	365
11.	Furniture Material	0.18	0.18	0.90	180
12.	Rope scale & Cord	0.78	0.34	0.03	015
13.	Gaskets	3.12	2.28	0.02	060
14.	Chemical	0.04	0.94	0.15	030
15.	Medical equipment	0.96	0.62	0.11	030
16.	Print and Monihary	4.98	4.32	0.02	090
17.	Retailer machinery	35.52	39.64	0.07	030
18.	Electric Materials	6.34	12.62	0.10	030
19.	Office Materials	0.26	0.04	0.70	090
20.	Transport Equip.	22.88	28.04	0.20	060
21.	Miscellaneous	39.56	50.50	0.98	007
	Total	303.46	312.60	12.00	030

(Source: Field survey)

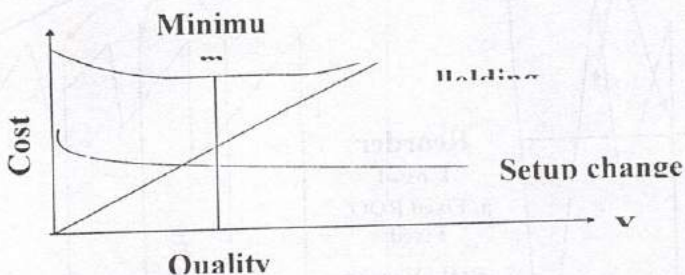
Inventory theory and modeling: A type of production control model that answers two questions relating to inventory management: how much? And when? An inventory model tells the manager when goods should be reordered and what quantity should be purchased. Proper control of inventory requires a delicate balance and careful, detailed planning. The controller who sees funds tied up in material in the base house, work in process inventory and finished goods not shipped, the natural reaction is that inventories are too high. To the production superintendent faced with the prospect of interrupted deliveries or silent production lines due to inadequate raw in process or finished materials, the response must be that inventories are too low.

Figure 2 Distribution of manufacturing cost by sic



Distribution of manufacturing cost by sic)

Figure 3 Show two common system of inventory control system:



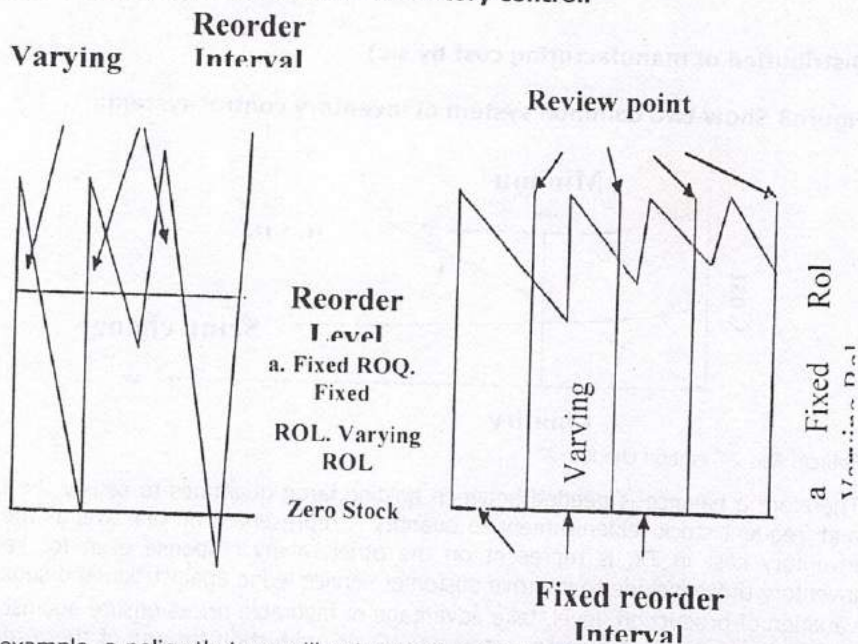
Source: Ros 2nd edition chapter-2.

Therefore a balance is needed between holding large quantities to satisfy the customer and frequent stock replenishment. Quantity is represented on one axis as the total inventory cost in Tk. is represented on the other. Many responses exist for keeping inventory. Those include: to improve customer service, hedge against demand sugar and variation of production level, take advantage of favorable prices, ensure against error and loss and avoid production stoppage. Overproduction for any of these reasons can on the other hand increase costs due to high investment and low capital turnover, materials obsolescence, use of space due to overcrowding. Inventory theory suggests that there are effective methods with which to do the careful planning necessary. The two most common approaches include economic order quantity

techniques and a more recent control measure called material requirements planning. The former is discussed in this entry while the latter is discussed in a separate entry. More commonly these are intermixed to achieve the objective cost control through material control.

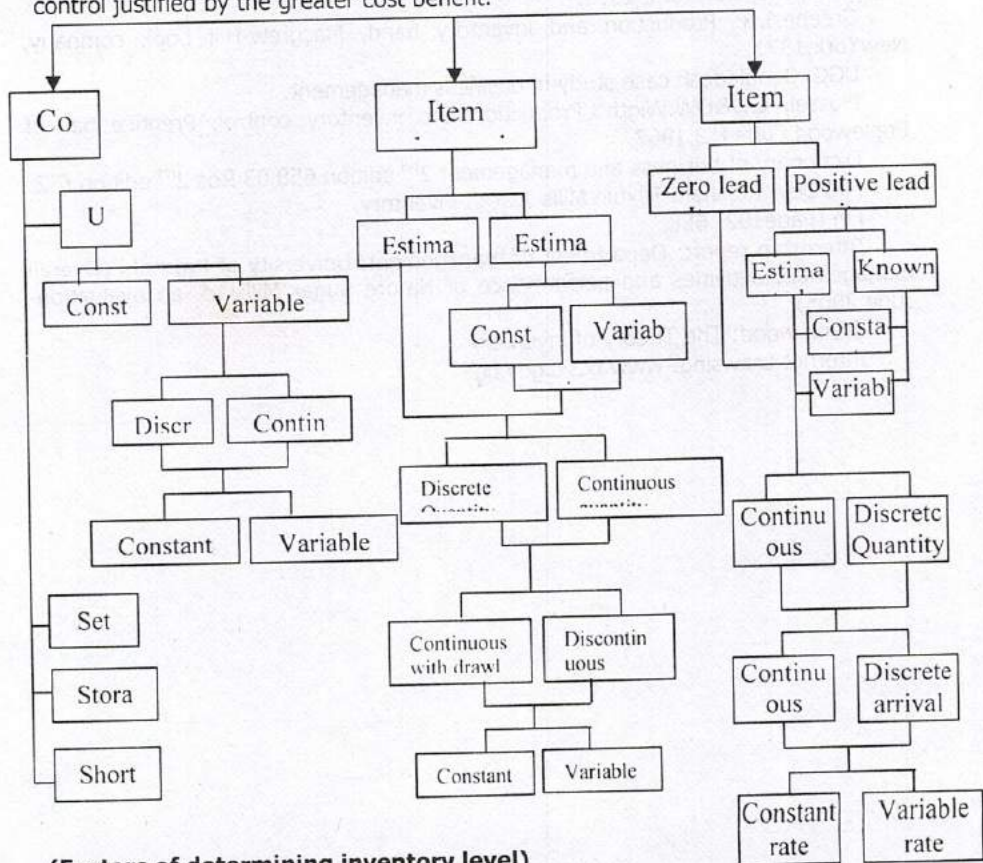
Factors in inventory control modeling: To develop models which can be used codetermining proper inventory levels and replenishment quantities basic information describing the inventory using system must be identified. These factors are represented in as cost, demand and replenishment, since numerous variations can exist, however those conditions must be identified which most closely define the inventory system to be modeled. The following illustrates the selection process for the identification of the appropriate characteristic costs unit cost may be constant with in the planning very due to price discounting or economics of scale storage cost is an important factor and should reflect the cost of capital invested in the inventory item as well as the physical costs to keep and protect the item. Third item of cost is replenishment cost. What is the cost of the clerical system to track the inventory use, initiate and process orders setup production processes and what are the costs to initiate and a replenishment order? These occur only when a new order for replenishment is placed. Finally what is the plenty in terms of cost if the stock item should not available when it is needed? This stock out cost can be determined. It is not unusual to use a stock out level as a planning factor but this implies a certain cost.

Figure 4 Two common system of inventory control.



For example, a policy that we will not exceed a stock out factor of 1%. Suggest that safety inventory should be such that only 1 in 100 replenishment cycles will result in a stock shortage. This implies that the cost of running out is 100 times greater than that of storing the amount necessary to prevent storage. Allenton to this cost

element, through difficult, is extremely important. Demand may be known and fixed be highly variable and require forecasting techniques in materials requirements planning, forecasts are necessary for the final product but component parts are determined from bills of material consequently a mixed system may frequently be necessary. Other demand variables that impact on inventory control system includes whether the item is bulk or the items are individually controllable, frequently of use and regularity of use. To replenish inventory stock requires some knowledge of order lead time and the variability of that lead time in order to build in the proper safeguards safety stocks. The nature of delivery is also a factor in planning and controlling inventory e.g. partial shipments frequency of shipments type of unit loads etc. Factors in inventory models is often necessary to rely on economic order quantity (EOQ) concepts in order to develop and retain that balance between stocking too much and not having enough. The concept of economic order or lot qualities is based on knowledge of the previously discussed variable. An EOQ may be develop using quick and dirty procedures and maintaining large safety stocks on accommodate error or highly sophisticated techniques for close control. Needless to say the former may be us costly on implement and can provide the necessary level of balance for some stock for some stock items while very costly items would deserve the more costly control justified by the greater cost benefit.



(Factors of determining inventory level)

Conclusion: Any aspect of inventory control system is highly complex. Inventory control system is normally a function of production control. There is no universal set of finite factors that can be applied anywhere for the development of inventory control system. This study has been carried out the inventory control system of Natore sugar mills limited and reveals the external technology, raw materials, work-in-process finished goods etc. To reduce all kinds of unnecessary cost like excess holding cost, excess ordering cost, carrying cost, production cost, etc. a change in attitude of all the sectors to stored needed. This changed attitude should ensure Natore sugar mills limited interest. If Natore sugar mills ltd. is saved and developed, the various interest groups will benefit ultimately.

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BRAC APPROACH TO EMPOWERMENT OF THE RURAL POOR : A CONCEPTUAL ANALYSIS

Md. Sadequul Arefin*

Abstract: Empowerment of women at personal and family levels is well discussed a concept in development policy arena and development intervention programmes of the rural poor in developing countries. BRAC is working for the empowerment of women with its own strategy. The characteristic features of BRAC model is discussed here with reference to conceptual and empirical findings.

Introduction

Bangladesh is a country with more than half of its population living under poverty line. Whatever indicator is applied as a poverty measure, this populous country contains the world's largest number of poor people. They live in rural and urban areas being malnourished, underclad, illiterate, assetless and hence powerless. To tackle this mass poverty and to try to alleviate the poverty situation, many development models and approaches have been tried by the government and the NGOs. Among the large NGOs who tried, tested and adopted approaches like community development, integrated rural development, target-group, conscientization, etc.

It is necessary to point out that the rate of poverty according to national statistics is 44.9% in rural areas. While is 43.3% in urban areas (Bangladesh Economic Review, 2001). Ordinarily poverty can be defined in two ways. Firstly, inability to fulfill needs may be termed as extreme poverty. Secondly, income inability to fulfill needs compare to others in society may be referred to as relative poverty or inequality (Siddiki, 1992). Our government has defined poverty line on the basis of lowest extent of intake of calorie. In this case the lowest amount of intake of calorie estimated to be the standard in 2122 cal. The poverty line here has been fixed on basis of estimated given needs of a person for physical survival. It means, a persons who is barely capable of fulfilling the minimum physical needs is call poor. Similarly extreme poverty referes to the inability to fulfill minimum physical needs for survival. Thus inorder to understand poverty this inability to fulfill physical needs and associated powerlessness should be considered as important factors.

Empowerment is now a very popular concept of theoretical and empirical importance. This has also been applied in Bangladesh like many other developing

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societies for reducing gender inequality. The BRAC (Bangladesh Rural Advancement Committee) model of empowerment has been widely applied in rural Bangladesh. A number of empirical studies done on the application of this model are now available for scrutiny of the model. Here we attempt to pinpoint the conceptual aspect of the model.

The Concept of Empowerment

Efforts of the development experts and scientists have been directed towards defining different concepts related to development. These attempts have resulted in this of a number of models and approaches such as, community development, trickle-down, integrated rural development, target-group, emancipation and empowerment. Although community development and community organizations method is still being used by many social science disciplines, the trickle-down approach did not materialize the hopes of its advocates. As is known all over the world, this approach of development could not prevent the bad poverty situations from worsening. In the seventies target-group approach become popular with both government and non-government agencies. This approach is still largely used for alleviating the condition of the disadvantage rural and urban poor. Similarly, the concept of integrated rural development is also widely used in order to achieve the objectives of coordinated socio-economic development.

For the last decade empowerment as a development model has come into international usage. The concept of the empowerment of women as a goal of development projects and programmes has been gaining wider acceptance in the 1990s. In the international and national seminars and recent symposia empowerment process is often being discussed as a development model which can raise the social, economic, political consciousness of the poor particularly of the oppressed women around the world. Clark (1991) speaks of powerlessness which leads to exploitation by the rural and urban elites and as a result, the sorrows and sufferings of poor sections of the population in all stratified societies are increasing.

In the development literature different scholars have drawn attention to the concept of 'power'. According to Hawley (1963), every social act is an experience of power, and very social relationship is a power equation. The base of social power, according to him, includes productive assets, financial resources, social and political organization, social networks, appropriate knowledge and skills and information. Tawney (1931) defines power as the capacity of an individual or group of individuals or groups to act in the manner the individual of the group desires. Weber's (1947) definition of power is appropriate to participation in decision-making. Power (Macht) is the probability that one actor within a society will be in a position to carry out own will despite resistance, regardless of the basis on which the probability rests'. Needless to say, a power-holder may owe his power to his wealth, ability, reputation, popularity, etc. Powerlessness, on the other hand, prevents the elites to usurp the benefit of modernization. For example, extension services benefit the large farmers, credit schemes favor the wealthy and food aid being siphoned off by government officials and so on. This phenomenon of powerlessness of the poor and the disadvantaged majority has been exhaustibly described by BRAC publications. Powerlessness also prevents robbery, deception, blackmail or violence. Further, it means inability to negotiate i.e., an absence of bargaining power. It would be relevant to mention here that if empowered, the powerless and the disadvantaged

sections of the people can learn the basic skills of managing their won affairs, capacity to built their own organizations, to inculcate leadership qualities and prevents the abuse of power by others (powerholder, elite, etc).

Norad (1989) feels strongly that people cannot be empowered by others.... The poor must empower themselves through their individual and collective action, particularly through organization and education. Similarly, Karl (1995 : 14) states that, Empowerment is a process of awareness and capacity building to greater participation, to greater decision making power and control, and to transformative action.

Friere the famous Latin American educationist, identifies and develops the processes of organizing, conscientizing and thereby empowering the poor. On the other hand, Alinsky, the famous American community organizer, advocate the use of conflict as a successful community organizing strategy which is based on the idea that community organizing and social change are in order to organize the local communities for attaining the goals of community development and upliftment.

In the context of Bangladesh empowerment should give the vast majority of the rural poor not only the capacity for self-fulfillment and self-development but also equal access to domestic and community resources, opportunities and power. Power, it needs to be mentioned here, is derives from the control of economic, social and political resources. Furthermore, the social resources include literacy, occupation, family lineage, pation, membership in social organization, and reputation of forefathers. The constituent of political resources includes party political affiliation, membership of class organization, linkage with different elites, etc. Economic resources include landholding, income, ownership of assets, etc.

The 1994 UNDP Human Development Report defines empowerment as a process which enables individuals to change balances of power in social, economic and political relations in society. It refers to many different activities of the social forces which oppresses people and to actions from the powerful to the powerless. Prigoff, (1992), while referring specifically to women's empowerment mode, advocates grassroots participatory approach to social development which, according to the author should be adopted by the social workers concerned with the promotion of social justice every where. O'connel discusses the importance of advocacy when he says that through effective advocacy power is secured and used. It is also natural that the most important aspect of effective advocacy is now being described as empowerment. According to Sheafor, et al. (1993), empowerment, a cardinal principle in social work, enhances and promotes in clients their active participation in decision-making processes. Clients are visualized not just as passive recipients of services but as active participants in creating change.

A family empowerment model is elaborated by Haynes & Singh (1993). Their four-dimensional framework for family empowerment are as follows: (1) Study of the socio-cultural, economic and political stresses experienced by the families; (2) the sense of powerlessness, victimization and fatalistic attitude as evidenced in every day behaviour; (3) The sense of naivety and belief or a fatalistic attitude that leads to actionlessness and maintenance of status quo; (4) Strategies for individual, group, family and community changes to face the above stresses and empower families. The author also offer a strategic community action and social service plan for empowering the powerless families to overcome their tendency to accept social injustice as a way of life. Sullivan (1994) establishes conceptual ties between the strength/empowerment model and feminist theory and ecological models. She

describes the importance of individual and collective empowerment to attain the goals of social development. Mizan (1994) examines the effects of women's economic participation and earning on their marital decision-making power. She also analyses other dimensions of women's decision-making including political participation. Her work also deals with positive aspects of recognition of the differences between men and women in relation to: access to production resources, education, employment and social policy implications of the research findings.

Association For Social Advancement (ASA) (1991) looks critically into the socio-economic, political and cultural systems which directly or indirectly influence the life of the suffering humanity. ASA's empowerment concept takes the stand that poverty and disadvantage stem from unequal socio-economic and political power. ASA believes that empowerment strategy requires a socio-economic and political transformation with qualitative and quantitative change in human capability for development. ASA measures the level of empowerment with the help of the following indicators: organization, critical awareness, leadership, self-reliance, collective action, socio-economic positions, etc. Women for Women (1995) classifies empowerment into social, legal, economic and political empowerments and makes different recommendations for achieving the goals of these empowerments. Holecomb (1995) turns away from the search for theories and models of how poverty alleviation works but focuses on the process of managing poverty alleviation that makes a lasting impact on the lives of the poor. Ray (1986) elaborates the various health, education, economic and other social development programmes which are implemented for the benefit of the disadvantaged people. This work analyses different approaches of working with the poor. Chen (1993) evaluates and describes the efforts initiated by BRAC to reach out the poor rural women which are designed to increase their material and social resources. White (1992) is also an interesting work that focuses on gender issues and women's power in Bangladesh. Shehabuddin (1992) evaluates the effects of Grammen Bank efforts which are designed specifically to empower poor rural women. Rahman discusses in detail various development and empowerment related issues. Following the above discussions empowerment may mean participation in the decision making at the individual and family level, income, savings, buying and selling and controlling of wealth, taking loan, adapting in family planning. It may also mean the recognitions of rights, of women in regard to family expenditure, awareness about legal rights increase of power of expressing opinion and co-operative attitude in family matters. Above all it may refer to the increase of social development. Therefore, to understand empowerment we need all these concepts, issues and methodologies.

BRAC Empowerment Process of the Poor:

Bangladesh is one of the poorest countries of the globe with more than half of its population living under poverty line. Whatever indicator is applied as a poverty measure, this populous country contains the world's largest number of poor people, living in both rural and urban areas, who are malnourished, underclad, illiterate, assetless and hence powerless. To tackle this mass poverty and to try to alleviate the poverty situations, many development models and approaches have been tried by both the government and the NGOs. Among the large NGOs who tried, tested and adopted approaches like- community development integrated rural development target-group, conscientization etc., BRAC is the earliest NGO which is credited to have

laid utmost importance on what is now widely known as empowerment approach in addition to its economic and rural development components. BRAC's of functional literacy programme is regarded as a very successful empowerment approach to raise the consciousness of the poor by a slow process of education and reinterpretation of the poverty situations and the ways to overcome them.

The one of largest national NGO of Bangladesh namely the Bangladesh Rural Advancement Committee (BRAC) is trying to bring about individual, group and family empowerment of the rural poor. Founded in 1972, BRAC had two very important objectives in view: (1) promoting critical consciousness among the rural poorest in regard to their deprivations and potentials and (2) enhancing their capacity to earn a better living by organizing them into village based grassroots institutions called *gram songathan* to work in their support.

From the beginning BRAC has been emphasizing institution building among the rural poor. Since disorganized people can hardly be helped to become self-reliant and conscious socially and politically, BRAC laid utmost importance on organizing them into village based mutual aid groups so that they could well serve as nucleus around which the multifarious activities can be planned, implemented and evaluated by the beneficiaries themselves with the help and assistance of project organizers. BRAC sought to raise the quality of life of the beneficiaries by providing a small amount of credit and skill training so that the beneficiaries could pursue income-earning vocations according to their choice and thereby earn a reasonable amount of income in order to satisfy their daily necessities of living. When the beneficiaries are in a position to create an asset base for themselves, the newly acquired economic gain would, it was hoped, generate hope and confidence among them and motivate them to consistently pursue economic activities to better their living conditions by trying to overcome their perennial dependency, powerlessness, ill-health, illiteracy and deficient housing.

The major thrust of BRAC activities is on functional literacy which is linked to real life needs and contributory to consciousness raising. Its functional literacy make the poor aware of the causes of poverty and of the way out too. It carries on mainly twin discipline training programme. The disciplines are humanities and practical occupational skills. Both the disciplines are wide in scope and flexible enough to make room for a range of themes and skills. The important thematic topics include social analysis of concepts and approach of development, organizing, group dynamics and leadership; social forestry, pisciculture, sericulture, appropriate technology etc. BRAC has the largest training physical facilities among the NGOs. Its training courses are claimed to be participatory throughout the process. Courses are designed on the basis of the needs assessed with imputes and feedback from the projects, entailing follow up and extension services.

In short, BRAC is following what Streefland, *et. a/1989*) calls an emancipation as opposed to survival model of development. In this development model rural poor are helped to become aware of causes and conditions of poverty as well their own potentials to overcome them. They are made to involve and participate in what they want and do for themselves. In this process they are helped to develop self-realization by being able to evaluate their present condition and after the same by participating in decision-making process that affect their lives. In other words, the poor are inducted to those processes, which promote organization, leadership, involvement and participation in the planning and execution of different economic

and social development activities by making them accessible to credit, skill training, functional literacy, health and family planning services.

BRAC's model can also be termed as an empowerment approach because it envisaged the formation of small groups as recipients of support. This organizational orientation affords better ways of reaching wider goals such as improved health status of the group members and increased unity of the weak, the deprived and the powerless disadvantaged through these grass-root organizations to enhancing the target-group's understanding of their poverty, their causes and promoting confidence, self-respect, self-esteem, self-knowledge, problem-solving skills and assertiveness (Sullivan, 1994). In brief, BRAC approach is taken to facilitate the development of the capacity of people to work continuously for their own welfare and the development of society's institutions.

Conclusion

In recent times the concept of poverty alleviation has received attention at the national level through various programmes aimed at empowering the poor. Here at the non-government level the NGOs have identified the various areas of the life of poor people and have undertaken multidimensional implementing for solving their problems. Their programme activities thus reflect the poverty alleviation aims. The programmes that have been undertaken to solve the problems also include the concept and process of the empowerment. The non-government organizations that have undertaken various programmes for poverty alleviation have also given great importance implementing at the same time government has given proper emphasis to the empowerment of poor while deciding the policies for poverty alleviation. In this connection we can say that, BRAC is credited to be the first NGO in Bangladesh which has applied conscientization or consciousness raising approaches through launching functional literacy-cum-skill development programmes along with various economic components. To enable BRAC's own staff undergo training themselves as well as transmit their learning to the members of the *Gram songothon*, this NGO has built up necessary training infrastructures. The purpose is to vigorously conduct different existing classes and demonstrations to raise the critical awareness of the rural poor.

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MEASUREMENT OF CUSTOMER LOYALTY : A STUDY ON PRIVATE AND PUBLIC COMMERCIAL BANKS IN BANGLADESH

Mahbuba Kanij*

Abstract : Customers are becoming ever more demanding and in most markets they have more options to choose from than ever before. Banking sector in Bangladesh is that kind of market where getting loyal customers is becoming tougher in day by day. Customer loyalty is a commitment of a customer toward a company which is reflected through repeat purchase behavior and depends upon the service quality, trust, risk-reduction and habit, emotional bonding and customer's satisfaction. The measure of service quality and customer's sovereignty is essential to understand the loyalty of the customer. In this purpose, SERVQUAL model, customer loyalty approaches and other statistical methods are used as tools of measurement and analysis. The performance and activities of the service providing banks are comparatively analyzed to ascertain the extent of the level of satisfaction and the proportion of loyalty among the customers. This study finds the significant gap in service quality of the banks. Customer loyalty tends to increase for private sector banks than that of public sector banks.

Introduction

Since it is widely recognized that it is less costly and much more profitable to keep existing customers than to win new ones, customers retention has become a major goal for most organizations. Customer loyalty is necessary for the customer retention. The reasons for the emphasis on loyalty are varied. Certainly the stagnant customer market, relative parity, rising cost of mass marketing, increased cost of advertising are creating an immense pressure on companies to hold current customer.

Bangladesh appears as an important market for the expansion of banking sector. Banking sector in Bangladesh has been growing after the government decision of privatizing this sector. The number of banks in all now stands at 49 in Bangladesh. Out of the 49 banks, four are Nationalized Commercial Banks (NCBs), 28 local private commercial banks, 12 foreign banks and the rest 5 are Development Financial Institutions (DFIs).

Sonali Bank is the largest among the NCBs while Pubali is leading in the private ones. Among the 12 foreign banks, Standard Chartered has become the largest in the

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country. Besides the scheduled banks, Samabai (Cooperative) Bank, Ansar-VDP Bank, Karmasansthan (Employment) Bank and Grameen bank are functioning in the financial sector. The number of total branches of all scheduled banks is 6,038 as of June 2000. Of the branches, 39.95 per cent (2,412) are located in the urban areas and 60.05 per cent (3,626) in the rural areas. Of the branches NCBs hold 3,616, private commercial banks 1,214, foreign banks 31 and specialized banks 1,177(www.reportbd.com).

The banks operating in Bangladesh are seen very much interested in the expansion of the number of customer. Their reluctance in the creation of a loyal customer base is evident in their activities. In spite of huge customer extension program they are very much shy to disclose their loyalty program. There is the absence of sufficient data on loyalty of the customer. It is hoped that this study will help to inspire the concerned agencies to reveal the loyalty base of the customers.

Objectives: The main objective of this study is to identify the key factors that influence the extent to which customers are loyal towards their banking service providers. However, the specific objectives are:

- a. to identify the variables that affect the customer loyalty in the banking sector,
- b. to get the idea about the expectations and perceptions of the customers to the banking service providers,
- c. to give recommendations in order to make the loyalty and expectations fruitful.

Methodology: To conduct the study data have been collected from both primary and secondary sources. Primary data have been collected from a total of 280 customers of several public and private commercial banks in Rajshahi. Of the customers 70 are students, 70 are housewives, 70 are businessmen, and the rest are professionals. Secondary data have been collected from academic and business journal, texts, and the internet. The study is based on empirical investigation. Moreover, the questionnaire consists of the following aspects: (a) Personal information (age, gender, profession), (b) Service provider information (duration of service taken, types of service taken, service charge paid), (c) Structured questionnaire was used to collect service quality information by using 5 point Likert scale ranging from "strongly agree" to "strongly disagree" following the pattern of SERVQUAL model, (this section is based on (Zeithaml et al., 1990) with some refinements regarding questions) and (d) Customer's expectations and perceptions of service.

Statistical tools like mean, simple average, percentage etc. have been used. At first mean scores of service expectations have been calculated and then mean scores of perceptions have been calculated to find out the gap scores. Then, the mean scores of the variables affecting the customer loyalty towards the banking service providers also collected.

Literature Review: Research findings related to the customer behavior in the field of service marketing have progressed steadily over the years. Higher levels of service quality are associated with higher levels of customer satisfaction, again higher satisfaction, company image, psychological feelings, customer support, and value added service increase customer loyalty in service field (Ibrahim,et Al., 2007).

Measured by the impact and amount of work done within customer satisfaction research, it is reasonable to note that the dominant theories are disconfirmation of expectations (Churchill and Supernant, 1982; Oliver, 1980; Oliver and DeSarbo, 1988; Swan, 1983) and cognitive psychology (Folkes, 1988; Weiner, 1980, 1985a, 1985b). In the service marketing literature these streams of theories have been developed in the prediction of consumer behavior. Disconfirmation theory focuses on cognition of transaction specific expectations as a foundation for customer (dis) satisfaction and subsequent consumer behavior whereas cognitive psychology studies the importance of cognitive schemes in the decision process and consumer behavior. Studies within the service marketing literature related to the impact of corporate image (i.e. attitude toward a company) and its impact on customer loyalty does not share the same long traditions as customer satisfaction research. Apart from the early conceptual work discussing corporate image and positioning (Lovelock, 1984), the service management system (Norman, 1991), the service marketing mix, technical and functional quality (Grönroos, 1984), surprisingly little empirical work has been done in assessing customer loyalty.

Customer Loyalty: Customer loyalty refers to a customer's commitment or attachment to a brand, store, manufacturer, service provider or other things based on favorable attitudes and behavioral responses, such as repeat purchases (Zikmund et al., 2004). Loyalty at the interpersonal level tends to be built on the foundation of trust, attachment and commitment, which may be more deeply exhibited in human relationships. Loyal customers are the backbone of the industry. Loyalty is equated with (a) Willingness to purchase the same brand or product again, and (b) repeat business for a company (Ibrahim, et. al., 2007). Several authors have found a positive correlation between customer satisfaction and loyalty (Anderson and Sullivan, 1993; Bearden et al., 1980; Bolton and Drew, 1991; Fornell, 1992).

Oliver (1999, p. 35) defines loyalty as:

... a deeply held commitment to re-buy or re-purchase a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

Factors Affecting Customer Loyalty : Some authors (Zikmund, et al, 2004) depict some fundamental components that are expected to affect customer loyalty. These are satisfaction, emotional bonding, trust, risk reduction, choice reduction, habit, and history with the company. Rob Smith (1998), claims that loyalty occurs when "the customer feels so strongly that you can best meet his or her relevant needs that your competition is virtually excluded from the consideration set and the customer buys almost exclusively from you".

Customer Satisfaction: Customer satisfaction is a comparison of customer expectations with perceptions regarding the actual service encounter. Satisfaction can be measured via indirect and direct approaches. Indirect measures of customer satisfaction include tracking and monitoring sales records, profits, and customer complaints. Direct measures are generally obtained via customer satisfaction surveys (Hoffman and Bateson, 2001). Customer satisfaction generally means customer reaction to the state of fulfillment, and customer judgment of the fulfilled state (Oliver, 1997). Assuming that the customer is capable of evaluating the service

performance, the result is compared to expectations prior to purchase or consumption (Oliver, 1980). Any discrepancy leads to disconfirmation; i.e. positive disconfirmation increases or maintains satisfaction and negative disconfirmation creates dissatisfaction (Ibrahim et al. 2007). Having roots in social psychology (Weaver and Brinkman, 1974) and organizational behavior (Ilgen, 1971, cited in Ishtiaque, 2007), expectancy disconfirmation is actually two processes consisting of the formation of expectations and the disconfirmation of those expectations.

Loyalty and Satisfaction: Customer loyalty is not the same as customer satisfaction. Customer satisfaction measures how well a customer's expectations are met by a given transaction, while customer loyalty measures how likely a customer is to repurchase and engage in partnership activities. Satisfaction is a necessary but not a sufficient condition for loyalty.

Although intuitively higher levels of customer satisfaction would be expected to be associated with higher levels of customer loyalty, the relationship does not always necessarily exist. When there is regulated monopoly or few substitutes for a brand, brand equity is dominant, and switching cost is high customers show high loyalty even though they have low satisfaction. Inversely if switching cost is low, consumers are indifferent, and there is little or no differentiations between brands customers show low loyalty even though having high satisfaction (Hoffman and Bateson, 2001).

"SERVQUAL" Model: Hoffman and Bateson, 2001 defines SERVQUAL as a diagnostic tool that uncovers a firm's broad weaknesses and strengths in the area of service quality. The SERVQUAL instrument consists of two sections: a 22-item section that records customer expectations of excellent firms in the specific service industry, and a second 22-item section that measures consumer perceptions of a particular company in that service industry. It has five generic dimensions or factors:

- (a) **Tangibles:** Physical facilities, equipment and appearance of personnel,
- (b) **Reliability:** Ability to perform the promised service dependably and accurately,
- (c) **Responsiveness:** Willingness to help customers and provide prompt service,
- (d) **Assurance** (including competence, courtesy, credibility and security): Knowledge and courtesy of employees and their ability to inspire trust and confidence and
- (e) **Empathy** (including access, communication, understanding the customer): Caring, individualized attention the firm provides its customers. However, Zeithaml and Bitner (1998) mentioned that SERVQUAL has served as a basis for measuring the quality of the service offered by an appliance repair and maintenance firm, several retail banks, a long distance telephone provider, a securities broker, credit cards companies (Ishtiaque, Akter and Ghosh, 2006).

Findings of the Study

Service Related Information

The banking service receivers have been classified in the following groups:

Table 1 : Ratio of the respondents in the survey

Name of the bank	Number of customers(N = 280)	Percentage
Rupali Bank	41	15
Brac Bank	25	9
Mercantile Bank	16	6
Jamuna Bank	14	5
Sonali Bank	60	21
Dhaka Bank	34	12
Janata Bank	25	9
Islami Bank	65	23
Total	280	100%

Ratio of loyalty

The survey finds that 48 people take banking service less than 1 year, 86 people between 2 to 5 years, 97 people for 5 to 10 years, and 49 people more than 10 years. The ratio of loyal customers has been described as: (a) Not loyal: those who are taking present banking service less than 1 year, (b) Inclination towards loyalty: Persons who receiving services between 2 to 5 years, (c) Loyal: Persons who are receiving services between 5 to 10 years, and (d) High loyalty: persons who are receiving services for more than 10 years.

Gap of Service Quality

Table 2, appendix 'A' shows the results of gap analysis, showing the differences between customer's expectations and delivery perceptions as a percentage change. Because of the nature of the scale used in this survey a positive score indicates a service gap, whereas a negative score indicates a situation in which delivery exceeded expectations.

In terms of expectations, "assurance" and "reliability" rate highest (mean 5 and order of importance 1), closely followed by "empathy" (mean 4.91 and order of importance 2). The "responsiveness" and "tangibility" are the rest two dimensions having mean 4.85 with order of importance 3 and 4.65 with order of importance 4 respectively.

Rupali Bank scores the highest gap as (mean score of gap is 2.89) in "tangibility", while Jamuna Bank scores as lowest (mean score of gap 0.01). In case of "reliability" customers of Sonali Bank have found the largest gap (mean score of gap 1.52) and Brac Bank as lowest (mean score of gap 0.89). The customers of Rupali Bank have the lowest perception of "responsiveness" (mean score of gap 2.05), but the customers of Dhaka Bank are very satisfied (mean score of gap 0.12). Jamuna Bank is perceived as lowest by its customers for its "assurance" (mean score of gap 1.15), while Sonali Bank is viewed as highest (mean score of gap 0.15). In case of "empathy" Sonali Bank is perceived as lowest (mean score of gap 2.71) and Jamuna Bank as highest (mean score of gap 0.56).

Measuring Customer Satisfaction

Table 3 appendix 'A' shows customer satisfaction of different banks.

Value added service: The customer's expectations to the value added service stands to 4.69. Among service providers. BRAC Bank tries to maximize the service up to 4.63, followed by Jamuna Bank and Mercantile Bank with mean value 4.52, Rupali Bank receives the lowest score for value added service only 2.77, next lowest is Sonali Bank which receives 2.88.

Service Charge: The survey shows that the customer's expectation here stands to 4.83. On the contrary among the banks Janata Bank fulfils only 4.62, Brac Bank provides 2.81 and Jamuna Bank provides 3.01.

Customer Care: The survey finds that the customers' expectation for customer care is 4.86, where Brac Bank draws the highest 4.56, Mercantile Bank receives 4.26 points, on the other hand state owned Sonali Bank receives the least score of 2.40.

Service Quality: The survey shows that the customer's expectations for quality stand to 4.88. On the contrary, Jamuna Bank provides the highest quality (mean 4.29); on the other hand Rupali bank provides the lowest quality (mean 2.96).

Measuring Customer Loyalty

In this study the following factors have been considered for measuring customer loyalty. These factors have been mentioned in the following table:

Table 2 : Customer Loyalty Measurement Factors

Factors	Expected Mean	Islami Bank	Sonali Bank	Rupali Bank	Janata Bank	Dhaka bank	Brac Bank	Mercantile Bank	Jamuna Bank
Psychological Factors:	4.58	3.63	3.03	2.95	3.13	3.82	3.93	3.81	3.89
Intention to use repeatedly	4.64	3.52	2.91	2.79	3.01	3.76	3.89	3.75	3.86
Recommend to others									
Corporate Image	4.71	4.54	4.27	3.92	4.13	3.71	4.31	3.84	3.48
**Customer Satisfaction	4.81	3.70	3.15	3.09	3.41	3.93	4.04	3.89	3.99
Average Loyalty Mean	4.68	3.84	3.34	3.19	3.42	3.80	4.04	3.82	3.80

Psychological Issues

Customer loyalty is dependent on the customer psychology. It is the easiest way to detect loyal customers. However, two things have been detected in the present survey.

Desire to make repeated purchase: The loyal customer is inclined to make repeated purchase and goes to the level of 4.58. The customers of BRAC Bank make the repeat purchases heavily in comparison with others. Their repurchases stand to 3.93. On the other hand the customers of Jamuna Bank repurchase at a score of 3.89, Dhaka Bank 3.82, Mercantile Bank 3.81, Sonali Bank 3.03, and Rupali Bank 2.95.

To make recommendations to others: According to the survey the expectation for recommendation to others is 4.64. But the banks like Brac Bank manages 3.89, Jamuna Bank 3.86, Dhaka Bank 3.76, Mercantile Bank 3.75, then Islami Bank 3.52, followed by Janata Bank 3.01, Sonali Bank 2.91 and at last Rupali Bank 2.79. If banks can satisfy their customers they will recommend others about the banks, then the gap between expectation and perception may be reduced.

Corporate Image: The survey shows that the expectation is 4.71, Islami Bank holds the highest score of 4.54, Brac Bank 4.31, Sonali Bank 4.27, Janata Bank 4.13, and the Dhaka Bank the least 3.71.

Customer Satisfaction: The survey shows that the expectation in customer satisfaction stands to 4.81. Brac Bank provides the highest rate of customer satisfaction as mean score 4.04 where as Rupali Bank provides the least as mean score 3.09. Moreover the customer's average loyalty mean has been computed as 4.68 and that of Brac Bank secures the highest average loyalty as mean score 4.04 on the other hand the lowest mean score goes to Rupali Bank as is 3.19.

Recommendations

Based on the findings of the survey the following recommendations can be drawn for the banks in Bangladesh.

1. Service charge should be reduced at a minimal level.
2. The existing customer relationship measures should be improved and include more relationship tools as financial incentives, social bonding, structural-interactions to increase customer loyalty.
3. Banks can apply more customer retention strategies such as the welcome strategy, recognition strategy, personalization strategy, and reward strategy to hold its current customers.
4. Employment of more skilled and well-trained human resources to enhance reliability and assurance of service.
5. Increasing value added service will lead to an increased satisfaction that will lead average customer loyalty.
6. Physical facilities, and materials associated with the service should be increased especially at the public sector banks.
7. Increasing customer care service to handle customer complaints and provide after sale service will be another step to draw loyalty.
8. Application of CRM and proper maintenance of customer data warehouse can lead to customer retention.

Conclusion

The study is an effort to measure customer loyalty of banks in Bangladesh. To conduct the study the data have been collected from the concerned authorities and internet. The key factors of loyalty have been identified here. The relationship among the service quality, customer's satisfaction, customer loyalty and expectation has been analyzed here clearly. Bangladesh has a prospective sector for banking service expansion. It has become an integral part of our daily life. So, this study has paved the way for wider thinking in loyalty and greater expectation in banking sector in Bangladesh. The survey reveals that higher levels of service quality are associated with higher levels of customer satisfaction. Higher levels of value added services are associated with higher levels of customer satisfaction. Again higher levels of customer satisfaction are associated with higher levels of customer loyalty. So, policy makers and bankers must believe in and imagine a service oriented banking environment to better meet the needs of the customers.

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INDUSTRIAL FINANCING BY BASIC BANK LIMITED: AN EMPIRICAL ANALYSIS

M Ahsan Habib*

Abstract: Industries in Bangladesh have been facing various problems under the age of trade liberalization and globalization. Infrastructural constraints have also been adding to their cost of doing business. The problem of the domestic industries, particularly the small and medium enterprises (SMEs) deserves special attention. A vibrant and dynamic industrial sector led by SMEs is imperative for employment-generating, income-augmenting, and alleviating the poverty of Bangladesh. Industries need, among other things, access to institutional funds for their smooth operations. This paper reviews policy issues relating to industrial financing programs of Bangladesh and analyzes the industrial financing activities of Basic Bank Limited for a period of 1991 to 2005.

1. Introduction

Bangladesh adopted an import-substitution strategy for industrialization with strong public sector role after liberation in 1971.¹ Industrial policy of the country was regulatory in the 1970s and moved towards being promotional during 1980s and assumed a facilitating approach in the 1990s and onwards.² Industrialization in the process of economic development is significant because it is a source, a user, and a diffuser of technology, which in turn increases productivity as well as income growth of a nation. Realizing the growing needs of funds for industries, the Government of Bangladesh (GOB) undertook a number of structural and policy reforms to meet the capital requirements of the industrial investors. The scope and functions of commercial banks with respect to providing funds to industrial projects have also been expanded. Likewise, commercial banks have been providing both long-term loans and working capital funds to industrial entrepreneurs since 1980s.

With a view to facilitating access to institutional sources of finance especially for SMEs, the GOB has set up the Basic Bank Limited in 1989. The efficient and prudent credit management of the Bank makes it a unique institution to hold lower percentage of its non-performing loans compared to other NCBs and PCBs. In terms of CAMEL rating Basic Bank has been rated as "A-Class" by the Bangladesh Bank.³ As a scheduled bank specialized in industrial financing and more importantly owned by the government, witnessed an impressive growth in all the areas of its operations. The Bank has been able to set a unique example in the country's trouble-torn banking sector and contributing to industrialization of the country at the same time.

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¹ Sobhan, R., (1990), "Industrial Policy and Economic Stagnation in Bangladesh", *Bangladesh Journal of Political Economy*, Vol. 10, No. 2. pp. 37-42.

² Bhuyan, A R, (2005), "Industrial Policy in Bangladesh: A Survey", *Thoughts on Economics*, Vol. 15 No. 3, pp. 9-12.

³ Bangladesh Bank, *Bangladesh Economic Review -2005*, pp. 34-39.

2. Statement of the Problem

The economy of Bangladesh is characterized by mostly agriculture with massive unemployment and under-employment. There remains limited scope for developing the country depending on agro-economy alone. In that case, industrialization remains the way out for economic progress of the country. Policy moves by the GOB for industrial development of the country have been observed in different times. But the achievements so far made are not satisfactory. The economy is yet to make a breakthrough in respect of attaining the basic objectives. Average GDP growth rate of the country ranges from 4 to 5 percent in last two decades or so. Industry sector's contribution to the GDP is relatively small while the growth rate of the industry sector stands at 6 percent. The objective of attaining poverty reduction through economic development is crucially dependent on industrialization and trade. Policies must, therefore, ensure that industries have smooth access to finances, technology acquisition, importing capital machinery needed to improve productivity and quality, upgrading production skill and continuous training of the workforce. Policy must also address reforms needed to establish true economic freedom and investment friendly environment.

Supply of necessary funds is considered as one of the most important factors for industrial promotion. Entrepreneurs of Bangladesh, especially of small and medium enterprises (SMEs), suffer from short of required capital. In the event of DFIs non-achievement of objectives and emergence of private sector participation in production and development, commercial banks' role of providing funds to industrial enterprises has become even more important. Both nationalized and private commercial banks of the country have been providing funds in the form of Term-Loans and Working Capital Advances to industrial enterprises. But economy of the country experienced huge amount of classified loans and a number of industrial projects have become sick due to inefficient financing programs of these banks. In order to attain efficiency in this respect, the extent and ability of financial intermediation of commercial banks have to attain the standards of the south Asian countries.

Industrial development efforts attempted in Bangladesh in the post-independence period went under divergent policy regimes. The early phase of industrialization was characterized by an import substitution strategy with strong regulatory role of the state and public sector participation. The general characteristic of industrialization was overcapitalization, under utilization of capacity, low efficiency and low productivity, wide-scale industrial sickness leaving huge debt burden of about 40 % for the banking sector of the country.⁴

The New Industrial Policy (NIP) of 1982 marked the real beginning of fostering private sector promotion when many liberalization measures were proposed, large scale disinvestments were implemented and emphasis was given to exports rather than inefficient import substitution, allowed large-scale incentives to foreign private investments and accorded greater autonomy to public sector enterprises in favor of their commercial operation. The Revised Industrial Policy (RIP) of 1986 and the Industrial Policy, 1991 continued to consolidate the process in favor of the private sector, allowed level playing ground to all entrepreneurs: public or private, domestic or foreign. Thrust was, however, given to export oriented and export linkage industries allowing wide range of incentives to Foreign Direct Investments(FDI) and

⁴ Rahman, A.H.M. Habibur (1991) "Industrial Development in Bangladesh: Need for a Dynamic Approach", *Dhaka University Studies*, Part C, Vol. XII (1). pp. 54-55.

Export Processing Zones (EPZ) were set up including permitting setting up EPZs under private sector, and proposed many other facilities to make private sector a vibrant and dynamic in the competitive and global market. Continuous revisions and improvements have been brought into the successive IPs up to Industrial Policy 2005.⁵

The Industrial Policy-2005 has come up to help expand planned industrialization in the country overcoming the past failures. Chief objectives of the IP-2005 among other things were to provide assistance of all kinds to increase industrial sector's contributions to the GDP of the national economy, meet the general demands of local consumers and earn more foreign exchange, provide inspiration for speedy expansion of SMEs in order to create employment opportunities and make poverty alleviation program a success. The new IP-2005 also gives priority to the expansion and development of agro-based and agricultural processing industries, and assists in expansion of poultry, dairy and goat-sheep industry as agricultural industries.

3. Objectives of the Study

The general objective of this paper is to review the policy issues relating to industrial financing programs of the country which caused huge debt burden of lending institutions. The specific objectives of the paper, however, are as follows:

1. To examine the magnitude and trend of term lending practices of Basic Bank Ltd for the period of 1991 to 2005.
2. To review the trend of working capital advances made by the Bank for the above period.
3. To identify and analyse different industry sub-sectors which received financial assistance from the Basic Bank Ltd.
4. To measure the efficiency of the basic Bank in providing funds to industrial enterprises during the period.
5. To identify the problems in providing funds to industrial projects in Bangladesh and recommend some suggestions for improving the situation.

4. Literature Review

Bangladesh has many socio-economic problems and been characterized by mostly agricultural with massive unemployment and under-employment. Economic development of this country through agriculture is constrained by shortage of cultivable land, adverse climatic conditions, use of primitive technology, lack of technical know-how, inadequate supply of required doses of inputs and so on. In such a situation, industrialization can play important role in economic development of the country.

Industrialization has been recognized as an important instrument for economic development in all developing countries. The GOB has also been giving maximum importance to industrialization for its economic emancipation. Unfortunately, a large number of our industrial units started after independence, have become sick in course of operation. Though industrial sickness is not an uncommon and totally unacceptable phenomenon, it has assumed the form of a crisis in Bangladesh. The problem is a major concern to entrepreneurs, creditors, shareholders, policy-makers, government and society in general and lending institutions in particular. It leads to large scale wastage of national wealth and the country is not in position to afford such wastage for long. Therefore, it warrants sincere attention of all concerned to look into the matter and take appropriate measures to address the problem.

⁵ Bhuyan, A R, (2005), "Industrial Policy in Bangladesh: A Survey", *Thoughts on Economics*, Vol. 15 No. 3, pp. 9-12.

The efficiency of financial services industry as a whole and banking companies in particular has long been a focus of research and investigation. The amount of concern and attention that have been received is understandable. Their findings have implications on bank management to improve operating performance, and on policy makers who are concerned about banking competition, financial safety and soundness.

Bahar⁶ in his study on the "Financing Small Enterprises in Bangladesh" claimed that most of the banks participating in financing small enterprises are not specialized in this field. He maintained that commercial banks of the country in general have an advantage over DFIs in respect of supervision and follow-up activities of industrial financing and performance as they have broader network of branches spread all over the country. It has also been said that financing procedure under the Small Loans Scheme of the commercial banks in Bangladesh is not flexible enough. Though 50 percent and 25 percent of the total Small Loans targets were earmarked for small and cottage industries and retail trade respectively in principle, but 14 percent and 79 percent of total small loans were disbursed to them respectively.

Azad⁷ in his study on "Lending Strategy, Policy and Procedure in Financing Small Scale Industry: A Case Study of Bank of Small Industries and Commerce Bangladesh Limited" observed that appraisal process of industrial financing is deficient in many respect and the process should be simplified further for its greater effectiveness. He opined that the lending system of banks is predominantly security oriented. Although there is provision for supervision, yet it was reportedly inadequate. More effective supervision might have produced better performance and maximum utilization of limited funds.

Saha and Chowdhury⁸ in a study entitled "Role of Commercial Banks in Development Financing in Bangladesh" observed that commercial banks are important functionary of the financial system and play a dynamic role in the economic development process of a nation through mobilization of savings and allocation of credit to productive sectors. But, directed credit policy and inefficient allocation of funds in different periods without adequate credit appraisal and monitoring led to a widespread loan delinquency and deteriorating health of the entire financial system of Bangladesh. Their findings include among other things that commercial banks have been facing various problems such as mismatch of sources and uses of funds, dependence on traditional collateral securities, politicization of credit delivery system, inadequate legal system for recovery of loans, lack of government's extension facilities in the form of data base, investment counseling, inappropriate technology, infrastructural problem, marketing problem of products and so on. However, they opined in favor of increasing involvement of commercial banks in the process of development financing to gain long-term viability for the benefit of them as well as of the economy.

Choudhury et al.⁹ in their article on "Banks in Financing Small Scale Industries in Bangladesh" considered access to institutional credit as one of the crucial issues for sustainable industrial development of the country. They opined that poorly functioning financial systems seriously undermine the macro-economic fundamentals

⁶ Bahar, H. (1995), "Financing Small Enterprises in Bangladesh", *Journal of Business Administration*, Vol. 21(July & October) pp.24-27.

⁷ Azad, A. Kalam (2000), "Banking Structure in Bangladesh: Regulatory Framework and the Reforms", *Dhaka University Journal of Business Studies*, Vol. XXI, No.2, 2000. pp. 163-168.

⁸ Saha, S and M.S. Karim Chowdhury (2000), "Role of Commercial Banks in Development Financing in Bangladesh", *Bank Parikrama*, Vol. XXV, No.1, pp. 104-110.

⁹ Choudhury, A.H.M. Nurul Islam et al. (1993) "Banks in Financing Small Scale Industries in Bangladesh", *Bank Parikrama*, Vol. XVIII 3 & 4, p.42.

of a country resulting in lower growth in income and employment. They have shown that large firms have greater access to institutional sources of funds including securities market while small entrepreneurs have been facing acute financial problem with limited or no access to institutional credits. This view is commonly expressed by most of the researchers in the field of banking and industry.

Khan et al.¹⁰ said that the role of commercial banks in accelerating industrial growth and economic development of the less developed nations is well recognized in a large body of literature. In fact, a balanced development of the country is largely contingent upon the small-scale enterprises for a good many reasons, viz., huge unemployment, technological backwardness, poor infrastructure, scarcity of capital etc. The industrial sector of Bangladesh contributed 27.2 percent of the GDP in FY 2003 at current price of which small-scale industries shared about 44 percent. Besides, the SMEs provide 80% employment of the organized labor force in the industrial sector (BBS, 2003).

Ahmed¹¹ in an article on "Small and Cottage Industries Development Policies in Bangladesh: An Analysis of Effectiveness in the Context of Industrial Policy-1991" examined the efficiency of the policy support measures proposed for development of small and cottage industries in the Revised Industrial Policy 1991. He mentioned that Industrial Policy is an important tool in promoting industrial growth. Small Scale Industries (SCIs) sub-sector has rightly been identified as a "priority sector" in industrial policy instruments of the country time and again and proposed many incentives for the investors and entrepreneurs. But, unfortunately, there has been a gap between policy announcements and its implementation. Keeping in view the strategic importance of the sector in Bangladesh economy, he recommended a set of policy measures for future industrial policy and assisting the growth and expansion of small industry sector of the country.

Ahmed¹² in his article entitled "Financing Small-Scale and Cottage Industries in Bangladesh" shows that lack of access to institutional sources of credit constitutes an insurmountable barrier to SCIs growth in Bangladesh. Interestingly, this has continued to be predicament facing these industries since 1950s. Over the period, limited attempts have been made by the Government to meet financial requirements of the SCIs. Instead of formulating and implementing a comprehensive credit program for these industries, even in times of expansionary bank lending policies to industries in the 1990s, the SCIs remained seriously marginalized in the commercial banks' term lending portfolios. The majority small entrepreneurs languished the shortage of funds and liquidity crisis, experienced slow and unstable growth; many fell sick and died premature deaths. Since the traditional commercial banks have been showing their reluctance to meet the credit needs of the SCIs, the author prompted to say that the viable option then left to establishment of specialized financial institution for providing credit support to the SCIs.

5. Methodology

Industrial development depends upon many factors ranging from economic to social, and cultural to spiritual. For the limited scope of this paper, only economic, financial, and other policy matters which are directly related with the process of industrialization have been considered. Both primary and secondary data have been

¹⁰ Khan, S. Ahmed et al., (2002), "Determinants of Accessibility of SSEs to Formal Credit in Bangladesh", *Journal of Business Studies*, Vol. XXIII No. 2, pp. 175-184.

¹¹ Ahmed, M.U. (1999), "Small and Cottage Industries Development Policies in Bangladesh: An Analysis of Effectiveness in the Context of Industrial Policy-1991", *Finance and Banking*, Vol. 5, No. 1 & 2. pp. 56-61.

¹² Ahmed, M.U. (1998), "Small and Cottage Industries Development Policies in Bangladesh: An Analysis of Effectiveness in the Context of Industrial Policy- 1991", prepared for DCCI, 1998.

used to determine the amount of funds provided to industrial enterprises and efficiency of the Bank's performance. Publications of the Ministry of Finance and annual reports of Basic Bank Ltd and Bangladesh Bank are the secondary sources of data while official records of Basic Bank Ltd., Project Records, opinion survey and discussion with bank officials and other policy makers form the primary source of data. Simple statistical tools e.g., Mean Values, Standard Deviation, Co-variations, Time series analysis, Growth rates, etc. based on computer program have been used for analyzing data.

The operational efficiency of the Bank has, however, been checked against some well recognized parameters of performance measurement such as Net Profit Earned, Net Profit percentage to Total Asset, Net Profit to Equity, Total Income to Total Assets, Net Interest Margin, Growth of Net Int. Margin, the Share of Industrial Financing to Total Advances, Non-Performing Loans to Total Advances etc. during the period. Opinions of the selected bank executives and entrepreneurs, who have been interviewed with separate set of questionnaires, contribute to identifying the impediments to funding industrial projects and offering some suggestions to improve the situation.

6.0 Data Analysis and Discussion

Like other commercial banks in the country, Basic Bank has been delivering all sorts of financial services to its customers although there is a constitutional obligation to invest minimum 50 percent of its loanable funds for industrial development of Bangladesh.¹³ Major forms of financial services of the Bank are as follows:

6.1 Industrial Financing Activities of the Bank.

The services of Basic Bank are specially directed towards promotion and development of industries especially the Small and Medium-sized Enterprises (SMEs). Its exposure to small and medium industries sector accounted for 51.70 percent of the total loans and advances in 2005. A total of 175 projects were sanctioned Term Loan, out of which 109 were new and the rest were under BMRE of the existing projects during the year.

Table 1 : Industrial Credit Position of Basic Bank Limited
(Taka in Million)

Year	Loans & Advances	Industrial Credits	% of Ind. Credit to Total Adv.	Growth of Ind. Credits
1991	432.80	145.16	33.54	-
1992	715.75	230.21	32.16	58.59
1993	986.61	491.20	49.79	113.37
1994	1112.24	724.70	65.16	47.54
1995	1561.29	915.20	58.62	26.29
1996	1724.81	914.40	53.01	-0.09
1997	2630.90	1408.25	53.53	54.01
1998	3218.90	2028.50	63.02	44.04
1999	3960.11	2062.19	52.07	1.66
2000	4618.73	2735.50	59.23	32.65
2001	6260.78	3769.00	60.20	37.78
2002	7957.04	4654.00	58.49	23.48
2003	9282.20	6252.00	67.35	34.34
2004	12000.15	7691.20	64.09	23.02
2005	15339.35	9987.50	65.11	29.86
Average	4786.78	2933.93	55.69	37.61
Max.	15339.35	9987.50	67.35	113.37
Min.	432.80	145.16	32.16	-0.09
SD	4526.85	2989.09	10.66	27.65
CV	94.57	101.88	19.15	73.52

Source: Annual Reports of Basic Bank Limited

¹³ Basic Bank Limited, *A Glimpse*, April 2001.p. 12.

Total outstanding industrial loans of the Bank which includes Term Loan and Working Capital advance stood at Taka 9,987.50 million at the end of 2005. There were 569 projects in the investment portfolio of the Bank at the end of 2005.

The average growth of industrial loan of the bank was 37.61 percent over the study period. Total outstanding Term Loan stood at Taka 3,517.85 million as on December 31, 2005 reflecting a growth of 37.78 percent. The amount of Working Capital finance extended to various industrial units stood at Taka 6,469.71 million at the end of 2005. The textile sector including garments dominated the loan portfolio of the Bank. Other sectors included in the portfolio of the Bank include engineering; food and allied industries; chemicals, pharmaceuticals and allied industries; paper, board, printing and packaging; glass; ceramic; and other non-metallic goods and jute products. Recovery rate of project loan of the Bank is about 89 percent for the period under review. The average yearly industrial investment of the Bank was Tk. 61,716 million with increasing growth trend over the period of 1999 to 2006.

Textile industry as a separate industry sector held the major portion of the Bank's total industrial investment. Average investment in this particular sector was Tk. 20,764 million for the period. The second largest amount was concentrated to the Food and Allied industry sector with an average amount of Tk. 9,800 million for the same period followed by Engineering; Chemical, Pharmaceutical & Allied Industries; Service Industry sector having Tk. 9,782 million, Tk. 7,651 million, and Tk. 3,977 million respectively.

Table 2 : Sector wise Industrial Investment of Basic Bank

(Taka in Million)

Major Industry Sectors	1999	2000	2001	2002	2003	2004	2005	2006	Total	Average
Textile	8080	7955	10230	13195	20199	25940	36191	44324	166114	20764
Engineering	4766	7056	8557	9446	9815	10537	11431	16649	78257	9782
Food & Allied	3283	4722	6555	8566	10526	14228	13710	16810	78400	9800
Chem. Pharm. & Allied Industries	2384	2878	4463	5852	9618	10609	12950	12453	61207	7651
Misc. Industries	737	1352	2002	1862	2839	908	4537	3382	17619	2202
Service Industries	602	1938	2749	3356	3846	4807	6271	8243	31812	3977
Paper, Board, Printing, Pub. & Packaging	473	466	1035	774	982	2081	4026	4400	14237	1780
Electrical & Electronics Ind.	94	360	1203	1646	1626	2130	1249	1221	9529	1191
Ind. Not Elsewhere Classified	69	390	467	657	514	682	832	326	3937	492
Jute Prod. & Allied Ind.	58	80	185	636	1577	3072	6334	11913	23855	2982
Glass, Crmc. & Other Non-Metal Product	43	89	204	316	409	627	712	686	3086	386
Tannery Leather & Rubber Prod.	20	21	44	154	154	1077	1404	1912	4786	598

Major Industry Sectors	1999	2000	2001	2002	2003	2004	2005	2006	Total	Average
Forest Prod. & Allied Ind.	13	48	16	75	181	214	227	115	889	111
Total	20622	27355	37710	46535	62286	76912	99874	122434	493728	61716
Average	1586	2104	2901	3580	4791	5916	7683	9418	37979	4747
Maximum	8080	7955	10230	13195	20199	25940	36191	44324	166114	20764
Minimum	13	21	16	75	154	214	227	115	889	111
Standard Deviation	2465	2772	3485	4315	6046	7573	9789	12154	47516	5939
Co-efficient of Variations	155	132	120	121	126	128	127	129	125	125

Source: Annual Reports of Basic Bank Limited

6.2 Earnings and Profitability

Profitability or profit earning capacity of a firm is crucial in the sense that if any firm fails to generate adequate amount of profit out of its normal business, then it affects all other indicators of performance measurement negatively. Hence, profitability is called the central point of all success. As Basic Bank has been making profits since its inception having a very high growth trend, the effect does contribute to all other indicators of performance measurement positively.

Strong earnings and profitability profile of a bank reflects its ability to support its present and future operations. More specifically, profitability determines the capacity of a bank to absorb losses by building a strong capital base, finance expansion programs, and pay adequate dividends to shareholders and other providers of funds.

Profit has been considered as a yardstick for measuring performance of an organization. A firm must be able to make sufficient profit out of its regular business in order to survive on its own strength and to live by its own blood. From that point of view, Basic Bank can be considered as a successful one since it has been able to produce an increasing amount of profit each year during the study period maintaining all standard reserves and provisions as required by the BB.

Table 3 : Profit Position of Basic Bank Limited
(Taka in Million)

Year	Profit Before Tax	Growth Rates	Profit After Tax	Growth Rates
1991	3.47	-	2.87	-
1992	9.18	164.55	4.13	43.90
1993	34.66	277.56	17.33	319.61
1994	51.36	48.18	25.68	48.18
1995	99.96	94.63	52.48	104.36
1996	104.02	4.06	57.77	10.08
1997	171.63	65.00	94.61	63.77
1998	226.91	32.21	136.15	43.91
1999	266.58	17.48	159.95	17.48
2000	304.18	14.10	173.34	8.37
2001	356.12	17.08	213.67	23.27
2002	434.51	22.01	251.55	17.73
2003	553.67	27.42	236.39	-6.03
2004	527.22	-4.78	291.48	23.30
2005	628.44	19.20	285.49	-2.06
Avg.	251.46	57.05	133.53	51.13
SD	209.74	77.23	104.89	82.55
CV	83.41	135.36	78.56	161.44

Source: Annual Reports of Basic Bank Limited

It is evident from the above Table No. that the Profit Before Tax (PBT) and Profit After Tax (PAT) of the Bank at the end of 2005 stood at Tk. 628.44 and Tk. 285.49 million respectively registering an average growth rate of 57.05 and 51.13 percent respectively for the period under review. It may be worth mentioning here that GOB being the sole owner of the Bank and as the Bank has been making a considerable amount of profit each year. Financial benefits of both in the form of tax and profit after tax of the bank practically go to the national exchequer being GOB is the owner of the Bank.

Indicators of profitability measurement as shown in the following Table No. 5.20 reveal an impressive capacity of Earnings and Profitability of Basic Bank Limited for the period. There was a consistent growth trend in the Net Interest Margin coverage for the period. The Net Interest Margin figure stood at Tk. 797.06 million at the end of 2005, which was only Tk. 19.71 million in 1991 registering an average growth rate of Tk.245.27 million per year.

Table 4 : Earnings and Profitability Indicators of Basic Bank Limited
(Taka in Million)

Year	Net Profit to Total Asset	Net Profit to Equity	Total Income to Total Assets	Net Interest Margin	Growth of Net Int. Margin
1991	0.29	3.38	9.97	19.71	-
1992	0.25	4.56	7.69	17.14	-13.04
1993	0.75	16.07	8.52	33.54	95.68
1994	0.98	19.24	8.92	32.28	-3.76
1995	1.60	28.22	8.89	70.93	119.73
1996	1.46	23.70	7.86	86.11	21.40
1997	2.17	27.96	10.13	156.60	81.86
1998	2.42	28.69	10.53	207.84	32.72
1999	2.23	27.37	11.08	224.83	8.17
2000	2.24	24.84	11.35	237.23	5.52
2001	2.20	28.06	10.72	330.41	39.28
2002	1.93	24.83	9.91	399.48	20.90
2003	1.60	18.92	10.55	527.31	32.00
2004	1.50	19.55	9.10	538.61	2.14
2005	1.05	16.54	8.21	797.06	47.98
Average	1.51	20.80	9.56	245.27	35.04
Max.	2.42	28.69	11.35	797.06	119.73
Min.	0.25	3.38	7.69	17.14	-13.04
SD	0.71	8.11	1.19	232.94	39.34
CV	47.23	39.00	12.42	94.97	112.27

Source: Annual Reports of Basic Bank Limited

Basic Bank in addition to providing funds to industrial projects extends financial and other banking services towards development of trade, business and commercial activities of the country. Short-term trade finance and other non-fund services get full attention of the Bank. It offers a complete range of banking services to the exporters and importers. It provides overdrafts, cash credits for local trade, export cash credit,

packing credit, local and foreign bills purchase facilities etc. to traders and commercial enterprises. As on December 31, 2005, total outstanding commercial loans of the Bank stood at Taka 5,013.55 million.

Basic Bank Limited has also been maintaining its capital adequacy ratio well within the standard limit. As against the current requirement of minimum 9 percent of total Risk Weighted Assets, the Bank maintained it at 11.66 percent in 2005. The ratio, however, reached to 13.16 percent at the end of 2007. The averages earning assets and NPL to Gross Advances of the Bank were 85.14 percent and 2.74 percent respectively for the period which is clearly based on strong financial ground compared to other commercial banks operating in Bangladesh.

The Bank launched a Micro-Credit Scheme in 1994 with a view to provide financial support to the poor particularly in urban and suburban areas for generation of employment and income on a sustainable basis. It does provide, in addition to aforesaid lending operations, services of remittance, underwriting, guarantee, public offering of shares etc. It also provides funds to investment and leasing companies. It has recently created a venture capital fund for equity support to innovative but risky projects.

8. Conclusion and Policy Implications

The economy of a developing country is said to benefit most when the proportion of agriculture sector's contribution to GDP diminishes, that of the industrial and service sectors' contribution increase, and total output of agriculture, industry and services sectors all continue to grow. Industrial development programs of the country experienced divergent policy regimes over the period without a broad based policy framework. Accelerated GDP growth is a prerequisite for economic development and poverty alleviation of the country which is contingent upon industrial investment and growth. Therefore, the economic growth of the country critically depends on the growth and development of industrial sector.

Both economic and non-economic factors act as deterrents to industrial investment of the country but non-economic factors have become more formidable and difficult to deal with in Bangladesh. In an open market policy, industrial development of Bangladesh needs a well comprehensive and coordinated action plan targeting its priority sector to divert bank funds and to exploit the opportunities from the environment. Achieving higher industrial growth remains, to a great extent, in exploring new modalities for providing industrial and infrastructure finance of Bangladesh. Efficient application of bank funds with successful industrial projects contributes both to making profits of the lending organizations; and to grow and survive industrial enterprises. Failing to do so weakens the financial position of both the lending institutions and of the economy as well.

STRATEGIC HUMAN RESOURCE MANAGEMENT PRACTICES IN BANGLADESH: A STUDY ON SOME SELECTED PUBLIC AND PRIVATE COMMERCIAL BANKS IN RAJSHAHI

Md. Rabiul Islam*

Abstract : The major objective of the study is to assess the strategic human resource management practices in the private and the public sector banks. Strategic human resource management is a latest concept and very useful for the achievement of organizational financial (earning growth, acceptable return on investment, dividend growth, stock price appreciation, good cash flow and creditworthiness) as well as strategic objectives (stronger business position, winning additional market share, overtaking key competitor on product quality or customer service, achieving lower overall costs than rivals, gaining sustainable competitive advantage and capturing attractive growth opportunities). The study is based on primary and secondary data emphasizing outcomes and barriers of strategic human resources. This study finds the significant gap in the strategic human resource practices in both the sectors. Proper implementation and execution of human resource strategies are desired for the success of the banks.

Introduction

Banking sector in Bangladesh has been growing after the government decision of privatizing this sector. Presently as many as 50 commercial and 5 specialized banks are operating in Bangladesh. They have several thousands branches in the country and several lacs of employees are working in this sector. After the liberation war 1971, there were six government commercial banks in Bangladesh. In 1983, government approved the private sector banks to operate. Two from the six government commercial banks were privatized. During the period private sector banks except a few started growing and the public sector banks remain stable. The main reasons for not growing the public sector banks are not only mismanagement, embezzlement and politicization but also corruption and nepotism in staffing, over staffing, bribery in recruitment and loan sanction. Although, private sector banks are growing, the rate is not satisfactory compared to other developing countries. Labor turnover, lack of investment in training and management development, understaffing inability of the managers thinking employees strategically, short-term mentality of

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financial performance measure, lack of job security etc. are the primary reasons that hindrance the banks from reaching the mount of success. Employees are the key factors especially in service sectors. Banking sector's success can be attained through proper formulation and implementation of various human resource strategies matching with the corporate and business unit strategies.

Review of Literature

Chew, Y. T. (2005) identified that Human Resource Management policies and practices can be strategically designed and installed to promote desirable employee outcomes, which include the enhancement of the in role and extra role behaviors of employees.

Greer, Charles R.: (2001) said that Strategic human resource management practices requires having a long term investment perspective, internal and external environmental analysis, strategic human resource planning, implementation and follow up and evaluation.

Masum Billah, M et. al. (2008) felt the need for proper human resource management practices (such as job security, good compensation package, career advancement, recruitment and selection etc.) that will satisfy the employees.

De Cieri, H., & Kramar, R., (2003) in Part 2, focused on developing human resource capabilities by building human resource systems through the design and analysis of work, human resource planning, the role of information technology in developing effective human resource management programs, recruitment, selection and placement and industrial relations.

Mostafa, G. (2008) mainly focused on principles and techniques followed in human resource management practices in the Steel and Engineering Industry of Bangladesh. The researcher finds gap in the human resources activities performances such as motivational factors, job design, working environment, job satisfaction etc.

From the extensive literature review it is clear that most of writers highlighting manifold problems of organizations have written many articles and few books on human resource management but no such in strategic human resource management practices in the banks of Bangladesh has been done. Strategic human resource management practices argued that employees should be considered as a long term investment rather than on the short term mentality of calculating profit and loss for the programs and policies taken by the organizations.

Objectives

The specific objectives of this study are as follows:

- (i) To analyze the present strategic human resource management practices in the private and the public sector banks.
- (ii) To identify the problems in the way of human resource strategy implementation in the banks.
- (iii) To assess the outcomes that strategic human resource can contribute.

Methodology

The data for the study have been collected from both the primary and the secondary sources. The primary data are collected from eight scheduled commercial banks in Rajshahi city. Four of them are public sector banks and the rest of them are in private sector. The researcher has prepared two sets of interview schedule. One set for executives and another for other employees rather than executive. The researcher has conducted interview of thirty employees from each of the eight banks. Of them, twenty are general employees and the rest are executive level including senior principal officer and branch manager. Statistical tools like mean, median, mode and standard deviation have been used. Opinions of the executives and other employees are classified following five point Likert scale and scoring following highest as '5' and lowest as '1'. The secondary data are collected from different journals, Internet, books etc. Major findings of the study are presented in the tabular and text format. The following table shows the name of the banks and the number of respondents used.

Sl. No.	Name of the Bank under study	Sector	Location	No. of Executives	No. of employees rather than executive
01	Sonali Bank Ltd.	Public	Rajshahi	10	20
02	Rupali Bank Ltd.	Public-Private	Rajshahi	10	20
03	Agrani Bank Ltd.	Public	Rajshahi	10	20
04	Janata Bank Ltd.	Public	Rajshahi	10	20
05	Uttra Bank Ltd.	Private	Rajshahi	10	20
06	National Bank Ltd.	Private	Rajshahi	10	20
07	EXIM Bank Ltd.	Private	Rajshahi	10	20
08	Jamuna Bank Ltd.	Private	Rajshahi	10	20

Rationale of the Study

Service sector operations are increasing rapidly over production sector. For instance, 80 percent of the US labor force, 73 percent of Australian labor force, 69 percent of The United Kingdom, 68 percent of Germany and 65 percent Japanese labor force working in service sector. (Robin S.P: 2005). In the service sector, customers directly come to contact to the employees. Many of the organizations have failed because of their employees have failed to satisfy their customers. And the employee's failure was mainly due to lack of motivation in themselves and some other reasons including many of the organizations had no clear strategic direction about their employees. For long term organizational success the policy makers need to have a long term perspective about their employees. This study will be very useful for professionals and planners who are directly or indirectly involved in strategic human resources management practices especially in the banking sectors. Moreover, this study will also help researchers who want to undertake further study in allied fields.

Strategic Human Resource Management

A line manager is to perform a number of functions (planning, organizing, staffing, coordinating, motivating, controlling etc.) and has to perform basic managerial roles such as interpersonal (figurehead, leader, liaison), informational (monitor, disseminator, spokesperson), and decisional (entrepreneur, disturbance handler, resource allocator, negotiator), (Griffin, Ricky W: 2005). Among the functions, staffing is the most important as this function is directly related to good or bad decision about employees. And this is why a separate human resource division is obvious in every organization to perform employee recruitment, selection, job placement, compensation, fair appraisal, training management development, counseling, rewarding, promoting, firing, administering various benefit programs, complying with health, safety and equal employment opportunity laws, maintaining employee relations etc. Virtually all line managers; under him or her some employees' works are in a strategic sense human resource manager. They can oversee the human problems from the very close of the employees and can inform the human resource manager.

Strategic human resource manager has to perform three basic functions. Firstly, the human resource manager directs and guides the activities of the people in his or her own department, in a sense he or she exerts line authority. Secondly, human resource manager performs coordinative functions to ensure that line managers are implementing firm's human resource objectives, policies and programs. Thirdly, human resource manager performs staff functions by advising and assisting all sorts of human resource functions. The human resource manager assists in strategy design and execution by helping the CEO to better understand the personnel aspects of the company's strategic options. (Gary Dessler: 2005)

A company's strategy consists of the competitive moves and business approaches that managers employ to please customers, compete successfully, and achieve organizational goals. (Thompson & Strickland: 2003) First the organization makes choices a means by which goals can be achieved then it needs to be incorporated its human resource policies, practices and programs that will help employees to achieve the organization's goals. Human resource policies, practices and procedures should be well matched with the corporate as well as business unit strategies. There are many types of corporate strategies viz. growth, vertical integration, and defensive strategies. Growth also includes concentric growth, diversification, horizontal integration etc. Growth can be achieved both internally and externally. When an organization increases sales, profits and operations by utilizing its own resources (physical, human, capital, information etc.) then internal growth takes place. External growth occurs through joint venture, merger, acquisition or takeover etc. Defensive strategies include turnaround, divestment, liquidation, filing for bankruptcy, and becoming a captive. (Byars, et. al.:1996)

Different types of human resource issues need to be considered in implementing the above-mentioned strategies. During the stable growth organization provides employees with a limited opportunities and career path. At the time of dynamic growth employees get ample opportunities. But when merger and acquisition takes place employees feel insecurity and frustration about their jobs. Well-balanced strategic human resource management will need then to reinforce the existing employees. When organization follow defensive strategy to reverse the negative trend into positive, it might be needed to replace higher paid employees, retrenchment, cut employee wages, salaries and benefits.

There are many business unit strategies such as low cost provider strategy, differentiation strategy and focus strategy. Low cost provider strategy requires providing goods and services to customer at lower cost than the key competitor. This strategy needs cutting cost by employing low paid employees with temporary employment and limited career growth for its employees while differentiation strategy is vice versa. Focus strategy based on low cost and differentiation, focuses on particular or special needs of the target market that requires such employees who are the part of the niche market. (Mello, Jeffery A: 2002)

Result and Discussion

The following tables reveal that there are a lot of variations in motivational factors, working conditions, working environment, job satisfactions, and strategic human resource activity performances in the private and the public commercial banks under study. Mean, Median, Mode and Standard Deviations have been calculated based on five point likert scale and scored highest as 5 and lowest as 1. Standard deviation '0' for mean '1' indicates the lowest conditions of that factor, again Standard Deviation '0' for mean '5' indicates the highest conditions of that factor.

Table 1 : Motivational factors

Opinions	Public Sector				Private Sector			
	Mean	Median	Mode	SD	Mean	Median	Mode	SD
Fringe benefits	4.41	4	5	.74	2.56	3	3	.86
Non-financial incentives	2.87	3	3	.72	2.95	3	3	.78
Profit sharing	1	1	1	0	1	1	1	0
Financial incentives	3.73	3	3	.85	4.08	4	4	.77
Loan facilities from provident fund	5	5	5	0	4.75	5	5	.49
Financial incentives are adequate against the cost of living	1.96	2	2	.82	3.23	4	4	.89
On the job training	4.91	5	5	.28	4.88	5	5	.32
Recreational facilities	1.1	1	1	.30	1.08	1	1	.28
Superior's attitude	3.38	3	3	1.07	3.18	3	4	1.12

Source: Employee's opinions rather than executives

Table-1 reveals that the highest mean in the public sector as 5 in loan facilities from provident fund and lowest as 1 in profit sharing. The Standard Deviation (SD), the highest as 1.07 in superior's attitude and lowest as 0.28 in on the job training. In the private sector, the highest mean is 4.88 in on the job training and lowest as 1 in profit sharing. The Standard Deviation (SD) the highest as 1.12 in superior's attitude and the lowest as 0.28 in recreational facilities.

Table 2 : Working conditions

Opinions	Public Sector				Private Sector			
	Mean	Median	Mode	SD	Mean	Median	Mode	SD
Bond signing	1	1	1	0	3.21	4	4	1.04
Job security	5	5	5	0	1.55	1	1	.89

Source: Employee's opinions rather than executives

Table-2 implies that the highest mean in the public sector as 5 in Job security and lowest as 1 in Bond signing. The Standard Deviation (SD) is 0 in both bond signing for fixed term job contact and job security. In the private sector, the highest mean is 3.21 in Bond signing and lowest as 1.55 in Job securities. The Standard Deviation (SD) the highest as 1.04 in bond signing for fixed term job contact and the lowest as 0.89 in job security.

Table 3 : Working environment

Opinions	Public Sector				Private Sector			
	Mean	Median	Mode	SD	Mean	Median	Mode	SD
Working environment	2.28	3	3	1.09	4.9	5	5	.30
Hygienic situation	2.32	3	3	1.13	5	5	5	0
Management competency	4.18	4	4	.75	4.63	5	5	.62

Source: Employee's opinions rather than executives

Table-3 reveals that the highest mean in the public sector as 4.18 in management competency and lowest as 2.32 in hygienic situations. The Standard Deviation (SD) highest as 1.13 in hygienic situations and lowest as 0.75 in management competency. In the private sector, the highest mean is 5 hygienic situation and lowest as 4.63 in management competency. The Standard Deviation (SD) the highest as 0.62 in management competency and the lowest as 0.30 in working environment.

Table 4 : Job satisfaction

Opinions	Public Sector				Private Sector			
	Mean	Median	Mode	SD	Mean	Median	Mode	SD
Importance of your service	3.80	4	4	.86	4.08	4	4	.58
Participation of decision making	2.63	3	3	1.24	2.48	3	3	.78
Nature of absenteeism	3.82	4	4	.82	3.16	3	3	.63
Labor turnover	1.67	1	1	.95	3.93	4	4	.73
Management sympathy to your problems	3.71	4	3	1.03	4.15	4	5	.86
Management follows your suggestions	1.83	1.5	1	.91	3.06	3	3	.93

Source: Employee's opinions rather than executives

Table-4 indicates that the highest mean in the public sector as 3.82 in nature of absenteeism and lowest as 1.67 in labor turnover. The Standard Deviation (SD) highest as 1.24 in participation of decision making and lowest as 0.82 in nature of absenteeism. In the private sector, the highest mean is 4.15 in management sympathy to your problems and lowest as 2.48 in participation of decision making. The Standard Deviation (SD) the highest as 0.93 in management follows your suggestions and the lowest as 0.58 in importance of service.

Table 5 : Sector wise variations of Human Resource Management activities

Opinions	Public Sector				Private Sector			
	Mean	Median	Mode	SD	Mean	Median	Mode	SD
Performance rating system	3.36	4	4	.86	4.35	4	4	.62
Training facilities	4.60	5	5	.49	4.06	4	4	.75
Promotion policy	4.67	5	5	.57	4.41	4	4	.59
Management follows equal employment laws	3.82	4	4	.67	3.05	3	3	.94

Source: Employee's opinions rather than executives

Table-5 implies that the highest mean in the public sector as 4.67 in promotion policy and lowest as 3.36 in performance rating system. The Standard Deviation (SD) highest as .86 in performance rating system and lowest as 0.49 in training facilities. In the private sector, the highest mean is 4.41 in promotion policy and lowest as 3.05 in management follows equal employment opportunity laws. The Standard Deviation (SD) the highest as 0.94 in management follows equal employment opportunity laws and the lowest as 0.59 in promotion policy.

Table 6 : Sector wise variations of Human Resource Management activities

Opinions	Public Sector				Private Sector			
	Mean	Median	Mode	SD	Mean	Median	Mode	SD
Investment perspective for human resource management	3.05	3	3	.81	3.3	3	3	.46
Human resource planning	3.35	3.5	4	.74	3.45	3.5	4	.59
Human resource strategy implementation	3.55	4	3	.50	3.52	4	3	.50
Selective hiring	2.75	3	3	1.14	3.75	4	4	.63
Job design	3.65	4	4	.48	3	3	4	1.10
Compensation and benefits	2	1.5	1	1.13	4.75	5	5	.44
Practices providing work life balance	4.8	5	5	.41	1.45	1	1	.81

Investment in disabled employees	4.12	4	4	.60	1.25	1	1	.67
Human resource outsourcing	1.25	1	1	.67	4	4	4	.72
Management development program	3.50	3.5	4	.51	3.5	4	4	.59

Source: Executive's opinions

Table-6 reveals that the highest mean in the public sector as 4.8 in practices providing work life balance and lowest as 1.25 in human resource outsourcing. The Standard Deviation (SD) highest as 1.14 in selective hiring and lowest as 0.41 in practices providing work life balance. In the private sector, the highest mean is 4.75 in compensation and benefits and lowest as 1 in both practices providing work life balance and investment in disabled employees. The Standard Deviation (SD) the highest as 1.10 in job design and the lowest as 0.44 in compensation and benefits.

Outcomes of Strategic Human Resource Management

Through the proper formulation, implementation, follow up and evaluation of human resource strategies, a number of benefits can stem such as increase productivity, employee retention, customer and employee satisfaction, job involvement, organizational commitment, and shareholder value. (Mello, Jeffery A: 2002). All the outcomes will lead the banks to reach the mount of success.

Example of retention strategies for young professional in India's ICICI Bank.

Name of the Company	Retention Strategy	Impact
ICICI Bank	Identification of potential talented staff Alternative stock options Quicker promotion	Have been able to achieve higher retention rate

(Chatterjee, S. R: 2007)

Problems to the Strategic Human Resource Management Implementation

The following are some of the problems facing both the public and the private sector banks in implementing and executing the strategic human resource policies and programs.

- Most of the private and the public banks under study have central human resource department, which often overlooks the regional offices.
- A perception exists that investment in human resources is a risky job than any other resources like land, office building etc.
- Ignorance exists among the employees about human resource policy and strategy.
- Fear of the top-level managers to delegate authority and power and to develop the junior.
- Tests taken for the bank recruitment do not match with the bank job.

- f. Doing banking jobs but having no commerce or human resource educational background.
- g. Job boredom exists among the employees as they do the repeating job.
- h. Lack of quantifying the contribution that human resource can contribute.
- i. Fear exists among employees of the private sector banks for sudden retrenchment.
- j. Having no clear direction about employees in the both sectors bank's vision statement.
- k. Risk-return calculation of the private commercial banks on their investment in human resources.
- l. Lack of recreational facilities.
- m. Lack of government initiative.
- n. Inability of strategic thinking.

Conclusion and Policy Recommendation

The human resource strategy practices are very new for the Bangladeshi banks. Many banks under study are confined to traditional human resource management practices that go beyond the strategic practices. The traditional human resource managers in the banks are reactive, bureaucratic controlled, and focuses on job specialization rather than focusing on autonomy and freedom. Effective and efficient management of staffing, retention, and turnover, cost effective utilization of employees, and integrating human resources policies and programs with the corporate strategic options can give this sector greater potentiality to grow than any other sectors. The following are the policy implications:

- a. Formulate human resource policies and programs that clearly match with the bank's corporate and business unit strategies.
- b. Striving for increasing job enrichment (giving employees autonomy and freedom over the job), job involvement, job satisfaction and organizational commitment.
- c. Effective selection procedure emphasizing right people for the right job.
- d. Introducing realistic job preview system while selecting employees for the job.
- e. Reducing overstaffing or under staffing.
- f. Extensive investment in employee training and development so that they understand organization policies and practices.
- g. Benchmarking strategic human resource practices of recognized banks and other institutions from developed countries.
- h. Reducing status discriminations including dress, office decoration and salary differences.
- i. Introducing reward system for higher performer.
- j. Enhancing job security.
- k. Giving feedback about individual job performance and sharing financial and performance information throughout the organization.
- l. Strategic human resource practices in government sectors are desired.

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PORTFOLIO BEHAVIOR OF COMMERCIAL BANKS OF BANGLADESH

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Abstract : The asset composition of commercial banks exposes the high concentration in loans and advances. Loans play a pivotal role in banks' profitability. But the high concentration in loans and advances indicates not only the vulnerability of assets to credit risk; it also creates more liquidity crisis, and more pressure to keep a minimum capital for their solvency. The objectives of the study are to examine the impact of assets composition of the commercial banks on their profitability, liquidity, solvency and credit risk for a period of seven years (2000-2006). Data collected for the study from the annual reports of individual banks listed in Dhaka Stock Exchange (DSE) and from the Bangladesh bank published statistics book (Scheduled Banks Statistics). Simple statistical measures such as mean, period growth, maximum and minimum value have been used for the purpose of data analysis. The analysis finds that providing more loans help the banks to earn more profit but leave inadequate assets for maintaining their liquidity and involve in more credit risk. Banks risk-weighted asset have been increased alarmingly although their average CAR shows slightly higher than the requirement.

Introduction

The successful management of a commercial bank's fund requires careful consideration of three important objectives: liquidity, solvency, and income. Commercial banks arrange their assets in such a way so that after maintaining required liquidity they can earn sufficient income and at the same time keep adequate capital to maintain solvency. Since the bank's liability is subject to withdrawal either on demand or at a very short notice, the bank must keep adequate amount of liquid assets with them to meet the demand from the depositors. A bank is solvent when the value of its assets is enough to cover all of its liabilities except those to owners. The banks' policies are also geared towards achieving sufficient income on the banks' portfolios so that operating costs can be met and the banks can continue profitably as going concern. In addition to the maintenance of liquidity, solvency and profitability, commercial banks also evaluate their asset quality by calculating credit risk of loans they provide.

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To attain the objectives of liquidity, solvency, asset quality and profitability, commercial banks in practice need to set up a certain pattern and distribution of their assets in their portfolio composition. Management needs to decide as to what constitutes the best distribution of assets in the quest for attaining those objectives.

Justification of the study

Although the concept of portfolio management is not quite new in Bangladesh, but the fact is that very few research works have been done in this area. There has been no study as to how the bank performed in liquidity, profitability, credit risk and solvency during 2000-2006. So, the present study intends to evaluate the portfolio behavior of commercial banks by using the above mentioned criteria. This study is different from the earlier studies with respect to contents, coverage of years and methodology. The importance of this study may be viewed from its contribution to fill an important gap in literature. On the practical dimension, this study may help the executives and other policy makers of commercial banks in Bangladesh to arrive at pragmatic decisions for portfolio management.

Review of previous studies

Molyneux and Thornton (1992) find a negative and significant relationship between the level of liquidity and profitability. In contrast, Bourke (1989) reports an opposite result; while the effect of credit risk on profitability appears clearly negative (Miller and Noulas, 1997). This result may be explained by taking into account the fact that the more financial institutions are exposed to high-risk loans, the higher is the accumulation of unpaid loans, implying that these loan losses have produced lower returns to many commercial banks.

Sharpe (1995) identifies two results in his study that bank profitability has a positive effect on loan growth, and loan losses have the opposite effect. Since profits tend to increase and loan losses decrease bank capital, these findings are consistent with a positive association between bank capital and loan growth. In more recent work, Beatty and Gron (2001) find evidence suggesting that banks with higher capital growth relative to assets have greater increases in their loan portfolios.

Buser, Chen and Kane (1981) have examined the theoretical relationship between bank profitability and bank capitalization. Berger (1995) provides empirical evidence that for U.S. banks there is a positive relationship between bank profitability and capitalization. The author notes that well-capitalized firms face lower expected bankruptcy costs for themselves and their customers, thereby reducing their cost of funding. Papers from Hancock and Wilcox (1993, 1994a, 1994b) and Berger and Udell (1994) focus on how capital affect the supply of loans. But no clear consensus about the relation between bank capital and loan supply arises from their literature, although it appears that increases in nonperforming loans reduce loan supply. The idea is supported by other authors including Hall (1993), Haubrich and Wachtel (1993), and Peek and Rosengren (1995).

Kashyap and Stein (1995) suggest that deposit growth is positively correlated with loan growth. An analysis of bank-level data provides results consistent with the aggregate results, and also suggests that the positive relationship between loan and deposit growth appears to be stronger for small banks.

Better capitalized banks may reflect higher management quality, thereby generating a positive coefficient sign in the income regression, resulting in an expected positive impact on the profit variable. Moreover, as pointed out by Berger

(1995), well capitalized firms face lower expected bankruptcy costs, which in turn reduce their cost of funding and increase their income. A third interpretation relies on the effects of the Basel Accord, requiring banks to hold a minimum level of capital as a percentage of risk-weighted assets. Higher levels of capital may, therefore, denote banks with riskier assets. According to this interpretation, a positive coefficient would be expected for this variable in the income regression.

Objectives of the study

The major objectives of the study are as follows:

- (i) To provide an overview of allocation of commercial banks' funds to different types of assets.
- (ii) To examine the impact of portfolio of assets on commercial bank profitability.
- (iii) To see the result of asset structure on bank liquidity.
- (iv) To look at the impact of asset portfolio on credit risk of commercial banks.
- (v) To analyze the effects of asset composition on banks' solvency.

Methodology

The present study makes an attempt to apply the descriptive method to describe systematically and accurately the facts and characteristics of portfolio of sample commercial banks.

The study was confined to the listed commercial banks at Dhaka Stock Exchange only. The sample of this study contained 20 commercial banks, which was accounted for 74.07% of the population. The main basis of the selection of the sample was the easy access and availability of the requisite data and information.

The study covered a period of seven years from 2000 to 2006.

The study was based on secondary data. Income statement and balance sheet data of sample commercial banks were used in this study. Those data were collected from annual reports of the selected banks, Bangladesh Bank reports and from Resume of the Activities of Financial Institutions in Bangladesh published by the Ministry of Finance, Government of Bangladesh.

The study followed both time series and cross-sectional analysis. Initially, the study presented the mean values of major asset compositions of selected commercial banks. Impact of asset compositions on liquidity, profitability, credit risk and solvency of those banks were illustrated next.

The study used very simple statistical tools like mean, period growth, maximum and minimum value to describe the portfolio behavior of commercial banks. Different ratios were used to understand the trend of liquidity, earnings and profitability, solvency, and credit risk of the sample banks during the study period.

Findings

1. Major Asset Compositions of Sample Commercial Banks

Table-1 shows the major asset composition (in percentage) of the sample banks with their periodical growth (PG). It is observed from the table that commercial banks of Bangladesh employed more funds in loans and advances (61.06%) as usual which contribute to lion's share of earnings. The study also found 20.87 percent growth in LAD (loans and advances) of the sample banks during the period of study. However, among the sample banks, MTBL claimed top position in achieving 188.21 percent of

growth in LAD from 2000 to 2006. On the other hand, UBL suffered negative growth (-21.55%) during the same time.

Table 1 : Major Asset Composition of Sample Commercial Banks (in %)

Banks	Liquid Asset	PG (%)	Investment	PG (%)	LAD	PG (%)
MEAN	17.02	-47.05	11.14	23.59	61.06	20.87
MAX	25.70	56.12	20.40	204.17	71.50	188.21
MIN	7.59	-80.95	7.30	-21.58	50.44	-21.55

Source: Appendix- 3, 5 and 6.

1. Earnings of the Sample Commercial Banks

For commercial banks, lion's share of income is derived from interest on loans and investments. After maintaining liquidity, a bank tries to use their assets more profitably. In such a context, an attempt was made here to evaluate the impact of asset structure on earnings and profitability of sample commercial banks. Table-2 shows the earnings of sample banks with their periodical growth. To measure earnings of the banks, the study used net interest income (NII) and profit before tax (PBT) in relation to total assets. Average NII of sample banks grew by 28.09 percent in the last seven years to reach 2.11 percent at the end of FY2006. During the study period, average NII/TA of Rupali bank decreased by 220.51 percent. However, AB outperformed the other commercial banks in this area in the examined period. PBT also showed positive and consistently upward trend during the same period. Average PBT was found to be 3.48 percent of total assets with 36.47 percent periodical growth. However, when the study calculated PG of PBT, it was found that AB outperformed the other banks by huge margins. On the other hand, DBBL suffered by 43.1 percent decline in their PBT of during the examined period.

Table 2 : Earnings of the Sample Commercial Banks (In %)

Banks	NII	PG (%)	PBT	PG (%)
MEAN	2.11	28.09	2.08	36.47
MAX	3.35	212.50	3.48	825.00
MIN	0.46	-220.51	0.41	-43.10

Source: Appendix-7 and 8.

2. Profitability of the Sample Commercial Banks

To measure the profitability of the sample commercial banks the study used ROA, ROE and ROD. The summary of ROA, ROE and ROD ratios with their PGs during the period of 2000-2006 for each sample bank are presented in Table-3. As shown in the table, average ROA of commercial banks increased by 38.32 percent. While the ratio of ROA to total assets of the sample banks in FY2000 was 0.88 percent, it became 1.08 percent at the end of FY2006. Rupali bank with a negative growth (-137.38%). On the other hand, UCBL had highest period growth (1545.75%) in ROA. But the average ROE of the sample banks increased by 0.76% only during the study. The average value of this ratio for the banks remained at 19.33 at the end of FY2006 while the same was 19.19 in the FY2000. However, the highest PG (771.43%) of ROE went in favor of Bank Asia while the same was negative (-57.43%) for Uttara bank. On the other hand, average value of ROD of the sample banks as shown in the table was 1.43 which was increased by 23.38 percent during the study period. Comparing

period growth with other banks, Bank Asia got the first position, and DBBL became the last with average of (-) 55.46%.

Table 3 : Profitability of Sample Commercial Banks

BANKS	ROA	PG (%)	ROE	PG (%)	ROD	PG (%)
MEAN	1.08	38.32	19.33	0.76	1.43	23.38
MAX	2.08	1545.75	31.60	771.43	2.56	362.25
MIN	0.13	-137.38	8.62	-57.43	0.56	-55.46

Source: Appendix-1, 2, 4 and 9.

3. Liquidity of Sample Commercial Banks

Liquidity of a bank can be measured in various ways. Deposit position of a bank in relation to its total assets can be used to measure liquidity. The column 6 of Table-4 shows that the average deposit collection of sample banks obtained about 83 percent of their total assets with a modest period growth of 6.5%. Growth rate of D/TA was positive for most sample banks. Column 2 of Table-4 reveals a continuous and tremendous downtrend in liquid assets for all sample commercial banks. It is evident that the actual liquidity the sample banks maintain is less than their requirement. The average liquid asset to deposit ratio showed 22.61 percent during the period, it suffered a significant downfall (- 51.89%) in 7 years. Another way to measure liquidity of commercial banks is the supply of credit against their deposits. It is evident that the average credit deposit ratio of the sample commercial banks during the study period was about 78.83%. This means that only 21.17% of deposit was available for other activities such as investment in government securities, maintaining minimum reserve for their liquidity requirement etc. Table-4 also shows that average risk-weighted assets of sample commercial banks were almost 92% of their deposit balance. This means that the sample banks had very insignificant amount available for maintaining liquidity requirement.

**Table-4
Liquidity of Sample Commercial Banks (in percentage)**

BANKS	LQ/D	PG (%)	C/D	PG (%)	D/TA	PG (%)	R/D	PG (%)
MEAN	22.61	-51.88	78.83	14.00	82.74	6.50	91.69	20.70
MAX	31.26	541.28	100.69	142.67	91.29	39.06	114.84	173.97
MIN	8.93	-79.74	67.63	-25.66	70.17	-6.52	78.82	-18.21

Source: Appendix-1, 2, 3, 5 and 6.

4. Credit Risk of Commercial Banks

Since the commercial banks have a tendency to provide more fund as loans and advances they also involve in immense credit risk. At the stage, the study prefers to examine credit risk of the sample banks. The non-performing loan ratio (NPL) or the loan loss provision ratio (LLP) ratios are used in the study as a measure for the bank's risk in the loan portfolio. The study found a declining trend in the ratios of NPL to total loans of all sample banks (Table-5) since 2000. Average NPLs of the banks declined by 28.79 percent in last seven years and it became 6.82 percent at the end of FY2006. Table-5 (column 4) also shows that the average LLP ratio of the sample banks also showed a declining trend during the study period. The ratio was declined by 23.91 percent in seven years and became 1.18 percent.

Table-5 : Credit Risk of Sample Commercial Banks

Banks	NPL	PG (%)	LLP	PG (%)
MEAN	6.82	-28.79	1.18	-23.91
MAX	27.31	37800	1.96	22000
MIN	0.15	-83.46	0.36	-91.55

Source: Appendix-10 and 11.

5. Solvency of Commercial Banks

Table-6 shows that almost half of the sample banks do not maintain the required CAR. Although the average CAR of the sample commercial banks was 9.07% during the study period, the ratio is declined by almost 32 percent in seven years.

Table-6 : Solvency of Sample Commercial Banks

Banks	CAR	PG (%)
MEAN	9.07	-31.96
MAX	16.39	91.08
MIN	5.12	-75.39

Source: Appendix-3 and 4

Conclusion

It is observed from the above discussion that commercial banks of Bangladesh employed more of their funds in loans and advances. As a result, earnings and profit and profitability of the sample banks showed positive and consistently upward trend during the study period. But the high concentration of loans and advances indicates vulnerability of assets to credit risk. A high credit-deposit and risk-weighted assets ratio along with a modest growth in deposit collection brought the sample commercial banks in danger. The study also demonstrates a continuous and tremendous downtrend in liquid assets. Liquidity indicators imply that all the sample banks have excess liquidity. But liquid assets to total assets ratio shows a massive decreasing trend during the study period. The commercial banks of Bangladesh also could not attain the minimum capital adequacy level due to shortage in owner's equity, provision shortfall and overburdened expenditure incurred from operations.

So, it may be concluded that providing more loans does not always give the guarantee to earn more profit for the sample commercial banks. Rather it creates more liquidity crisis, more credit risk and more pressure to maintain a minimum capital adequacy ratio for the solvency of the commercial banks of Bangladesh.

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Appendix-1

Assets of Sample Commercial Banks (Taka in Millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	47989	33065	32509	32969	31919	25352	22139
BA	30438	23380	17811	12600	8458	4722	2123
CITY	47446	35304	26376	23699	24482	20726	17208
DBBL	45493	32279	24561	19966	17866	13463	6936
DHK	48142	33072	28178	20816	19104	19125	11646
EBL	35971	27400	23048	18716	18445	18281	16440
IFIC	36081	30201	29325	27103	28886	27259	26417
MCT	37160	28890	24098	18383	16383	13086	9365
MTBL	26218	19307	15931	9038	5832	4388	2445
NCC	32605	26114	21469	17440	18685	16091	12428
NBL	46796	38400	35127	36254	33777	31661	31281
ONE	23143	20105	13420	9975	8316	7431	2722
PRMR	27170	22768	20100	15103	11096	6037	3449
PRME	60899	41506	32362	24149	19359	15737	12846
PUB	58405	52732	46593	43502	41895	39069	36370
RUP	76125	76125	71580	67244	67250	60119	46521
SE	54825	43295	33745	23136	18842	14469	11711
SBL	16861	14442	11071	7174	5275	4038	2335
UBL	45217	42062	39700	36671	36973	35912	31420
UCBL	28813	28813	25059	22797	20653	18349	15920

Source: Annual Reports of Sample Commercial Banks

Appendix-2

Deposits of Sample Commercial Banks (Taka in Millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	42077	27361	28299	27260	25525	19410	16596
BA	25289	18500	13471	10431	7008	3849	1512
CITY	39572	30648	22114	20046	19683	17184	13804
DBBL	40109	27241	21068	17134	15975	11458	6120

DHK	41554	28439	25700	18366	16854	17706	10749
EBL	25735	17978	17012	15649	11952	13748	N. A.
IFIC	28621	22505	20709	19799	19132	17617	16577
MCT	33318	25087	22385	16285	15150	12235	8896
MTBL	22264	16099	13164	7164	5158	3358	1674
NCC	28147	21478	16069	14673	16064	12849	10620
NBL	40351	32984	28973	27762	26276	24897	23616
ONE	20253	18030	10915	8848	7608	6399	2267
PRMR	24199	20290	18005	13351	10031	5374	2206
PRME	54724	36022	28483	21144	16477	13346	11170
PUB	48676	44503	39790	39141	35853	33730	32291
RUP	N.A.	N.A.	57987	56869	55750	N.A.	N.A.
SE	27931	19619	16940	16494	15343	10570	8560
SBL	14221	12063	8731	5612	4102	2749	2054
UBL	39360	36892	34615	31478	29154	28430	25943
UCBL	24559	20970	17665	17413	16417	14246	12387

Source: Annual Reports of Sample Commercial Banks

Appendix-3

Loans of Sample Commercial Banks (Taka in Millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	31289	21385	17009	20435	19477	14862	12682
BA	22256	17870	11861	8190	5449	3013	1114
CITY	30789	23326	17028	14779	13885	12729	9965
DBBL	28325	20349	14976	11431	9392	8044	4588
DHK	34049	23372	16539	12887	11211	10246	5415
EBL	26008	17758	14973	11288	10891	9946	8141
IFIC	25491	21695	20623	20451	20597	18190	17313
MCT	26842	21857	17669	10776	8896	6707	3913
MTBL	18592	14373	11693	5904	3437	1910	602
NCC	24678	20533	15211	12851	13148	10789	7965
NBL	32710	27020	23130	22257	21678	20201	18553
ONE	15681	13851	9613	6051	5126	4392	1630
PRMR	20678	18033	15384	11422	8096	4281	2058
PRME	45010	31916	23220	16492	12687	9075	7707
PUB	40387	32640	27542	26283	26190	23583	21572
RUP	44921	45345	42110	41679	39768	38340	26213
SE	32551	22002	16560	15542	13027	9178	7062
SBL	12634	10184	7801	4952	3496	2265	752
UBL	25164	21852	18601	18786	22938	24187	22307
UCBL	20211	15385	14396	13701	11826	10942	9444

Source: Annual Reports of Sample Commercial Banks

Appendix-4

Equity of Sample Commercial Banks (Taka in Millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	2583	1527	124	114	111	117	98
BA	1950	1567	1183	890	375	283	220
CITY	2530	1958	1417	797	784	503	423
DBBL	1504	1349	1024	792	626	664	407
DHK	2551	2216	1488	1210	895	661	447
EBL	3315	3071	2835	2631	2321		
IFIC	1635	1361	1305	1144	1079		

MCT	2253	1829	1442	1130	594	527	349
MTBL	1905	1547	1218	970	320	258	215
NCC	2135	1896	1657				
NBL	3274	2735	1862	1701	1629	1573	1427
ONE	1519	1286	1077	1029	847	414	
PRMR	1626	1134	1158	989	687	338	
PRME	3860	2808	2240	1732	1526	1258	895
PUB	4528	2881	2555	2308	2132	1941	1538
RUP	1274						
SE	2852	1649	1349	1300	971	757	565
SBL	1312	1100	857	665	285	220	213
UBL	2085	1865	1742	1697	1552	1305	802
UCBL	2092	1735	1386	1243	1075	786	

Source: Annual Reports of Sample Commercial Banks

Appendix-5

Investments of Sample Commercial Banks (Taka in Millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	6301	4061	6738	3336	3219	2704	2430
BA	3345	2256	3241	2497	1338	380	130
CITY	6405	3648	3161	3379	2511	1978	1614
DBBL	5877	3500	2034	2538	3292	752	742
DHK	6133	3926	3078	2046	1950	1274	814
EBL	5850	5009	4399	3611	2268	1258	1813
IFIC	3545	2971	2854	2406	4240	721	3241
MCT	5408	3518	3715	2107	1382	882	450
MTBL	3056	2496	1696	1532	996	631	315
NCC	3552	3010	4385	2966	2909	1757	1722
NBL	5730	3565	4374	4044	3840	2892	2627
ONE	3321	2165	1229	688	630	540	240
PRMR	2394	2243	2753	1614	1342	680	270
PRME	7844	3940	3084	2750	1996	1731	1525
PUB	4982	5537	5742	4939	4400	4166	3853
RUP	12903	12155	13203	13997	12491	10634	9704
SE	5113	3190	2711	2582	2282	1727	1370
SBL	1623	1263	943	866	623	482	262
UBL	9565	10062	12794	9883	6739	3692	3185
UCBL	2834	2877	3020	3022	3962	1962	2163

Source: Annual Reports of Sample Commercial Banks

Appendix-6

Liquid Assets of Sample Commercial Banks (Taka in Millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	5037	2866	4341	5021	5294	8578	7641
BA	3241	2232	1900	1753	1507	1448	1216
CITY	5836	6271	4417	4053	6689	5016	4444
DBBL	6854	4704	5241	5097	4560	4191	1335
DHK	6107	4017	6923	4751	5089	6794	4930
EBL	8946	3699	2935	2871	4811	6647	6578
IFIC	5741	4148		2878	3309	7721	4760
MCT	3577	2621	2859	4739	5574	5112	4715
MTBL	3577	1540	1978	1977	1787	1569	1416
NCC	3790	2070	1409	1188	1724	2672	2075

NBL	5755	5759	6060	7602	5878	4901	4661
ONE	3096	3110	2676	2143	2979	2389	2339
PRMR	3382	2035	1697	1579	1420	894	48
PRME	6726	4934	5082	4081	4187	4042	2896
PUB	6139	9076	9057	8018	7056	7648	7697
RUP	9942	5628	5833	3622	6471	4425	4911
SE	3427	6890	3595	3743	2725	2963	2859
SBL	2056	2302	1778	1496	1203	1243	1217
UBL	6915	7408	5873	4959	4414	4772	3075
UCBL	4394	4472	5808	4413	3854	4493	3324

Source: Annual Reports of Sample Commercial Banks

Appendix-7

Net Interest Income of Sample Commercial Banks (Taka in Millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	601	691	511	507	488	313	89
BA	656	445	372	268	184	107	44
CITY	1202	1079	700	580	529	371	177
DBBL	942	820	581	316	360	146	91
DHK	962	748	633	510	430	453	256
EBL	921	710	680	455	635	609	524
IFIC	813	657	469	429	276	328	312
MCT	836	733	612	473	358	264	126
MTBL	632	430	319	306	245	127	83
NCC	976	609	436	420	440	386	219
NBL	1225	614	592	541	520	571	464
ONE	398	315	385	166	169	109	39
PRMR	650	602	480	362	209	130	99
PRME	1500	1175	1025	751	565	497	355
PUB	2359	1596	984	798	709	966	899
RUP	340	761	437	491	336	198	-181
SE	1063	926	561	495	434	395	232
SBL	556	495	431	268	151	93	92
UBL	985	523	206	372	74	109	63
UCBL	1109	750	636	634	477	515	332

Source: Annual Reports of Sample Commercial Banks

Appendix-8

Profit before Tax of Sample Commercial Banks (Taka in Millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	532	407	190	47	47	443	264
BA	967	604	461	381	206	107	8
CITY	240	541	823	203	66	223	67
DBBL	767	688	499	382	296	275	207
DHK	950	768	633	510	430	453	256
EBL	1134	967	850	638	631	552	462
IFIC	608	150	224	117	150	161	157
MCT	1179	967	822	575	461	404	192
MTBL	874	624	449	413	346	185	0.82
NCC	1057	688	446	335	385	351	181
NBL	1059	581	484	336	250	401	334
ONE	593	472	501	261	217	205	91
PRMR	700	514	856	445	391	132	73

PRME	1741	1201	1064	770	697	705	526
PUB	1660	1043	245	345	724	626	498
RUP	279	358	200	356	383	277	102
SE	1638	916	542	555	436	402	287
SBL	658	586	462	276	122	78	52
UBL	867	783	683	625	502	858	356
UCBL	852	626	417	403	155	175	23

Source: Annual Reports of Sample Commercial Banks

Appendix-9

Net Profit of Sample Commercial Banks (Taka in Millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	532	162	90	17	24	263	157
BA	476	384	294	216	114	64	6
CITY	240	541	380	13	13	80	67
DBBL	362	368	236	210	178	163	124
DHK	580	463	358	269	234	290	173
EBL	513	546	483	358	371	323	224
IFIC	254	82	72	64	79	161	157
MCT	494	387	313	216	257	215	97
MTBL	478	336	247	190	99	49	8.4
NCC	479	352	285	79	214	232	97
NBL	507	272	170	88	142	274	229
ONE	347	302	195	184	91	114	56
PRMR	369	181	471	227	213	68	63
PRME	1052	568	612	375	418	483	360
PUB	846	573	135	190	398	407	324
RUP	94	189	101	248	383	84	-309
SE	910	374	295	256	254	271	173
SBL	352	312	243	152	65	31	23
UBL	249	143	101	197	250	507	225
UCBL	582	417	168	229	93	114	14

Source: Annual Reports of Sample Commercial Banks

Appendix-10

Nonperforming Loans of Sample Commercial Banks (Taka in Millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	1258	1756	1931	3934	4819	2546	2942
BA	505	495	391	143	82	0	0
CITY	2211	1332	1785	1776	1151	1651	655
DBBL	816	358	24	41	56	41	33
DHK	558	353	273	420	278	122	93
EBL	986	961	1077	1536	1466	1146	668
IFIC	5333	5019	6084	5810	4018	6962	3504
MCT	1017	905	726	444	37	5	0
MTBL	793	657	754	565	398	123	40
NCC	1222	990	1197	1253	1235	1067	860
NBL	1966	1908	3414	3951	4038	5593	6252
ONE	391	337	226	221	213	201	143
PRMR	1015	696	312	66	29	50	13
PRME	369	306	353	327	188	103	115
PUB	4009	4746	4690	4805	5271	6074	7985
RUP	5766	7722	7698	9376	9468	9838	12708

SE	1422	1091	593	325	259	255	208
SBL	124	46	34	23	18	16	0
UBL	5046	3785	3657	3529	3468	3194	2902
UCBL	901	1352	1612	1963	2033	2691	3188

Source: Annual Reports of Sample Commercial Banks

Appendix-11

Provision against Loans of Sample Commercial Banks (Taka in millions)

BANK/YR	2006	2005	2004	2003	2002	2001	2000
AB	179	348	170	116	55	186	173
BA	105	197	187	25	12	1	1
CITY	842	118	99	472	486	185	122
DBBL	265	216	133	72	128	123	32
DHK	206	102	76	163	202	53	51
EBL	223	88	41	121	153	125	111
IFIC	255	400	297	505	155	228	236
MCT	594	523	343	145	12	1	0
MTBL	95	28	118	60	35	19	6
NCC	131	258	149	174	184	135	109
NBL	83	270	228	600	610	606	550
ONE	81	15	153	78	72	55	22
PRMR	238	385	150	110	75	64	26
PRME	390	320	174	249	123	114	105
PUB	150	330	314	520	420	116	89
RUP	977	521	738	669	534	189	108
SE	361	265	188	108	183	115	96
SBL	119	113	31	16	49	28	10
UBL	400	730	215	287	368	119	92
UCBL	300	231	284	294	229	137	129

Source: Annual Reports of Sample Commercial Banks

GROWTH AND DEVELOPMENT OF THE READYMADE GARMENTS INDUSTRY IN BANGLADESH

Shahana Sharmin*

Abstract: Readymade garments (RMG) industry is basically a labor-intensive industry. In Bangladesh, RMG industry has emerged as the most important economic sector, which is credited as to be the major engine behind vast changes in finance, service, communication, transport, and other sectors. Since its inception this industry had been developing rapidly and during 2001-2002 it had flourished tremendously, earning around 76% of total foreign exchange of the country. But during recent years it has become a matter of concern that this industry is gradually losing its strength to hold its buyers as they are shifting to other countries. This study explores the problems and prospects of the Readymade Garment Industries in Bangladesh. In order to strengthen the study various data are included from different sources. Efforts have been also made to suggest possible solutions to overcome the existent crises in RMG.

Introduction

Bangladesh is an agricultural country with a very narrow export base. Apart from jute, tea, shrimps and leather, Bangladesh does not have any other important indigenous export products. Other sectors like RMG, hosiery, chemical products and petroleum by products are import based export industries. Actually, these are the sectors which earn about 95% of the foreign exchange for eventual use in the process of economic development. Admittedly, our vast population is exerting pressure on the scarce land capital, but if this population can be utilized properly in the productive sector-with a known tilt to the export production, we shall be able to earn more foreign exchange giving boost to our economy. The RMG sector, which assures job opportunity for the millions of the unemployed, is needed to earn foreign exchange for Bangladesh. The characteristics of RMG industry are labor intensiveness; limited financial investment and relatively simple technology compared to other high-tech industries; import dependence for raw materials, machineries, design and specification and professional; RMG units are simply working on CMT basis, thus value addition is very minimum; weak backward integration and linkage;

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preponderance of women employment; one of the lowest wage-paying sectors in the country given by involvement of labor (Rafique, 2004). During 1983-84, the share of RMG in country was 3.89 percent of total export earning. But it increased to 76.57% of total export earning in Bangladesh in fiscal 2001-2002 which is US\$ 4.58 billion and provide employment 1.8 million people with employment, of whom 80% are women workers. It promotes the development of other key sectors of the economy, including textiles, banking, transportation and insurance. Several million more jobs in Bangladesh are linked to the clothing sector. And last fiscal 2005-2006 Bangladesh exported RMG 4730.36 US\$ in million which was 76.04% of total export of Bangladesh (Kutubuddin, 2002). Main apparel items exported from Bangladesh are shirts, trousers, jackets, T-shirt, and sweater. In 2005-2006, the main apparel items that are exported from Bangladesh are shirts, trousers, jackets, T-shirt and sweater worth 1056.69, 2165.25, 389.52, 1781.51 and 1044.01 MN. US\$ respectively. Although Bangladeshi manufactures export apparels to 90 countries of the world, the major destinations of the country's RMG products are USA, Canada, Germany, France, Italy, UK, Spain, Belgium, Sweden, Holland, Denmark, Greece, Portugal, Austria, etc. The Bangladesh Garment Manufacturer and Exporters Association (BGMEA) is a representative association for its member garment manufacturing and exporting units. BGMEA started its journey in 1977 with just twelve member units. Today it has grown into a massive organization with 4477 member units (BGMEA Member's Directory 2005-2006, P-4).

The causes for the rapid growth of apparel industry in Bangladesh are low capital requirement, back-to-back letter of credit, bonded warehouse facility, low labor costs, Quota and GSP (Generalized system of Preferences) facility, conducive policy environment, liberal Bank loan. Moreover, average high educational background of entrepreneurs who took up garment business, short gestation period, simplification of administrative procedure, tax holiday, introducing fiscal incentive like Export performance license (XPL) and high demand of readymade garments are the conducive factors behind the tremendous growth (Rafique, 2004).

Review of Relevant Literature

Bhattacharjee, Hossain and Bose (1993), in their paper seeks to provide understanding of the role of export barriers by reporting the results of research on the content of impact of 15 export barriers to 117 business units engaged in the manufacturing of the garment products in Bangladesh. The results reported in this paper indicate that the key factors effecting the export decision of garment products are the national export policy, comparative marketing distance, lack of export commitment, exogenous economic constraints and competitive rivalry. However, the authors believe that these specific findings may be peculiar to the ready-made garment industry of Bangladesh. Zohir (2001) in his article analyzes the readymade garment (RMG) industry workers conducted in 1990 and 1997. The paper compared not only men and women workers in the garment industry over time but also makes comparison between workers engaged in the RMG units located in EPZ and non EPZ areas. The finding in this paper suggest that employment in the garment industry has definitely empowered women, increased their mobility and expanded their individual choice and there has been improvement in worker's well-being over the period 1990-1997. The improvement in the worker's well-being will be sustained in future if proper policy supports are extended to the garment industry and its workers. The main challenge lies in meeting the phasing out MFA in 2005. The paper suggests

some measures such as setting up backward linkages, seeking duty free access, diversifying into new and higher value products, diversifying into newer markets and providing safety net for the affected workers are needed. Hossain (1991), in his report highlighted that information flow should be designed such a manner that right information should be got at minimum cost quickly and accurately and should be presented to the right person. The variables (muster L/C validity, L/C limit, arrival of import consignment etc.) changes very rapidly, change in one variable effect other factors also. Their information should be up to date as much as possible. This is possible if the system is computerized. In (1991), Mohammad in his report, tried to assess due social recognition through sharing of appropriate facts, must be earned by ready-made garments makers, so that they can attract talented workforce and good managerial skill to sustain growth trend. He also pointed out that appropriate time framed support must be extended to ready-made garments makers by port, customs, banks, insurance and transport authority so that they can import, make and re-export within 120 days. Saheed (1999), examines more closely the comparative advantages which have so far made Sri Lanka's garments exports the flagship of country's export trade and assesses whether these comparative advantages are sufficient to meet increasing competition. He also lists out the changes needed to improve competitiveness in the global market beyond 2005, as the post-MFA period is going to pose considerable challenges for many of the clothing exporting countries. In 1993, Mahmud and his associates expressed in their study the historical perspective of the growth and development of garment industry and they pointed out the suggestions of the industry in the field of production, marketing, finance etc. though all the problems are not controllable, most of the problems can be avoided if it is guided properly. In fact a well-designed plan with diversified product still provides opportunities to use the sector for industrial development and economic growth of the country. They also pointed out that a market research cell can be established in the relevant ministry which may provide advanced planning and signaling at least a year ahead on probable threat of quota items produced. Moreover, factories on public or joint sector to produce quality fabrics and machineries for garments may be set up which will reduce its dependence for raw materials and machineries abroad in one hand and save foreign exchange drainage for such items on the others. Hossain and Sarder (2000) in their study stated that successful promotional efforts to boost up export of RMG products in a competitive world-market are urgent economic compulsion for Bangladesh. The emerging globalization and liberalization of international trade policies have necessitated effective export promotional activities for the RMG products in Bangladesh. For this, the strategic emphasis should be on some key measures and techniques including assessment of buyers' need, supply of information among potential overseas-buyers/channel-members, offer of competitive prices, timely supply of export orders, etc. which have either facilitating or debilitating effects on the export of RMG products. Besides, the government, the export promotion bureau, the port authority, the BGMEA etc. should both individually and jointly try to remove regulatory constraints, develop infrastructure facilities and formulate effective policy package. They should thus get prepared to face the serious catastrophe to be broken out at the introduction of WTO agreement in the early 2005.

Significance of the study

Bangladesh is one of the leading RMG exporters in the global market. In 2005-2006, this sector has earned US\$ 7900.80 million through exporting which is 75.06% of total export (www.bgmea.com/data.htm). Apart from contributing to huge foreign exchange earnings, RMG industry has become the largest source of employment generation. Around 2 million people are directly involved in this sector and the sector through linkage effects is currently generating about US\$ 2 billion worth of domestic economic activities (Bhattachaya and Rahma, 2001). In such a situation, closure of any unit in the RMG industry will make a number of workers jobless. With the current performance of agriculture and other industrial sectors, it would not be possible to create enough job opportunities for these workers. Undoubtedly, this situation will create a lot of socio-economic problems. Besides, failure of the RMG industry will significantly reduce the export earning and adversely affect the growth of domestic economic activities. In the face of major changes in the clothing business and competition in the global market, the current performance of Bangladesh RMG industry is under threat. The present study, therefore, assumes a great deal of importance in bridging up the existing gap in our present level of information in this field.

Objectives of the study

1. To measure the growth & development of export of RMG industries in Bangladesh during 1983- 84 to 2005- 2006.
2. To identify per factory export growth & development of RMG industries in BD during 1991- 92 to 2005-2006.
3. To focus the composition of export market share of RMG industries in the world during 1993-94 to 2005-2006.
4. To analyze the position of Bangladesh garment export position for last two decades.
5. To analyze the major apparel export items of RMG in BD during 1998-99 to 2006-2006.
6. To focus the exportable goods of Bangladesh of export earning during 2005-2006.
7. To analyze the year over year growth of RMG FIB during 1992-93 to 2005-2006.
8. To identify the socio-economic impact of RMG industry for the development of Bangladesh.

Methodology of the Study

The study is based on both primary and secondary data. The secondary data have been collected from the publications of government and non-government concerned organizations annual reports of RMG and BMGEA, newsletters, audited report of RMG industries of & position paper on the RMG industries of Bangladesh and also by internet browsing . key executives of the units, BGMEA and industry expert have been interviewed. The study covers over the period of 23 years i.e. 1983- 84 to 2005-2006 in terms of availability of data. AVG, SD, CV, AGR, maximum level, minimum level, are selected for statistical techniques to make this study more precise and informative.

Table 1 : Comparative statement on export of RMG and total export

Year	Export of RMG (in million US\$)	Incremental Change (%)	Total export of Bangladesh (in million us\$)	Incremental Change (%)	% of rmg's to total export	Incremental Change (%)
1983-84	31.57		811.00		3.89	
1984-85	116.20	268.07	934.43	15.22	12.42	219.79
1985-86	131.48	13.15	819.21	-12.33	16.05	29.02
1986-87	298.67	127.16	1076.61	31.42	27.74	72.83
1987-88	433.92	45.28	1231.2	14.36	35.24	27.02
1988-89	471.09	8.57	1291.56	4.90	36.47	3.59
1989-90	624.16	32.49	1923.70	17.97	32.45	12.31
1990-91	866.82	38.88	1717.55	12.72	50.47	23.22
1991-92	1182.57	36.43	1993.90	16.09	59.31	17.52
1992-93	1445.02	22.21	2382.89	19.51	60.64	2.24
1993-94	1555.79	7.65	2533.90	6.34	61.40	1.25
1994-95	2228.35	43.47	3472.56	37.04	64.17	4.69
1995-96	2547.13	14.11	3882.42	11.79	65.61	2.07
1996-97	3001.25	17.83	4418.28	13.80	67.93	3.54
1997-98	3781.94	26.01	5161.20	16.81	73.28	7.88
1998-99	4019.98	6.29	5312.86	2.94	75.69	3.26
1999-00	4349.41	2.49	5752.20	8.27	75.61	-0.08
2000-01	4859.83	5.57	6467.30	12.43	75.14	-0.62
2001-02	4583.75	11.74	5986.09	-7.44	76.57	1.90
2002-03	4912.09	-5.68	6548.44	-6.81	75.01	-2.06
2003-04	5686.09	-4.60	7602.99	16.10	74.79	-0.29
2004-05	6417.67	12.87	8654.52	13.83	74.15	-0.86
2005-06	7900.80	23.11	10526.16	21.63	75.06	1.23
AVG.	2671.55	34.23	3932.83	12.13	55.18	19.52
SD	2315.6	58.98	2794.64	11.49	23.37	47.78
CV	86.68	172.30	71.02	94.72	42.35	244.75
AGR	13050.68	0.00	709.27	0.00	1943.70	0.00
Max. Lev.	7900.8	268.07	10526.16	37.04	76.57	219.79
Min. Lev.	31.57	-5.68	811.00	-12.33	3.89	-2.06

Source : Export Promotion Bureau.

Analysis of Data & Findings

Table No. 1 : This table indicates the Growth & Development of RMG Industries in Bangladesh during 1983- 84 to 2005-06. The average export to RMG was \$ 2671.55 million while the SD & VD of the same were \$ 2315.6 million & 86.68 percent during 1983-84 to 2005-06. The average growth rate was highly satisfactory i.e. 13050.68 percent during the study period. It varied from a minimum of \$ 31.57 million in 1983-84 to \$ 7900.8 million in 2005-06. There was an increasing trend for export percentage i.e. incremental change while the average of the same was 34.23 percent during the said period. The maximum incremental charge was found in 1984-85 i.e. 268.07 percent during the period under study. The incremental change of the percentage of RMG to total export was highest in the year 1984-85 i.e. 219.79 percent it deteriorated gradually during 1984-85 to 2005-06. The average of the same was 19.52 percent. Although RMG factories were established more but

incremental changes were not satisfactory i.e. it decreased at a very poor level which was identified in this table.

Table No. 2 : Per Factory Export Growth & Development of RMG Industries in BD during 1991-92 to 2005-06.

Year	Export of RMG (in million US\$)	Incremental Change (%)	No of garment factories	Incremental Change (%)	Per factory ex. value of (RMG) (in million US \$)	Incremental Change (%)
1991-92	1182.57		1156		1.02	
1992-93	1445.02	22.21	1537	32.96	0.94	-8.08
1993-94	1555.79	7.65	1839	19.65	0.85	-10.03
1994-95	2228.35	43.47	2182	18.65	1.02	20.92
1995-96	2547.13	14.11	2353	7.84	1.08	5.82
1996-97	3001.25	17.83	2503	6.37	1.20	10.77
1997-98	3781.94	26.01	2726	8.91	1.39	15.70
1998-99	4019.98	6.29	2963	8.69	1.36	-2.21
1999-00	4349.41	2.49	3200	8.00	1.29	-5.10
2000-01	4859.83	5.57	3496	9.25	1.24	-3.37
2001-02	4583.75	11.74	3618	3.49	1.34	7.97
2002-03	4912.09	-5.68	3760	3.92	1.22	-9.24
2003-04	5686.09	-4.60	3975	5.72	1.43	17.21
2004-05	6417.67	12.87	4100	3.14	1.57	9.79
2005-06	7900.80	23.11	4335	5.73	1.82	15.92

AVG.	2671.55	34.23	2916.20	10.17	1.25	5.19
SD	2315.6	58.98	977.71	8.24	0.25	10.83
CV	86.68	172.30	33.53	81.02	20	208.67
AGR	13050.68	0.00	325.26	0.00	119.17	0.00
Max. Lev.	7900.8	268.07	4335	32.96	1.82	17.21
Min. Lev.	31.57	-5.68	1156	3.14	0.85	-9.24

Source : Export Promotion Bureau.

Table No. 2 : This table indicates the Per Factory export Growth & Development of RMG Industries in BD during 1991-92 to 2005-06. The RMG had the exported value on average \$ 2671.55 million during 1991-92 to 2005-06. The average incremental change of export value of RMG was 5.19% while the SD position of the same was 10.83% during 1991-92 to 2005-06. Practically AGR position was negative i.e. unsatisfactory, it implies the negative performance of the RMG during the said period. If we look at the number of member factories, we find that the average position of the same was 2916 while the average incremental change of it was found 5.19% during 1991-92 to 2005-06. Although per factory incremental change was satisfactory on average i.e. 1.25 percent during the study period. The maximum level of the same was very poor i.e. 17.21% & minimum level was negative i.e. -9.24% during the period.

Table 3 : Bangladesh Garment Export during Last Two Decades.
(Value in Million US\$)

Year	Value	% change over the Preceding Years
1983-1984	31.57	
1988-1989	471.09	1392.21
1993-1994	1555.79	230.25
1998-1999	4019.98	158.39
2003-2004	5686.09	41.45
2005-2006	7900.80	38.95

AVG.	3277.55	372.15
SD	3133.81	575.99
CV	95.61	154.77
AGR	15559.08	1.59
Max. Lev.	7900.80	1392.21
Min. Lev.	31.57	38.45

Source : Export promotion Bureau, N.B. Com. i.e. % change over the Preceding years.

Table 3 : This table reveals that Bangladesh Garment Export position during Last Two Decades. The average export market i.e. % change over the Preceding Years was 372.15 percent during 1983-84 to 2005-06 i.e. two decades. Practically export market share position was is not satisfactory over the period.

Table No. 4 : Value and quantity of total Apparel export.
Fiscal year (In million US \$)

Year	Total apparel export (In '000 Dozen)			Total apparel export in Volume (In million US \$)				
	Woven (In Dozens)	Knit (In Dozens)	Total (In Dozens)	Woven	PCOTPY	Knit	PCOTPY	Total (W+K)
1992-93	36.05	10.66	46.71	1240.48		204.54		1445.02
1993-94	34.35	10.81	45.16	1291.65	4.13	264.14	29.14	1555.79
1994-95	47.21	15.30	62.51	1835.09	42.07	393.26	48.88	2228.35
1995-96	48.82	23.18	72.00	1948.81	6.20	598.32	52.14	2547.13
1996-97	35.45	27.54	80.99	2237.95	14.82	763.60	27.57	3001.25
1997-98	65.69	32.60	98.19	2844.43	27.10	937.51	22.82	3781.94
1998-99	64.79	36.68	101.45	2984.96	4.94	1035.02	10.40	4019.98
1999-00	66.63	45.27	111.90	3081.19	3.22	1268.22	22.53	4349.41
2000-01	71.48	52.54	124.02	3364.32	9.19	1495.51	17.92	4859.83
2001-02	77.05	63.39	140.44	3124.82	-7.12	1458.93	13.36	4583.75
2002-03	82.83	69.18	152.01	3258.27	4.27	1653.82	-89.30	4912.09
2003-04	90.48	91.60	182.08	3538.07	8.59	2148.02	29.88	5686.09
2004-05	92.26	120.19	212.39	3598.20	1.70	2819.47	31.26	6417.67
2005-06	108.82	165.02	273.84	4083.82	13.50	3816.98	35.38	7900.80

AVG.	17.16	33.79	121.69	2745.15	10.20	1346.93	13.38	4049.22
SD	21.92	44.85	65.90	886.47	12.50	1022.79	34.84	1869.19
CV	127.74	132.73	54.15	32.29	122.55	75.93	260.39	46.11
AGR	231.48	711.44	341.02	262.66	103.53	808.56	586.10	339.93
Max. Lev.	108.82	165.02	45.16	4088.82	42.07	381.98	52.14	7900.80
Min. Lev.	34.35	10.81	293.84	124.48	-7.12	204.54	-89.30	1445.02

Source : WWW.bgmea.com/data.htm.

Table 4 : This table implies the Year over Year Growth position of two items of RMGFIB i.e. Woven & Knit during 1992-93 to 2005-06. The RMG had the exported value on average \$ 2671.55 million during 1991-92 to 2005-06 during the period. Practically AGR position was little satisfactory, it implies the little performance of the RMG during the said period.

Findings

Practically the RMG industry has earned about \$ 48593.83 million since its inception till 2001-02 (Table No. 1). It implies that the earning position of RMG industry was 75.01 percent of the nation's income of total foreign currency in 2002-03. It plays the vital role for the overall socio-economic development of Bangladesh. It has also direct relationship in terms the following items:

1. Numbers of Factories: The RMG industry of Bangladesh had less than 150 factories in the year, 1983, these were 1537 in 1992-93 & 4477 were in 2005-06 (Table No. 2). This indicates the heavy incremental average growth rate i.e. 15.26 percent during 2002-03.
2. Foreign Banking Activities: The RMG industry has been playing as a catalyst contributing to the tremendous development of banking sector in Bangladesh. At present, most of the commercial banks in Bangladesh have been earning non-interest income through TT, DD, & MT, ATM, Western Union, Master Cards, Credit cards etc. which is as treated service charges for transferring the money.
3. Insurance Activities: Various Insurance Companies have been collecting the huge money by their different Insurance policies from the RMG industry in Bangladesh. Not only that RMG had a golden opportunity to recoup the insured loss through the insurance company in Bangladesh.
4. Consumers' Demand : More than 15 lac workers of RMG industry are appearing in the consumers market. An increasing demand for moderate costly cosmetics, shares, tools wear, fast food, blouse, pant, court & other consumer products are also direct/ creating favourable impact on about 15 lac new consumers entering into the market with new standard of living, backed by increasing purchasing capacity from the RMGI in Bangladesh.
5. Building Construction: Large building, Real estate development generated by the garment industry to accommodate officers and factories of over 2963 garments units have given a boost to the construction of the industry. About 13 million squire feet or real estates have been constructed at an average rate of Tk. 500 per squire feet which has generated Tk. 650 crore of business for the construction industry. The landlords of the garment industries are capable of learning approx. Tk. 8 crore per month and certain percentage of these rented income is give to the Govt. as income tax, given by landlords.

6. **Hotel Revenue:** A number of overseas apparel purchasers and their representative visit Bangladesh seasonally & occasionally each year to met the local producers and exporters. This hotel & tourism sector earns huge amount of foreign exchange through their services. A large number of workers are always ready to take break fast, lunch & dinner at the local hotels within the area of factories to save the transport cost and time.
7. **Development of Communication:** The road transport business has bee expanded more. Micro, mini bus, bus, trucks, postal academy, telephone, mobile, telex, fax, e-mail, internet etc. are used as the mechanical & non-mechanical tools for road & other communication, lots of production items of RMG industries are transferred & exported by cargoes, ships etc on rivers & seas.
8. **Growth of Linking Industries:** A large number of ancillary industries are emerging and growing keeping pace with this industry as well. Government accessories like cottons, threads buttons, levels, polly bags, gam taper, shirt, bounds neck boards, other tools etc. are now being produced in our country.
9. **Investment Opportunity:** The RMG industry has created a huge investment opportunities in the textile industry.
10. **To Emancipate the Women:** The RMG industry is helping women achieve economic emancipation and creating the empowerment of huge number of women. They are enjoying recognition and dignity in society. The RMG industry helps approach social equilibrium between men & women. Having the capability of earning, girls/ women are not treated as a burden for a family. They are also treated well as earning members of their families. As an earning member of an impoverished family, she can arrange & manage the family status according to her financial capacity.

Conclusion

It is an economic urgency for Bangladesh to undertake successful advanced efforts to boost up the export of Ready Made Garment Products in a competitive market. From the study we can discern that the growth of the RMG industry and its export activities were quite satisfactory during 1983- 84 to 1999-2000. It achieved the highest export earnings in 2001-2002 which is 76% of the total export earnings of Bangladesh and the lowest export earning was in the year 1983-84, 3.89% of the total export earnings. Though the RMG export earning, its share of GDP, factory and employment generation utilization of women power, status of women, their standard of living, banking activities, investment opportunity and insurance companies activities etc. are highly satisfactory, the growth rate of export earnings, percentage of RMG to total export, number of factories, per factory earnings and demand of various countries deteriorated during 1991-92 to 2005-06. However, the RMG industry has tremendous positive impact on socio-economic condition of Bangladesh because of its rapid and vast expansion. But one of the most immediate problems that local RMG manufacturers are likely to face is that different customers of a single unit may require compliance with different models. Perhaps it is high time for Bangladesh government, RMG industry, workers, representatives and international compliance organizations, together to save the industry and developed a uniform code of conduct for Bangladesh with definite guidelines and eliminates confusion among manufacturers. Finally, the prospect of RMG industry depends on political consistency.

On the basis of above analysis, findings & conclusion following recommendations are stated :

1. The Authorities of garment industries should try to attract the foreign buyers through the quality products & best services.
2. They should motivate women-working class & provide them with congenial working environment.
3. Garment Sectors should be given more infrastructural facilities & financial facilities.
4. More publicity & advertisement of garment products are needed.
5. More Generalized System of Preference (GSP) should be ensured.
6. Our Textiles Mills should try to supply quality fabrics to the garment sectors.
7. More liaisons between textile mills, garments sectors, BTMA, BTMC, & BGMEA is required.

These will develop strong financial base and socio-economic benefit of the garment sector.

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CREDIT CARD MARKETING AT RAJSHAHI METROPOLITAN CITY IN BANGLADESH : PRESENT STATUS, PROBLEMS AND PROSPECTS

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Abstract : The aim of this paper is to analyze the present status, problems and prospects of credit card marketing at Rajshahi Metropolitan City in Bangladesh. The emphasis in this research is to analyze current marketing situation and strategies, programs and policies taken by the card issuers. Recently users of credit card are increasing day by day in our country. The card issuers face some problems in marketing the credit card and implementing strategies and programs. The study finds that current situation of credit card marketing is not at good position at Rajshahi Metropolitan city and the future of the credit cards is bright in this city. Because people are becoming affluent and demand the more sophisticated products and services in this area.

1.1. Introduction

Credit card concept is at the initial stage in our country. As a result of the rapid technological advances, rapid globalization and digitalization, people expect the high quality products and services. Now people are becoming more affluent and demand status oriented products and services. So, there is a good opportunity for marketing the credit card. The functions of credit card are not so much familiar with the people of Bangladesh. Because most of the people are illiterate, they have no dealings with the Bank. But recently, the banking services are developing day by day. The online banking services are increasing day by day in our country. Most of the online banks offer the credit card services at Rajshahi Metropolitan city. Credit card is a luxurious good that is targeted towards the upper class people and the people whose standard of living is high. Rajshahi division is one of the largest divisions in Bangladesh. But the economy of this division depends on agriculture. So, there are not adequate marketing opportunities for credit card at Rajshahi Metropolitan City in Bangladesh.

1.2. Objectives of the study

The objectives of the study are:

- i) To understand the existing performance of credit card marketing at Rajshahi Metropolitan City in Bangladesh;
- ii) To evaluate the factors those affect the marketing efficiency of credit card marketing in this area;
- iii) To evaluate the attitudes of existing customers and potential customers towards credit card; and

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- iv) To identify the problems existing in this sector and to recommend some innovative measures based on the survey for the development and promotion of credit card marketing.

1.3. Justification of the Study

Credit card concepts are the new concept in Bangladesh. People are not habituated in using the credit card. Some people show negative attitudes towards the credit card. It is very difficult for the card issuers to promote the potential customers to use the credit card specially at Rajshahi Metropolitan City. Although credit card provides some facilities for the customers but they are not interested to become a cardholder. The ATM booth and POS terminals are not available in our country. Recently, the card issuers face the competition in the market place. The market size of the credit card is very small at Rajshahi Metropolitan City. So, I have taken a decision to write upon the credit card marketing in this area. In this study, I have tried to show the existing performance of marketing the credit card at this city, which will be very helpful for the potential card issuers. On the other hand, this paper will benefit the existing card issuers. In order to managerial implications, I have also provided some suggestions and recommendations for the cardholders and card issuers in this area.

2.1. Methodology

In all, 600 potential customers and 450 existing customers constituted the total sample of my study. To draw a sample of potential and existing customers, I adopted the simple random sampling technique.

For the purpose of the study, data were collected from both secondary and primary sources. But, maximum concentration was given on primary sources of data. All the primary data were collected from personal interview with general peoples and existing cardholders, administration of a questionnaire and formal interviews with key officials and staff of the card issuers at the Rajshahi Metropolitan City. The secondary data were collected from the official records, annual publication manuals, circulars and other official documents, website of the Banks, other sites of Internet.

2.2. Conceptual Framework

A credit card allows consumers to purchase products or services without cash and to pay for them at a later date. To qualify for this type of credit, the consumer must open an account with a bank or company, which sponsors a card. They then receive a line of credit with a specified dollar amount. They can use the card to make purchases from participating merchants until they reach this credit limit. Every month the sponsor provides a bill, which tallies the card activity during the previous 30 days. Depending on the terms of the card, the customer may pay interest charges on the amount that they do not pay for on a monthly basis. (www.creditcard.com)

In short, a credit card is a card on which a fixed amount of money is loaded on the card, then the consumers can spend this amount by using this card through the ATM i.e. Automated Teller Machines and POS i.e. Point of sales terminals located at different outlets. It removes money from the user's account after every transaction. Credit Card is made of several layers of plastic laminated together. The core is commonly made from a plastic resin known as polyvinyl chloride acetate (PVCA). This design is mixed with specifying materials, dyes, and plasticizers to give it the proper appearance and consistency. This core material is laminated with thin layers of PVCA

or clear plastic materials. These laminates will adhere to the core when applied with pressure and heat. (Evans, David S, 1999)

The credit card issuers provide some incentives to convince the customers to use the credit card. Many credit card customers receive rewards, such as frequent flier points or cash back, as an incentive to use the card. Rewards are generally tied to purchasing an item or service on the card, which may or may not include balance transfers.

When a card is stolen, or an unauthorized duplicate is made, most card issuers will refund some or all of the charges that the customer would have otherwise received, for things they didn't buy. These refunds will in some cases be at the expense of the merchant, especially in mail order cases where the merchant cannot claim sight of the card, but in other cases, these costs must be borne by the card issuers. (Mandell, 1990)

The customers have to pay the major fees in the following areas:

- Late payments;
- Charges that result in exceeding the credit limit on the card (whether done deliberately or by mistake);
- Returned check fees or payment processing fees e.g. phone payment fee;
- Cash advances and convenience checks (often 3 percent of the amount);
- Transactions in a foreign currency (as much as 3 percent of the amount; a few financial institutions charge no fee for this -- it is worth noting as an aside that the credit card issuer charges a fee on top of the international bank rate when converting currency, which in most circumstances is a better rate than is available elsewhere, even with the fee added on); and
- Membership fees (annual or monthly), sometimes a percentage of the credit limit.

2.3. There are different types of card associations that are providing cards to Bangladeshi

Banks

- Visa card/silver/gold
- MasterCard/ silver/ Gold
- Discovery card
- American express
- Vanik
- Lonka Bangla etc.

Sources: Data obtained by field study.

2.4. Requirements for applying for the credit card

I have studied the Standard Chartered Bank and found that as a service holder, the requirements to apply for the credit card are:

- Photograph
- Copy of passport
- Personal bank statement for last 6 month.
- If salaried, latest original salaries certificate/pay slip.
- If self employed, copy of trade license and personal/company bank statement for last 6 months.
- Copy of TIN certificate.
- The minimum monthly income to apply is tk.10000/ for a silver card and TK. 55000/ for a gold card.

2.5. The requirements for international credit card are given below:

- Copy of passport
- Photograph
- Letter of lien and set-off over deposit accounts
- Fund hold instruction for issuing credit card
- Debit authority to purchase security stamp.

Sources: interview with sales executive of Credit card

3. Findings and Discussion

In this section, I have tried to show the current situation of credit card marketing at Rajshahi Metropolitan City.

3.1. Current Marketing situations at Rajshahi Metropolitan City: -

There are many private Banks located at Rajshahi Metro City. It is seen that almost all of them offer the credit card at Rajshahi Metropolitan city. It is targeted towards the upper class people and educated people. Although it is a divisional city, most of the people engage in agricultural sectors. The size of the upper class people is very small in this area. So, The target markets of credit card are not available at Rajshahi Metropolitan City.

Table 1 : Total scenario of the credit card marketing at Rajshahi Metropolitan City is shown in Tables.

Name of Banks located at Rajshahi city.	No. Of existing ATM at Rajshahi City	Total number of cardholder at Rajshahi	Sales per month at Rajshahi	Agreement with other Banks
IFIC Bank	0	15	4-6	None
Brac Bank	1	200	150-180	Dutch Bangla Bank Ltd
Mercantile Bank Ltd	1	43	4-5	Dutch Bangla Bank Ltd.
EBL	1	225	25	Dutch Bangla Bank
Jamuna Bank Ltd	1	4	2-3	Mercantile Bank Ltd.
NCC Bank Ltd	1	4	1-2	Dutch Bangla Bank Ltd
The City Bank Ltd.	0	200	2	Dutch Bangla Bank Ltd.
Dhaka Bank	1	22	2	Dutch Bangla Bank Ltd
Bank Asia	1	175	2-3	Dutch Bangla Bank Ltd.
UCBL	0	100	2-5	Dutch Bangla Bank Ltd.
Dutch Bangla Bank Ltd	4	0	0	None

Sources: Field data; Rajshahi Metropolitan area, June, 2008

From the above survey, it is found that the total size of credit cardholder is very small compared to Dhaka city and Chittagong city. The ATM machines and POS terminals are not sufficient at Rajshahi City. Most of the Banks have made the agreement with Dutch Bangla Bank to use the ATM booth. The total number of existing cardholder is very small at Rajshahi City compared to Dhaka city and Chittagong city.

3.2. Target market of credit card

Government/ Multinational companies/ Professionals/ Bankers etc. individual with a minimum gross income of BDT10000 per month will be preferred for issuance of local credit card. They have specially focused on their customers along with the following segments of the society:

- i) Customers of Bank, both borrowers and depositors including scheme depositors;
- ii) Executives/ Officers of Banks/ Financial institutions/ Insurance companies;

- iii) Directors and Executives of export oriented garments industries;
- iv) Professional-Doctors/ Engineers/ Accountants etc;
- v) Employees of Foreign and Multinational companies;
- vi) University and College teachers;
- vii) Employees of Mobile Telephone service provider;
- viii) High officials of corporate body/government organizations;
- ix) Good businessman in the society;
- x) Officers from the rank of Asstt. Secretary to above in all ministries;
- xi) Members of Chambers of Commerce and industries and other business associations;
- xii) Senior level defense officers; and
- xiii) High officials of renowned NGOs, International Voluntary Organization (UNICEF, UNFPA & UNDP)

Sources: Mercantile Bank limited, survey on June, 2008.

4.1. Factors affecting the marketing efficiency of Credit Card at Rajshahi Metropolitan City

There are some factors that affect the marketing efficiency of the credit card at Rajshahi Metropolitan City. Such as are given below:

- Geographical factors affect the marketing efficiency of the credit card in Bangladesh. Because most of the people live in the remote area. The infrastructure facilities are not appropriate for establishing the ATM machines and POS terminal in those areas.
- There are some negative attitudes towards the credit card in this area.
- The spending pattern of the people in Bangladesh also affects the marketing efficiency of the credit card. The buying capacity is limited and most of the peoples engaged in agricultural sectors.
- Most of the people are illiterate, they do not know how to use the credit card
- Most of the people are afraid of taking the credit card because it may bring complexity to life.
- Most people are religious minded, they do not want to take loan from the Commercial Bank.
- Lack of online facilities also affects the marketing efficiency of the credit card.
- Lack of awareness about the credit card.

4.2. Attitude of the target consumers

I have surveyed in different offices at Rajshahi Metropolitan City and taken the interview in which most of the potential buyers gave their opinion which is given below: (*Rahman Dr. Mizanur and Alam Ahmed Fakhru, 1997*)
Most of the people show the negative attitudes towards the credit card.

Table: 2 attitudes towards the credit card at Rajshahi divisional city.

No of Respondents	Positive	Negative
600	250	350

Sources: survey, rajshahi Metropolitan area, June 2008

Most of the people show the negative attitudes towards the credit card.

They dislike the credit card due to

- i) high annual charge
- ii) high interest rate
- iii) fearing of increasing the expenditure
- iv) limited income
- v) ignorance about credit card.

Table: 3 How much percentage of potential customers are interested in credit card?

Total number of potential customers	Interested	Uninterested
600	70%	30%

Sources: Survey report, Rajshahi Metropolitan city area, June, 2008

They also opine that it is an extra complexity for them and they have to bear these responsibilities. 40% of the potential customers said that if they have no money in their pocket, they will not spend the money, but, if they have any credit card, they will have to spend the money by using the credit card even though it is not so much essential. Someone said that it is very difficult to understand the credit card system easily and quickly. 50% of the respondents said that it is not essential for them because they are permanent employee of a particular organization and they do not need to go from one location to another location within the very short time. Some of the respondent opined that their buying capacity is limited, so they do not want to engage in such kind of activities. Some people opined that it is a luxurious and fashionable product, so they do not want to use the credit card. Few of the people opined that credit card is very essential for the customers. 80% people comment that the prospect of credit card marketing at Rajshahi Divisional City is high.

Table: 4 Customer's intentions to buy the credit card within the short time at Rajshahi Metropolitan City:

Total number of potential customer	Definitely will not buy	Probably will not buy	Undecided	Probably will buy	Definitely will buy
600	100	200	100	100	100

Sources: Survey report, Rajshahi Metro city, June 2008.

Table: 5 How much percentages of the people know about the credit card facilities

No of Respondents	Aware	Unaware
800	30%	70%

Sources: Survey report, Rajshahi divisional city, June, 2008

Most of the people at Rajshahi City do not know about the credit card. Even they are unaware about the credit card. They do not know what are the functions of credit card and how does it work.

5. Opinions of the existing cardholders at Rajshahi Metropolitan City:

In this study, I have surveyed more than 400 card users and took their opinions and these are given below:

Whenever I asked some questions to the existing cardholder about the credit card usages, they have informed me that

- 10% cardholders say that they will avoid the credit card in future due to high interest rate & complexity;
- 20% of the respondents say that they do not know how to use the credit card properly and effectively and have no clear ideas about the payment system and interest calculation and grace period. So they face some problem during using the credit card;

- 20% of the respondents' comments that they will not refer their relatives, colleagues and other family members to become a credit cardholder;
- Some respondents informed me that they are always afraid of losing the credit card;
- 20 % of the respondents comment that the costs of using the credit card are more than that of benefits;
- 30% of the existing cardholders think that that it is unnecessary in aspects of Bangladesh;
- 80% of the credit users said that the ATM and POS terminals are not available in Bangladesh;
- 60% of the respondents said that it is just only for prestige, but it has no proper utility in case of Bangladesh;
- 50% of the respondents said that credit card encourage the users to spend more than they have financial capacity; and
- 5% of the respondents said that, even after taking the credit card, I do not use the credit card yet and just put in pocket.

Table: 6 How much percentage of the people become a credit card holder but does not use the Credit Card regularly

Question	YES	NO	Total number of Respondent
Do you use the credit card regularly	70%	30%	420

Sources: Survey report, Rajshahi Metropolitan City, June, 2008.

From the above survey, we can say that most of the existing credit card holders do not use the card regularly.

Table: 7 How much percentages of the existing credit cardholders are satisfied by using the credit card.

No of total existing customers	Satisfied	Dissatisfied
420	400	20

Sources: survey report, Rajshahi Metropolitan area, June, 2008.

Most of the existing customers are satisfied by the credit card at Rajshahi Metropolitan City.

Table: 8 How much percentages of the credit card users think that credit card is luxurious goods:

No of total existing customers	Luxurious goods	In Percentage
420	350	83.33%

Sources: Survey report, Rajshahi metropolitan area, June, 2008.

Most of the existing customers think that credit card is luxurious goods. It is targeted towards the rich and the social elite person.

Table: 9 How much percentage of credit card users thinks that the interest rate of the credit card is high

No of total existing customers	High	Medium	No comments
420	380	20	20

Sources: Survey report, Rajshahi Metropolitan City, June 2008.

From the above table, I found that Most of the customers think that the annual charge and interest rate of credit are high.

Table: 10 The brand used by the existing customer at Rajshahi Metropolitan City?

Total number of Respondents	VISA	Master	American Express	Discovery	Vani k
420	325	70	15	9	1

Survey report; Rajshahi city, June, 2008

From the survey, I have found that majority of the cardholder uses the VISA brand.

Table: 11. The attitudes of the existing cardholder towards the credit card

Total number of existing cardholders	Positive	Negative
420	90%	10%

Sources: Survey report, Rajshahi city area, June, 2008.

Table:12 Satisfaction level with credit card facilities

Total number of respondent	Moderate	Good	Very good
420	30%	20%	50%

Sources: survey report, Rajshahi divisional city, June, 2008.

6. Problems

The requirement to apply for the credit card is very complex and very difficult to follow.

But in Bangladesh, most of the people are poor. They live from hand to mouth. They are not interested in credit card or they do not know how to use the credit card and what the facilities of credit card are. (*Rafique, 1975*)

The annual charge and interest rate are higher than any other countries in the world.

- Most of the people are not aware about the credit card facilities.
- The infrastructure facilities are not appropriate for the credit card marketing at Rajshahi Metropolitan City.
- Only a few shopping complex use the credit card machine or POS terminals that are not sufficient at Rajshahi Metropolitan City.
- The standard of living is very low in this area, so demand for credit card is very low.
- The installation costs of ATM booth are high.
- Most of the shopkeepers are not interested to collect the money by using the credit card.
- Most of the people think that credit card is one kind of hassles.
- The total numbers of ATM booth at Rajshahi are approximately 12, which are not sufficient for the regular card users.
- There are varieties of credit card, so most of the users do not know about the functions of these credit cards.
- Some card users commented that it is very difficult for them to pay bill of the credit card timely.

- The size of the market is very small. So, there are a few market opportunities in this area.
- Most of the people are illiterate in this area and do not know how to use the credit card.

7. Future for the credit card marketing:

From the above discussions, we came to know that there is a bright future for the credit card marketing in Bangladesh. Most of the companies are at the initial stages of the credit card marketing at Rajshahi Metropolitan City in Bangladesh. If the card issuers provide the ATM and POS terminals available in Bangladesh, then the demand for credit card will be increased. Most of the people do not know about the credit card. But in developed countries, credit card is very common and people use this card very properly and utilize the facilities of the credit card. If the card issuers provide information about the credit card to the consumer, then the usages of the credit card will be increased day by day. Technological advances also increase the demand for the credit card services properly. Now Dutch Bangla Bank installed 250 ATM Booth in Bangladesh and has made agreement with other Banks for using the ATM machines. The other banks have also installed ATM booth across the country. The total size of the market is increasing day by day. If the card issuers properly provide the facilities and convince the consumer for using the credit card, then there is a bright future for the credit card.

Since most of the consumers are at the unaware stages in the case of credit card, so the companies have to take step to convert the consumers into the awareness stages.

Within the 2009, Brac Bank will expanse their branches in every sub-division in Bangladesh and each branches they will provide credit card system.

8.1. Recommendations for the consumers

Following are a few tips and suggestions about credit cards for the card users.

- Credit cards are just like a loan-you have to pay what you owe - so try and not overcharge more than you can afford to pay.
- Keep track of how much you spend on your credit card. Remember that incidental and impulse purchases add up fast.
- Save your credit card receipts. Compare them with your monthly bill. Promptly report problems to the Company that issued the card.
- Never lend your credit cards to anyone.
- Owing more than you can repay can damage your credit rating. That can make it hard to finance a car, rent an apartment, get insurance or even get a job.
- Pay your credit card bill on time, and in full when possible. If you don't, you'll have to pay finance charges on the unpaid balance-and it takes forever to get caught up if you Just pay the minimum.
- There are many advantages of having a credit card such as being able to Purchase items online and make hotel and car reservations. The way you handle your purchases should be taken seriously.

8.2. The suggestions and recommendations for the card issuers

- The card issuers should reduce the interest rate;
- They should make available ATM booth and POS terminal at convenience location of the customer at Rajshahi Metropolitan City;
- The Bank should provide proper, simple and ease of use information to customer regarding the credit card.

- The requirements for being cardholder should be simple and easy.
- The Card issuers should install POS terminals available at the shopping mall.
- They should take aggressive selling and promotion activities to connect the benefits of credit card with the customer's needs, interests and preferences etc.
- They should increase other features of the credit card.
- The card issuer firstly should survey the market and identify the customer's needs, wants and interests of the prospective customers and then accordingly design the card's facilities.
- The Banks should provide the proper instructions how to use the credit card properly and efficiently.
- The Banks have to take necessary steps to encourage the to use the credit card. They have to use personal selling to convince the potential customers.

10. Concluding Remarks

Actually credit card is at the initial stage in Bangladesh. Specially the economy of Rajshahi Metropolitan city depends on agriculture Rajshahi divisional area, it is very difficult for the banks to market the Credit Card. Most of the people in Bangladesh are not familiar with the culture of Credit card usage. Few people use the credit card only for the prestige and status. If the companies establish sufficient ATM booths and POS terminals and make it more accessible to the customers, then the users of the credit card will be increasing day by day. If the standard of living is increasing day by day, lifestyles are changed, then the usages of Credit Card will be increased in our country. The Banks have to arrange incentive programs to encourage the people to use the Credit Card more and more.

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PROGRESS OF ISLAMIC BANKS IN COMPARISON TO OTHER COMMERCIAL BANKS IN BANGLADESH

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Abstract : The Islamic Banks in Bangladesh started from a very limited resource base right from beginning. But the passage of time, they have excelled strong performance in respect of mobilization of deposits as well as in investments compared to other commercial banks. Although they committed to run all their activities as per Islami Shariah under the control of Shariah Council, continued to show strong growth since its inception in 1983 to now in tandem with the growth in the economy, as reflected by the increased market share in terms of assets, financing and deposits of the total banking system. In this study a modest attempt is made to analysis the real portrait of IBBs in the economic development of Bangladesh.

1.1 Introduction

The commercial banking sector occupies an important position in the financial landscape of Bangladesh. As it is a powerful medium of bringing the socio-economic prosperity most in the developing nations to keep a healthy condition of economic growth and move forward the wheels of production, trade and consumption in our country, bank credits are must (Abedin,1991:). But it is widely recognized that our banking sector has been facing serious problem due to non-performing bank loans (Ali and Howlader, 2005: 385). However, in the case of Islamic banks in Bangladesh (IBBs), the scenario is completely different. These special featured banks have been playing a vital role in the economic growth of Bangladesh. The products being offered by these sector range from consumer credit to long term finance for big investment projects using Islamic mode of financing. The operational systems and procedures of IBBs are, however, different from those of the commercial banks, although they have excelled strong performance in respect of mobilization of deposits as well as in investments compared to other commercial banks. Total deposits of Islamic banks and Islamic banking branches were Tk. 28650 crores at the end of 2007 which was 23.6% of all private banks and 14.88% of the total banking sectors (Bangladesh Bank, 2006:39).

1.2 Statement of the Problem: Islamic Banking system started operation in Bangladesh in 1983 with the establishment the first Islamic Commercial Bank named

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Islami Bank Bangladesh Ltd. which runs on the dogmas of Islami Shariah and offers interest free service to its clients. After that 6 more full-fledged Islamic banks and 20 Islamic banking branches of 10 conventional banks have started their operations in the private sector on the basis of Islamic Shariah. The Exim Bank Ltd has also started its operation according to Islamic Shariah from July/2004 which previously chartered as conventional interest bank. As we have mentioned earlier, IBBs are committed to run all their activities as per Islamic principles under the control of Shariah Council. The members of the Shariah Council are the prominent lawyers, Muslim intellectuals, economists and bankers. From the very beginning, IBBs have been doing remarkably well and their growth trends have been increasing notably (Chowdury,2004:). They have passed about two decades of successful Islamic banking operations in Bangladesh in spite of some problems in their operations. In many recent studies and discussions in seminars and symposiums, many scholars, economists, reporters argue that almost the whole banking system of Bangladesh have been facing serious crises mostly due to mismanagement and improper handling of resources, most of the commercial banks' productivity and profitability have been declining. On the contrary, the progress of IBBs have been increasing further in the economy of Bangladesh every year for their special features and mode of actions. It is not, however, clear the real picture of their performance have really been increasing and what policies and activities are required to continue this trend. So, a modest attempt is made in this study to show the portrait of the performance of IBBs compared to other commercial banks in the economy of Bangladesh. At the same time, some recommendations are offered to the respective authorities for their consideration which might be overcome their problems and helpful for their further growth and expansion.

1.3 Objectives of the Study

The objectives of the study are as follows:

- ⇒ To measure the extent and level of economic activities of Islamic Banks of Bangladesh (IBBs);
- ⇒ To show the performances of IBBs compared to other commercial banks;
- ⇒ To identify the problems of the progress of IBBs; and
- ⇒ To suggest some remedial measures for steady growth trends of IBBs in the economy of Bangladesh.

1.4. Review of Related Literature

Several Economists, Scholars and researchers have conducted their researches on different aspects of Islamic Banks of Bangladesh. Rahman(1982), Khan(1992) and Matubber And Sina(1998) have done their works in analyzing the concept of capital formation in Islam and Central banking in Islam. Hossain and Islam (2000) and Karim(1999) only discussed the management of change of banking sector of Bangladesh and need of the Accounting Standards and Accounting Systems for Islamic banks. Hossain(1993) dealt measurement of effectiveness of Islami Bank Bangladesh Ltd. Those studies are not very recent. Sarker (2000) dealt only regulations of the Islami Bank and Uddin (2004) discussed the theory, practice and challenges of Islamic Banks. But those works did not include growth trends of IBBs in the present traditional banking business rather identified only the problems and prospects of Islami banks and its concept. Moreover, causes and remedial measures were also discussed in a very limited way. No such study has been conducted so far to show the actual portrait of the performances of IBBs under the interest based money market. So, it requires a thorough study on this vital issue on the basis of the latest available data.

1.5 Methodology and Sources of Data: Standard statistical methods including rates, Mean, SD, CV, AGR, EGR, AAGR, Maximum Level, Minimum Level, percentage and tabular forms have been used in this study for analyzing the data to draw conclusions out of them. The growth rates and the components of income and expenditure of the banks are expressed in term of percentages. The sources of data are mostly secondary in nature. These data were collected and compiled from the Annual Reports of different Islamic banks in different years. In this study Bangladesh Bank Annual Reports, Bangladesh Bank Bulletin, Economic Trends, Schedule Banks Statistics, Bank and Financial Institutions' activities were also used as source of materials.

1.6. Scope of the Study: Six local along with one foreign Islamic Banks are active in Bangladesh at present. This study covers only local Islamic Banks in Bangladesh — Islami Bank Bangladesh Ltd., Al-Baraka (presently The Oriental Bank Ltd.), Al-Arafa ,Social Investment Bank Ltd , Shahjalal Bank Ltd and Exim Bank Ltd. The data were collected for a period of 12 years from 1995-96 to 2006-07.

1.7. Progress of IBBs: The IBBs are committed to run all its activities on an interest free system and also on the basis of profit sharing and risk-bearing system. It also makes bank-client relationship instead of debtor-creditor relationship of the conventional system. IBBs have also extended co-operation to the poor, helpless and low-income groups of the people for their economic upliftment, particularly in the rural areas. The IBBs are continuing their service to introduce welfare oriented banking system and to establish equality and justice in the field of all economic activities and balanced growth and development of the country. So, IBBs served as 'Commercial', 'Investment' and 'Development' bank altogether. As a result, in a very competitive environment, the IBBs through their steady progress and continued success have, by now, earned the reputation of being the leading commercial banking sector of the country. The continuing accumulation of non-performing and defaulted bank loans has emerged as one of the most constraints in the path of economic development of Bangladesh. But the IBBs have ushered a new era in Bangladesh and their performances are also steady. There are no only one comparable one standard for the comparative study of NCBs, PCBs and FCBs with IBBs because their distinct objectives and mode of actions. It can be observed with the backing of analysis and evaluation of the five crucial dimensions of banking operations which used by various researchers in their study as under:

i) General Banking Activities: The main function of commercial banks to collect deposits and to distribute it as advance/investment for making profit which resulted the 'weak' or 'strong' performances of them. Table 1.1 exhibits recent comparative trends of deposits of NCBs, PCBs, FCBs and IBBs. During the study period, the total deposit stood at TK. 28650 crores as on 2006-07 as against TK. 21495 crores of the preceding year registering an increase of TK. 7155 crores in 2005-06; TK. 16969 crores in 2004-05 and TK. 15765 crores in 2003-04. So, the total deposit increased to TK. 28650 crores in 2006-07 as against TK. 2082 crores in 1995-96. The growth trend of deposits of NCBs is 4.17%, PCBs is 10.20%, FCBs is 8.40% and IBBs is 24.97 in the year 2006-07. The IBBs deposit growth rate is 90.67 % in the study period.

Investment and advances of IBBs demonstrated steady growth over the years. The investment of IBBs was TK. 2005 crores in 1995-96. It stood TK. 26540 crores in the year 2006-07. The increased of growth rate of IBBs of advance and investment is 92% in 2006-07 as compared to 1995-96. At the same time, the growth rate of advance and investment of NCBs were 7.44%; PCBs - 19.57% and FCBs - 9.89%. The above picture shows the increasing trends of deposits, advances and investments of IBBs. The IBBs envisage bringing in phases all sectors of our economy and all types of economic activities within the fold of its investment operation. The investments of IBBs in industrial sector are also substantial. In the commercial sector their investment were the highest (63.4%) compared to NCBs and other PCBs and FCBs (Bangladesh Bank, 2006:49).

Total assets and total income and income from assets also an indicator of measurement of banking business growth. The total assets of IBBs were TK. 2646.2 crores in 1995-96 and it stood TK. 25858.9 crores in 2006-07 (Table 1.1). So, the total assets are registering a rise 90% over the period of eleven years (1995-95 to 2006-07). The rate of growth of total assets for IBBs was 8.76% but NCBs was 4.96% which more than 2.09 times higher rate. But the growth of total assets of PCBs was 25.16% and FCBs was 17.9% respectively. Table 1.1 shows the increasing trends of total income and income from assets of IBBs which quite satisfactory than that of NCBs.

ii) Management Soundness and Operational productivity: Sound management is the most important pre-requisite for the strength and growth of any financial institution. Since indicators of management quality are primarily specific to individual institution, these cannot be easily aggregated across the sector. In addition, it is difficult to draw any conclusion regarding management soundness on the basis of monetary indicators, as characteristics of a good management are rather qualitative in nature. Nevertheless, operating expenses to total expenses, earnings per employee, and profit per branch are generally used to gauge management soundness.

Operational productivity is a measure of overall performance as well as the growth trends of banks. It is calculated as a ratio of total expenditure to the total income of banks for a given period. Relatively high expenditure and its increasing trends against the income, low profitability and negative growth trends indicate operational inefficiency resulting from inefficient management. Table 1.1 shows that the IBBs' operational productivity income ratio was comparatively better than those of NCBs, PCBs and FCBs. This ratio was highest (98.68%) in 1995-96. The scenario improved in the next years and declined gradually. In 2006-07 the productivity ratio of IBBs was 78.6%. Table 1.2 shows the comparative AVG, SD, CV, AGR, EGR, AAGR, Maximum level and Minimum level of total income and expenditure of all commercial banks. The IBBs average of total income was 796; SD - 474; CV - 59.71 AGR - 32.56 EGR - .38, AAGR - 39.52, and the average of total expenditure was 682, SD -424; CV - 62.24, AGR -59.95, EGR -.37, AAGR -39.15. The operational productivity had steady positive trends of IBBs compared to NCBs and PCBs. Employee productivity and profit per branch also indicated significant than that of PCBs and NCBs. The manpower productivity of IBBs had an upward trends and profit per employee was Tk. 0.32 crores in 2006-07. The profit per branch measure four categories of banks varies very widely. The ratios of NCBs shows that the situation were very volatile in the year 1998,1999, 2000,2005,2006 and 2007. In the year 2006-07 per branch profit of NCBs

was (Tk.0.35 crores), PCBs was Tk. 0.53 crores and FCBs was Tk. 9.79 crores and IBBs was Tk.2.62 crores. Thus, FCBs appeared to be best managed followed by PCBs and IBBs. The NCBs generally show the poor management, although some progress appears to have made in recent years. But the income is much higher than the expenditure of FCBs which reflected their profit seeker character.

iii) Earnings and Profitability: Strong earnings and profitability profile of the banks reflect its ability to support present and future operations. More specifically, this determines the capacity to absorb losses by building an adequate capital base, finance its expansion and pay adequate dividends to its shareholders. Profitability is the profit earning capacity of a product, process, plant or an undertaking. An important criterion of efficiency is profitability. This needs to be considered in relation to the growth of deposits, advances, capital funds etc. Although there are various measures of earning and profitability, the best and widely used indicator is return on assets (ROA), which is supplemented by return on equity (ROE) and net interest margin (NIM).

Earnings as measured by return on assets (ROA) and return on equity (ROE) vary largely within the industry. Table 1.1 shows ROA and ROE by types of banks shows the aggregate position of these two indicators for all banks. Analysis of these indicators reveals that the ROA of the NCBs have been negative and PCBs had an inconsistent trend but satisfactory and FCBs' return on assets ratio consistently declined from 4.7 percent in 1998 to 3.1 percent in 2007. IBBs had positive trends of profitability from the year 1995-95 to 2006-07. The highest profit was Tk.735 crores in year 2006-07. But NCBs had negative trends of profitability in 1998 and 1999 amounting Tk. 5.9 crores and 16.7 crores respectively. After 1999-2000 it showed positive profitability trends up to 2003 after that it showed negative trends of profitability. The profits in relation to the number of branches, employees, assets and capital of IBBs were significant in the study period. Among the three categories of the banks the profit performance of NCBs became poor. On the other hand, PCBs and FCBs were higher profitability trends. The net profit-capital ratio (ROC), net profit-asset ratio (ROE) remained always favorable in the study period. Table 1.2 presented the comparative positions and growth trends of net profit of all types of banks. The Average profit of IBBs was 232, SD - 30.7, CV - 37.39, AGR - 56.07, EGR - .27, AAGR - 18.62, Maximum level - 221 and Minimum level - 2.0 of IBBs.

Among the four categories of the banks the profitability and earning performance of NCBs become poor. Because of their poor paid-up capital, net profit-capital ratio (ROC), net profit-asset ratio (ROE) remained always low in the study period. Earning and profitability also indicated very insignificant compared to PCBs and FCBs. This trend depicts in the case of IBBs that the utilization of funds have been made with augmented efficiency and from then on a steady increase proves that the efficiency earlier achieved which has now to be continued. The profitability at this level is considered to be quite satisfactory under present economic context.

iv) Social Profitability: The expansion of bank branches and increased manpower are the indicator of progress. Table 1.2 shows the increasing trend of manpower of the IBBs. The number of employee was 2754 in 1995-96 and stood 7064 in 2006-07. It shows the comparative position of manpower IBBs with NCBs, PCBs and FCBs. The average Total manpower of IBBs was 4072, SD - 1756, CV - 43.12, AGR - 106.7, EGR - .38, AAGR - 15.72, Maximum level -7064 and Minimum level -1166 of IBBs. Table

1.1 and 1.2 shows the increasing trends of branches of the IBBs. The number of branches was 138 in 1995-96 and stood 351 in 2006-07. The growth rate of number of branches was 97.89% in 1995-96 compared to 2006-07. The increasing trends of number of branches and profit per branch of IBBs have been much healthier than other commercial banks.

v) Liquidity: The Statutory Liquidity Requirement (SLR) for the IBBs is fixed at 10% since its inception. This has remained unchanged till date while SLR for NCBs, PCBs and FCBs have been changed several times which presently is fixed at 18%. The low requirement of SLR for IBBs is due to the non-holding of interest bearing types of eligible securities. Presence of excess liquidity is reported in nearly all Islamic Banks. Excess liquidity of IBBs stood TK 19.27%, 19.05% of PCBs and 8.19% of all banks which originated due mainly to the non-responsiveness of the good borrowers for investment demand and absence of adequate interest free financial instruments and an organized Islamic money market in the country as well (Bangladesh Bank, 2006:39). This situation of constant surplus of liquidity warrants creation of effective demand for credit at lower costs.

1.8. Findings : It is very clear from the above analysis that IBBs have been able to force its way through the interest based banking environment in a dynamic way and have set its root permanently. The growth of IBBs is progressing in day by day. The remember able shifting or conversion of the conventional banks and their branches into the Islamic lines, signals high acceptance of the interest-free banking by the public in general (Bangladesh Bank, 2006:39). This sector continued to show strong growth since its inception to now in tandem with the growth in the economy, as reflected by the increased market share of IBBs in terms of mobilize in paid up capital, reserve, total assets, deposits, financing and investment in such rate during this period that the NCBs and PCBs interest based bank could come nowhere near to it. In terms of amount of taka it also stood much higher than the other commercial banks showing a clear sign that financial market has been moving in favor of IBBs. This has further substantiated by the fact that the number of branches and number of employees both have increased, in relative and absolute terms, in IBBs than NCBs and PCBs. Public sector growth has been almost static though it has got a large amount of deposits, investment and foreign exchange than the private and Islamic banking sector. In addition, profitability growth rate of IBBs over the period have been fascinating in comparison with NCBs. The growth rate of IBBs in this item has been 4.22 times more than the rate of growth in NCBs. (Annual Report of Bangladesh Bank, 2005-06:39). FCBs are enjoying certain distinct facilities mainly its branch network is limited only developed areas and its coverage of clients are also different from other commercial banks. So, FCBs not only make higher profits, but it also maintain capital adequacy ratio, adequate provisioning, asset quality and management soundness which far better than those of local banks. The growth rates of total assets of IBBs have been 8.76% times more than the NCBs which have been only 2.09 times. This clearly shows that the performance of a bank established to run under Islamic principles has far exceeded the performance of a interest based bank—having almost the same financial and physical support in the common business environment for the both banking systems in Bangladesh. Public sector performance, though voluminous in Bangladesh, is generally inefficient (Hasan and Jalil 1995). Number of branches and number of employees clearly indicate operating efficiency

and better utilization of personnel in IBBs. The role of IBBs in the welfare oriented investment is loudable. Since their inception the IBBs have been working for the upliftment and emancipation of the under-privileged, downtrodden and neglected sections of the population and have taken up various schemes for their well being. The objectives of these schemes have been to raise the standard of living of low income groups, development of human resource and creation of avenues for self-employment. These schemes were (a) Small Transport Investment, (b) Doctors Investment Scheme, (c) Small Business Investment Scheme, (d) Agriculture Implement Investment Scheme, (e) Poultry Investment Scheme, (f) Household Durables Investment, (g) Housing Investment Scheme, (h) Education Scheme. Above analysis indicates the comparative overall performance of IBBs with other commercial banks regard to total income, total expenditure, net profit, number of branches and employees much better. The growth trends of IBBs in the economic development of Bangladesh are increasing.

1.9. Problems for the Growth of IBBs: There are certain general as well as specific problems of IBBs in their growth. The specific nature problems which faced by the IBBs from time to time are: conceptual problem, ideological problem, problem due to partial Islamic country, problem of late starting, structural problem, problem relating to transaction with central bank, problem relating to inter-banking transactions, problem of deposit mobilization, problem relating to loan operations, problem relating to recovery, problem relating to investment, lack of legal Islamic framework, problem relating to fund mobilization, problems in international transaction, problem in foreign currency transactions, liquidity surplus problem, lack of research findings, lack of supportive institutions, fiscal problem relating to accounting system, problem of lending to Government, and personal problem (Khan 1991). There are also a number of common problems faced by IBBs along with other interest based banks in the country. These are: problem relating to deposit mobilization, problem relating to excess of liquidity, problem relating to project identification, problem relating to reserve, lack of reliable data for appraisals of potential projects, narrow investment avenues, shortage of supply of investors, inappropriate and inadequate security of loan, problem relating to recovery, problem relating to litigation, central bank's outlook, ruinous competition, unorganized money and capital markets, problem relating to supervision, problem relating to inflation, inaccessibility to rural areas, problem relating to expansion of branches, problem relating to borrowings, problem relating to refinancing, problem relating to fraud, forgery and corruption, high rate of taxation, lack of dependable law and order situation, poor infrastructure development, problem of viability of investment proposals, lack of adequate number of motivated personnel (Khan 1991).

Problems we have mentioned above, however, do not reduce the chance of IBBs' growth in Bangladesh nor that of IBBs' playing an important role in the banking sector of our economy. It is desirable that the Islami Banks emphasize more on welfare oriented and community development objectives rather than profit (Islam, 1991). There is no instant or immediate solution to the problems the IBBs have been facing, but a continuous effort to overcome these with adequate support from concerned authorities might alleviate many of the problems.

1.10. Conclusion and Recommendations: Bangladesh is one of the largest Muslim populated countries in the world. The establishment of IBBs is the true

reflection of the inner urge of the people of Bangladesh. A good number of people in Bangladesh religiously committed to avoid interest. This commitment of Muslims helps in the growth and development of Islamic Banking System in Bangladesh. On the other hand, most of the interest based banks in Bangladesh are losing concerns and the IBBs are growing rapidly making profit every year and earned the reputation of having a leading position in the banking sector. The overall financial portrait of the IBBs for the ten year period under study shows that it could positively set its root in the financial arena of Bangladesh. The figures do not tell any story of their failure. The trend has been in favor of IBBs and the experience has been invaluable. Even then, to capture the leading position in the development process of Bangladesh under the continuing banking crises, the following recommendations are offered to the respective authorities of the IBBs for their considerations:

- ⇒ The IBBs should be minimize their expenditure head and make proper use of manpower and resource, it will be helpful for earning profit and in continuing growth;
- ⇒ The performances of the IBBs may be raised by better funds management and portfolio management, improving recycling of funds and developing other income earning business activities on the banks;
- ⇒ The innovation of new financial instruments which may help the mobilization of loan able funds and profitable developments of those funds;
- ⇒ For continuing the profitability and operational productivity of IBBs of strict discipline and accountability has to be established;
- ⇒ It is needed to be ensured that the maintenance of price stability, congenial external environment, favorable policy parameters which are some of the very crucial factors for improving the growth rate of the IBBs;
- ⇒ Social welfare activities of IBBs should be extended more and more;
- ⇒ Training and motivation should be extended for the purpose of imparting training to manpower of all level and conducting research programs;
- ⇒ Efforts have to be made for realizing bad, doubtful and stuck-up loans through rescheduling of repayment procedures, the use of business tactics and motivations.

APENDIX

Table.1.1. Comparative Performances of Commercial Banks (1995-96 to 2006-07)

(TK. In crores)

Year	Deposit	Advance & Investment	Net profit	Operational productivity	Net Profit to Total Income	Return on Assets (ROA)	Return on Equity (ROE)	Manpower productivity	Net Profit per Branch
NCBs									
1995-96	16470	32103	18	94.29	1.05	0.80	10.98	0.0003	0.004
1996-97	30407	28833	112	98.72	5.65	0.17	11.22	0.0017	0.031
1997-98	27181	29859	28	99.32	1.24	0.09	2.82	0.0004	0.0077
1998-99	45273	42705	16	99.76	0.62	(0.01)	1.68	0.0002	0.004
1999-00	49051	44122	-5	100.52	(0.17)	(0.03)	0.62	(0.000007)	(.0013)
2000-01	42586	29795	-16	99.38	(0.50)	0.04	1.74	(0.0002)	(0.004)
2001-02	46764	32772	24	99.01	0.64	0.06	2.56	0.0003	0.007
2002-03	50912	35586	38	98.46	0.97	0.10	2.39	0.0006	0.011
2003-04	52792	36168	19	91.4	0.51	0.08	4.21	0.0003	0.005
2004-05	57167	38108	68	89.12	1.63	(0.14)	3.00	0.001	0.019
2005-06	59551	40245	(1904)	92.14	(47.50)	(0.10)	(5.75)	(0.033)	(0.56)
2006-07	64361	76310	(1209)	78.87	(25.0)	(0.001)	(6.90)	(0.021)	(0.35)
PCBs									
1995-96	10854	8711	14	88.18	1.64	2.11	17.15	.0007	0.014
1996-97	11543	9952	56	82.99	5.93	2.30	35.12	0.002	0.052
1997-98	13492	11088	131	83.43	11.57	2.38	38.19	0.006	0.121
1998-99	14778	12200	144	85.92	10.18	2.10	39.57	0.005	0.128
1999-00	21379	13394	158	84.04	9.31	1.54	26.12	0.007	0.10
2000-01	19578	15371	178	75.34	8.50	2.34	54.04	0.007	0.11
2001-02	24410	19748	310	72.34	9.48	1.22	43.68	0.011	0.18
2002-03	29150	24112	514	78.27	11.89	0.75	20.94	0.018	0.28
2003-04	35684	28037	458	76.73	9.12	0.69	11.37	0.016	0.27
2004-05	42568	32895	475	71.84	8.87	1.24	19.53	0.014	0.29
2005-06	46912	37388	736	72.45	10.08	1.06	18.10	0.021	0.41
2006-07	81862	93430	954	72.20	10.45	1.07	15.19	0.025	0.53
FCBs									
1995-96	2379	2140	68	45.11	27.02	1.15	12.2	0.07	1.94
1996-97	2901	2671	90	54.27	24.38	1.48	11.1	0.09	2.36
1997-98	3232	3058	98	59.49	23.93	2.63	23.2	0.09	2.51
1998-99	3756	3245	134	55.77	45.47	1.76	25.1	0.12	4.46
1999-00	4098	3433	149	62.68	20.97	2.37	23.5	0.13	4.8
2000-01	5652	3502	149	56.64	2.32	2.32	16.9	0.11	4.38
2001-02	6130	3776	220	55.02	24.30	2.80	32.39	0.17	6.87
2002-03	6545	5092	259	53.75	21.09	2.36	21.47	0.17	7.40

2003-04	7895	6163	224	32.62	33.76	2.55	20.39	0.17	5.89
2004-05	8713	6905	276	40.26	44.50	3.19	22.47	0.20	6.90
2005-06	9445	7819	392	49.47	42.22	3.09	18.40	0.28	9.56
2006-07	11260	14820	470	38.7	43.55	2.17	21.53	0.27	9.79
IBBs									
1995-96	2082	2005	2	98.68	1.31	0.08	2.50	0.0007	0.014
1996-97	2403	2145	44	64.02	3.59	0.16	5.52	0.015	0.30
1997-98	3444	2181	37	81.13	1.29	0.09	3.77	0.011	0.19
1998-99	4472	2879	43	88.62	1.15	0.08	4.16	0.11	0.21
1999-00	4687	4344	80	85.84	1.42	0.05	7.33	0.018	0.37
2000-01	5947	5432	101	85.16	1.49	0.06	9.24	0.021	0.48
2001-02	7998	7318	121	69.43	2.83	0.13	8.56	0.023	0.56
2002-03	10756	9204	142	89.42	1.06	0.10	4.13	0.026	0.56
2003-04	15765	13731	178	89.39	1.18	0.10	3.98	0.026	0.68
2004-05	16969	15641	222	76.76	2.33	0.12	4.89	0.075	0.86
2005-06	21495	20442	351	79.05	10.00	0.77	14.87	0.21	1.13
2006-07	28650	26540	735	78.56	16.70	1.14	12.45	0.32	2.22

Source: *Economic Trends*, 2005-2006, Bangladesh Bank & Annual Reports of IBBs, 1995 to 2006-07.

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Table-1.2: Comparative growth Trends of all Commercial Banks of Bangladesh during 19993-2007.

Period	Total Income(Taka in crore)						Total Exp. (Taka in crore)						Net Profit (Taka in crore)						Total Manpower					
	NCBs	PCBs	FCBs	IBBS	NCBs	PCBs	FCBs	IBBS	NCBs	PCBs	FCBs	IBBS	NCBs	PCBs	FCBs	IBBS	NCBs	PCBs	FCBs	IBBS				
1995-96	1702	852	242	131	1863	801	106	122	18	14	68	2	63804	18749	888	1612	63803	20083	966	3444				
1996-97	1982	943	335	152	1869	831	151	150	112	56	90	44	63803	20083	966	3444	63803	20083	966	3444				
1997-98	2249	1132	408	122	2220	939	221	703	28	131	98	37	63721	21140	1016	3818	63721	21140	1016	3818				
1998-99	2574	1414	564	287	2556	1180	335	250	16	144	134	43	62723	22194	1125	4303	62723	22194	1125	4303				
1999-00	2815	1696	585	374	2808	1457	326	331	-5	158	149	80	63583	22893	1262	4744	63583	22893	1262	4744				
2000-01	3161	2094	713	563	3164	1760	447	484	-16	178	149	101	62419	24281	1311	5143	62419	24281	1311	5143				
2001-02	3726	3267	967	680	3532	2462	548	579	24	310	220	121	62091	25975	1280	5726	62091	25975	1280	5726				
2002-03	3878	4321	1068	427	3735	3126	588	296	38	514	259	142	61325	28068	1588	6121	61325	28068	1588	6121				
2003-04	3665	5021	1061	1331	3420	3930	570	1190	19	458	224	178	60169	28336	1305	7041	60169	28336	1305	7041				
2004-05	4165	5921	772	1674	3860	4543	232	1596	68	475	276	222	58629	32576	1409	7126	58629	32576	1409	7126				
2005-06	4008	7305	1294	1544	3693	5293	610	1359	(1904)	736	392	351	57588	34786	1394	7420	57588	34786	1394	7420				
2006-07	4836	9140	1367	1479	3814	6599	529	1236	(1209)	954	470	735	56417	36715	1713	12109	56417	36715	1713	12109				
AVG	3369	3841	830	794	3152	2920	419	682	-257.1	374	224	230	61134	27004	1306	5248	61134	27004	1306	5248				
SD	884	2750	3468	474	691	194	168	424	662	284	120	440	2588	56531	2231570			2588	56531	2231570				
CV	26.2	71.58	41.75	59.71	21.92	66.63	40.21	62.24	-257.47	7.85	5.8	191.3	4.23	20.93	1729.9			4.23	20.93	1729.9				
Max. lev	4836	9140	1367	1574	3860	6599	640	1247	112	954	470	1545	63804	36715	1713	12109	63804	36715	1713	12109				
Min. Lev	1982	9438	3356	122	1869	831	151	783	-1904.7	56	907	20	58417	18794	966	1612	58417	18794	966	1612				
ACGR	37.25	25.53	23.49	32.56	42.56	23.56	26.08	51.90	-41.97	18.50	32.8	21.65	10.9	55.9	59.749.9			10.9	55.9	59.749.9				
EGR	0.59	0.60	0.51	0.38	0.59	0.59	0.47	0.50	00	0.47	0.44	0.29	0.62	0.58	0.41	0.49	0.62	0.58	0.41	0.49				
AMGR	9.65	25.91	17.67	39.5	7.72	23.21	23.98	54.18	-299.42	38.19	19.2	91.57	-1.21	6.27	6.58	10.2	-1.21	6.27	6.58	10.2				

Source: Economic Trends, 2005-2006, Bangladesh Bank & Annual Reports of IBBS, 1995 to 2006-07.

MICRO-LEVEL IMPACT OF REMITTANCES IN BANGLADESH

Mohd. Abdus Salam*

Abstract : Migrants incur their migration cost mainly from informal sources. Bangladeshis are deployed in various occupations at the destination country. Old migrants try to take their relatives and friends to the host country or help them to migrate any other country. Migrants' monthly income varies from country to country, for differences of skill and education. Migrants of rural areas earn less so they remit less. Migrants' income contributes the major portion of their family income. Major portion of remittances are used in unproductive purposes such as purchase of land, construction of dwelling units, social ceremonies, buying luxury goods and the like. Use of remittances in productive purpose is very negligible. Remittances exert positive impact on improvement of the education of migrants' children and his family members though sometimes negative impact are also seen. It (remittances) plays vital role in the empowerment of women, social mobility, social empowerment and internal migration. Remittances exert both positive and negative effects but its positive effects are more prominent.

Introduction

Huge amount of remittances that earned by the expatriate Bangladeshis, significantly contribute at national level and eventually at house hold level of our country. Macro level impact of remittances had been assessed by different studies (IOM (2000), El-sakka & McNabb (1999), Gunatilleke (1998), Ananta and 3 others (1998), Rahman (1996), Mahmood (1993), Looney (1990), Mahmud (1989) etc.). Nevertheless, little effort has so far been initiated to determine the grass-root level impacts of it. Actually, remittances exert multi-farious impact on various sectors of our society and economy as well. In the present study, an attempt has been made to identify the different socio-economic impacts of remittances at micro level. The indicators which have been used to assess the economic impact are: income generation, saving and investment pattern, employment creation, asset lost and gained due to remittance earning, loan borrowed and repayment system etc. To investigate social impacts, education of the migrants' children and family members, empowerment of the women of the migrants' family, social mobility etc. It is mentionable here that the study was conducted on three districts, namely-Noakhali, Sylhet and Kushtia. Noakhali and Sylhet were categorised as high migrated area where as Kushtia as low migrated area.

Economic Impact

Economic impact of remittances is very significant. Actually, it starts from preparatory stage of migration. Because every migrant has to spend lot of money to go to abroad spending either from own savings or borrow from his relatives and/or friend. However, remittance increases personal disposable income of migrants. At the same time expenditures, savings and investment at household levels are largely influenced by the remittances.

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Cost of Migration: From the field survey, it is experienced that the cost of migration varied substantially among the three areas as well as within the district in urban and rural areas. The cost of migration has been presented in the Table-1. It divulges from the table that average cost of migration from Kushtia is comparatively higher.

Table-1: Cost of Migration (Taka)

Area	No. of Migrant		Average Cost		Lowest Cost		Highest Cost		District Average
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	
Noakhali	46	24	92,230	93,620	1,000	10,000	3,10,000	2,50,000	92,904
Sylhet	46	24	93,970	95,140	2,000	40,000	2,70,000	2,75,000	94,371
Kushtia	46	24	95,400	96,000	60,000	65,000	2,00,000	2,15,000	95,606

Source: Field Survey (2002-2003).

There are mainly two reasons for difference in average cost of migration between the study areas firstly, due to the difference in destination countries and secondly, due to the operation of social network. Noakhali and Sylhet are old migrant producing areas and hence a large number of migrants of these areas had gone earlier and are still going to Middle East countries by procuring their visas through friends and relatives, whereas migrants from Kushtia mainly obtained visa through recruiting agents via middleman, that led to an increase in costs. People from Noakhali and Sylhet have also migrated to Singapore, South Korea, USA and Italy. Therefore, the average cost of migration in these districts is not as low as expected. It is needless to say that the cost of migration to the countries like, Italy is much higher than Middle East countries.

Sources of Cost for Migration: When a person takes decision to go abroad he tries to collect the fund by hook or crook. Table-2 shows that the migrants realize fund from diversified sources.

Table-2: Sources of Cost for Migration (Percentage)

Area	Noakhali		Sylhet		Kushtia		Total		Grand Total
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	
Own saving	15.23	7.99	13.33	9.02	14.43	10.13	15.33	9.75	13.05
Family member	16.75	9.54	22.55	12.67	17.73	8.45	19.54	11.22	16.39
Relatives & Friends (Without interest)	22.54	15.43	24.41	19.44	11.35	9.58	20.43	15.87	19.99
Relative & Friends (With interest)	15.12	12.37	11.09	6.11	7.43	5.20	11.81	7.61	10.21
Informal money lender (With interest)	5.06	5.67	4.13	1.28	7.22	6.74	4.31	4.07	3.28
Loan from Bank	1.09	-	1.57	-	2.34	2.02	1.42	0.27	0.53
Loan from middle men	-	-	-	-	3.57	5.26	0.84	1.99	0.93
Sale of land	9.85	25.07	6.31	27.21	6.98	28.82	7.41	28.13	18.88
Land mortgage	2.11	9.45	-	8.52	1.56	8.41	1.02	8.69	4.06
Sale of Gold / Savings certificate	7.67	4.39	6.87	5.52	8.99	3.31	7.36	3.71	5.13
Sale of House / shop	4.54	1.12	6.39	1.05	12.13	1.06	7.19	0.88	3.72
Sale of property - cattle trees etc.	1.13	5.33	1.05	7.20	2.24	4.77	1.22	5.27	2.43
Dowry	-	-	-	-	1.55	3.26	0.27	0.98	0.19
Others	0.91	3.64	2.30	1.98	2.48	1.99	1.45	2.26	1.21
Total	100	100	100	100	100	100	100	100	100

Source: Field Survey (2002-2003).

It is observed from the table that highest amount of cost for migration was incurred from relatives and friends of the migrants. Land sale was the second highest source of migration cost, although, it was the source of procuring migration cost in rural areas. Borrowing from family members and own savings also constitute significant portion to cover up migration cost. Borrowing from informal moneylenders, bank loan, loan from middleman, sale of moveable and immovable properties have mentionable role in financing migration.

Employment Generation: The most of immediate economic impact of migration on the migrants can be understood by their employment pattern. Table-3 shows the employment situation of the migrants before migration.

Table-3: Occupation of Migrants before Migration

Occupation	Noakhali		Sylhet		Kushtia		Total		Grand Total
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	
Govt. Service	1	0	2	0	1	0	4(2.90)	0(00)	4(1.90)
Private Service	4	2	3	1	5	1	12(8.70)	4(5.56)	16(7.62)
Business	2	3	4	4	3	4	9(6.52)	11(15.28)	20(9.52)
Agricultural labourer	0	7	0	5	0	5	0(00)	17(23.61)	17(8.10)
Construction worker	6	0	7	1	5	2	18(13.04)	3(4.17)	21(10.00)
Agriculture Farming	0	4	0	5	0	5	0(00)	14(19.44)	14(6.67)
Student	11	2	10	1	9	3	30(21.74)	6(8.33)	36(17.14)
Unemployed	14	3	15	4	16	4	45(32.61)	11(15.28)	56(26.67)
Welding mechanic	5	1	3	2	2	0	10(7.25)	3(4.17)	13(6.19)
Driver	2	1	2	1	3	0	7(5.07)	2(2.78)	9(4.29)
Others	1	1	0	0	1	0	3(2.17)	1(1.38)	4(1.90)
Total	46	24	46	24	46	24	138(100)	72(100)	210(100)

Source: Field Survey (2002-2003).

Note : Figures in the parentheses indicate percentage.

Above table reveals that significant number (56 i.e. 27%) were totally unemployed. Due to migration, these people become employee. Again, 17% of the migrants were student before migration. They may also be treated as unemployed. Moreover, remarkable number of employed persons was underemployed before migration. So, it may be opined that minimum 44% (27% + 17%) employment generation took place due to international migration.

Income Generation: There have been major differences in the average monthly income in various destinations of the migrants. Even within a country due to the difference of occupation and skills monthly income varies significantly.

Monthly income in Japan, Singapore, and South Korea is higher in comparison to Middle East and Malaysia. Again, within those countries the monthly income of a skilled worker is much higher than an unskilled worker. Table-4 shows monthly income of remittances sending persons abroad.

Table-4: Monthly Income of Migrants Abroad (Taka)*

Area and Nature of Migrant		Average		Lowest		Highest		District Average
		Urban	Rural	Urban	Rural	Urban	Rural	
Noakhali	CM	15,200	13,400	4,000	3,500	80,000	90,000	14,600
	RM	20,700	16,500	15,000	14,000	1,05,000	91,000	19,300
Sylhet	CM	16,300	13,700	4,500	4,000	77,000	75,000	15,433
	RM	19,900	16,400	14,000	14,500	1,00,000	91,000	18,733
Kushtia	CM	13,700	10,500	3,500	3,000	50,000	48,000	12,633
	RM	19,100	16,800	13,500	13,900	90,000	85,000	18,333

Field Survey (2002-2003).

Note : CM= Current Migrant, RM= Returned Migrant

Note : *Calculated on the basis of exchange rate at January 2003.

It is observed from the table that the income of returned migrants was higher than current migrants. This may be due to deterioration of service condition and salaries abroad in recent years. Again, the average monthly income of the migrants of urban area was higher than that of rural area.

Table-5 indicates monthly income of the remittance senders according to their skills.

Table-5: Monthly Income Abroad according to Skillness (Taka)

Occupation	Average	Lowest	Highest
Skilled worker	35,000	25,000	1,10,000
Semiskilled worker	28,000	20,500	45,000
Unskilled worker	5,500	3,000	15,000
Business	22,000	10,000	50,000
Salaried Employee	14,500	8,000	20,000

Source: Field Survey (2002-2003).

It reveals from the above table that monthly income of skilled worker was much more higher than unskilled worker. Even the highest monthly income of an unskilled worker was lower than the minimum monthly income of a skilled worker. Monthly income of semi-skilled worker, businessmen and salaried employee were more or less at the satisfactory level.

The importance of migrants' remittances can better be understood by drawing a comparison between incomes in home and abroad.

Table-6: Migrants' income as Percentage of Family Income before and after migration

Family Income	Before Migration		After Migration	
	No.	%	No.	%
0	85	47.22	0	0
1 - 20%	27	15.00	28	15.55
21 - 40%	20	11.11	30	16.67
41 - 60%	27	15.00	39	21.67
61 - 80%	15	8.33	27	15.00
81 - 100%	6	3.34	56	31.11
Total	180	100	180	100

Source: Field Survey (2002-2003).

Table-6 shows that before migration 47.22% of the migrant contributed nothing to the family income, as they were unemployed and/or student. Only 3.34% of the migrant could furnish 81 - 100% of the family income. After migration, the situation changed drastically. Above table reveals that 31.11% of the migrants contributed 81-100% of the family income after migration compared to 3.34% of before migration. Those who contributed nothing in the family income before migration, after migration their percentage disappeared. That means, after migration everybody have at least some contribution to their family income.

Multi-purpose Use of Remittances: Remittances that earned by the migrants abroad are used for multifarious purposes at the household level. Field study reveals that bulk of the remittance money is used in daily expenditure for food and clothing. Another big segment goes into house construction/repair. Table-7 shows sector wise use of remittances in value terms by 180 respondents' families (current and returned migrant) under the present study.

Table-7: Use of Remittances

Sectors	Noakhali		Sylhet		Kushtia		Total	
	Amount (TK.)	%	Amount (TK.)	%	Amount (TK.)	%	Amount (TK.)	%
Food and Clothing	16149083	25.22	14851389	24.66	11656865	30.31	42657337	26.22
Home Construction/Repair	10085173	15.75	10364656	17.21	7814830	20.32	28264659	17.35
Land Purchase (Village)	1504772	2.35	2023547	3.36	849940	2.21	4378259	2.69
Land Purchase (Town)	2087471	3.26	1716401	2.85	761484	1.98	4565356	2.81
Release of Mortgaged Land	480246	0.75	379415	0.63	334592	0.87	1194253	0.73
Repayment of Loan	3745921	5.85	2643860	4.39	3172852	8.25	9562633	5.88
Education of Children and Family Members	2049051	3.20	2137974	3.55	1088384	2.83	5275409	3.24
Medical Treatment	1312673	2.05	1668222	2.77	596112	1.55	3577007	2.20
Investment in Business	4559138	7.12	3023276	5.02	1949862	5.07	9532276	5.86
Savings/Fixed Deposit	3521806	5.50	2077749	3.45	1119151	2.91	6718706	4.13
Gift/Donation to Relatives	1075752	1.68	1138245	1.89	223061*	0.58	2437058	1.50
Sending Relative For Pilgrimage /Umrah	806814	1.26	855189	1.42	253828	0.66	1915831	1.18
Sending Family member abroad	3041560	4.75	2143996	3.56	1280678	3.33	6466234	3.97
Purchase of Furniture	1415126	2.21	1270739	2.11	711488	1.85	3397353	2.09
Social Ceremonies	5359549	8.37	5450327	9.05	2476747	6.44	13286623	8.17
Community Dev. Activities	755588	1.18	1752536	2.91	265366	0.69	2773490	1.71
Purchase of TV, VCR, VCP, Freeze	1991421	3.11	2137974	3.55	1434514	3.73	5563909	3.42
Purchase of Vehicle	608312	0.95	1180402	1.96	511502	1.33	2300216	1.41
Purchase of Machine/Tools	441826	0.69	831100	1.38	457660	1.19	1730586	1.06
Land Cultivation	589102	0.92	343280	0.57	238445	0.62	1170827	0.72
Loan to Others	499456	0.78	162606	0.20	57688	0.15	719750	0.44
Religious Institutions	1613628	2.52	1656177	2.75	1026850	2.67	4296655	2.64
Others	339374	0.53	415550	0.69	176911	0.46	931835	0.58
Total	6,40,32,842	100	6,02,24,612	100	3,84,58,810	100	16,27,16,264	100

Source: Field Survey (2002-2003).

The sectors of remittance utilisation are for food and clothing, home construction or repair, land purchase in rural and urban areas, leased in mortgaged land, repayment of loan, education of children and family members, Medicare, investment in business, savings/ fixed deposit, gift/donation to relatives, sending relatives for pilgrimage, sending family members abroad, purchase of furniture, social ceremonies, community development activities, purchase of TV, VCR, VCP, Freeze etc., purchase of vehicle, purchase of machine/tools, land cultivation, lending money to others, donation to religious institutions and others. The word 'other' includes payment of speed money, expenses for litigation, misappropriation of remittances by hundi operators or relatives. It is observed from the table that 26.22% of remittances was used by families in food and clothing. Home construction/repair also consumed a large portion of remittances

(17.35%), 8.17% of remittances were used for social ceremonies. Repayment of loan, education of children/family members of migrants, sending family members abroad, and purchase of luxury goods, such as, TV, VCR, VCP, freeze etc. accounted for significant proportion of remittances. For investment in business only 5.86% of remittances were used.

Dwelling Unit before and after Migration: It is seen from the table that a large portion of remittances (17.35%) was used in home construction and repair. Table-8 presents nature of house owned by the migrant families before and after migration (at present).

Table-8: Nature of House before Migration and at Present

Type	Noakhali		Sylhet		Kushtia		Total	
	B.M	At present	B.M	At present	B.M	At present	B.M	At present
Pucca	6	10	7	9	5	10	18	29
Semi-Pucca	11	17	12	18	10	16	33	51
Semi-Katcha	35	30	34	29	36	29	105	88
Katcha	8	3	7	4	9	5	24	12
Total	60	60	60	60	60	60	180	180

Source: Field Survey (2002-2003).

Note: BM= Before Migration

The table shows upward trend of the house regarding structure. Before migration 24 migrants used to live in katcha houses, currently only 12 live in them. 105 used to live in semi-katcha houses, at present 88 live in similar houses. 33 used to live in semi-pucca houses, now 51 live in them. Before migration 18 used to live in pucca houses, now the number has increased to 29. It is important to note that in many cases although the types of homestead remain the same, but they have repaired sufficiently.

Land Holding before and after Migration: Use of remittances in housing or land purchase is considered as unproductive since it does not add value to the country's productive capacity and also results in inflation. But if considered from migrants' point of view that given the lack of viable avenues of investment, law and order situation and concomitant pressure from the extortionists, land and housing still constitute the safest avenue for remittances utilisation. Arable land immediately provides economic return through crop production and value of both arable and homestead land increases over time. Use of remittances in releasing mortgaged land is also quite important in the rural context as it re-establishes the right of the person to cultivate the land. It also adds to the social esteem of the family concerned. Construction of house is not also seen by early studies as productive venture. This is because such an investment is generally seen as improved economic status rather than avenue of economic activity. However, home construction may be seen as durable asset, which does have exchange value. Some UK based Bangladeshi expatriates of Sylhet district investing large amount in real estate business in Dhaka and Sylhet. Investment in house can also be treated having potential for migrant workers as it can be used as collateral if any one wants to borrow for investment from bank. Table-9 depicts land size before and after migration.

Table-9: Average Land Holding before and after Migration (in acre)

Area	Cultivable		Homestead	
	Before	After	Before	After
Noakhali	1.35	1.27	0.09	0.13
Sylhet	1.01	1.14	0.18	0.25
Kushtia	1.47	1.65	0.13	0.19

Source: Field Survey (2002-2003).

The table exhibits that some changes have occurred in landholding pattern of the remittances receiving households. In Noakhali there has been reduction in ownership

in arable land, while in Sylhet and Kushtia it has increased. With regard to homestead land there has been an increase in both the three study areas.

Repayment of Loan: International migration involves huge cost and it was seen earlier that a significant portion of these cost was borne through borrowing. Therefore, the first thing the migrant families do when remittance starts flowing in, is to pay off the debts. Table-11 shows that 5.88% of total remittances went into repayment of loan. From the above table it is also evident that 5.85% and 4.39% of total remittances were spent in this purpose by the families of Noakhali and Sylhet respectively, where as the families from Kushtia spent 8.25% of their total remittance for the same reason. This was because the average stay abroad of the migrants of Noakhali and Sylhet was longer than the migrants of Kushtia.

Table-10: Repayment of Loan Incurred for Migration

Area	Fully Paid	Partially Paid	Not Paid	Not Applicable	Total
Noakhali	19	14	10	17	60
Sylhet	21	13	7	19	60
Kushtia	11	24	14	11	60
Total	51	51	31	47	180

Source: Field Survey (2002-2003).

Table-10 shows that 28.33% (51) of the families paid back the total loan taken for migration, another 28.33% partially paid and 17.22% (31) could not repay their loans at all. Rest 26.11% (47) did not take any loan for migration.

Investment in Business: Sectors of investment have been shown in Table-11. It is observed from the table that only 5.86% of total remittance was invested in business by 67 persons (37.22%). Of them, 29 from Noakhali, 23 from Sylhet and only 15 from Kushtia.

Table-11: Sectors of Business Investment

Sectors	Noakhali	Sylhet	Kushtia	Total
Stationary Shops	5	3	1	9
Super Market	1	1	-	2
Phone-Fax	3	2	1	6
Hotel	6	5	-	11
Tailoring	2	1	1	4
Irrigation Scheme	-	-	2	2
Stock Business	4	3	2	9
Poultry Farm	3	3	2	8
Fish Farm	2	1	2	5
Saw Mill	1	1	1	3
Hardware Shop	1	-	1	2
Bus/Truck	1	1	1	3
Handloom Factory	-	-	1	1
Others	-	2	-	2
Total	29	23	15	67

Source: Field Survey (2002-2003).

It is observed that out of 67 persons, majority people (16.42%) were engaged in hotel business, stationery shop (9) attained the second position. Poultry farm, construction of super market, phone-fax shop, tailoring, irrigation scheme, fish farm, saw mill, hardware shop, bus/truck business and handloom factory are mentionable sectors where the remittances money were invested.

Savings: In the study areas the amount of savings was very low. It was only 4.13% of the total remittances. Major amount of savings were kept in banks, a small amount made fixed deposits and still a minimum used by taking insurance policies.

Social Ceremonies: A sizeable portion of remittance (8.17%) has been used in social ceremonies, such as wedding, Eid, circumcision, naming and birthday of children and death ceremony of family members. Among these the highest portion

has been spent in wedding of family members of the remittances senders. Migrants spent a lot of money in their own weddings also. Dowry was paid when their sisters and daughters were married off. Slaughtering cow and goat and new dresses for kids and relatives during Eid are other avenues of spending. Circumcision of sons, naming and birthday of children and death ceremony of family members are the mentionable occasions, where the remittances are spent. The people of all the three areas considered that social status of the family is associated with those occasions, so they observed them as gorgeously as possible.

Financing Migration of Other Family Member: A remarkable portion of total remittances (3.97%) has gone to financing migration of other family members to abroad. Respondents treated it as a very important investment for further enhancing the family income.

Purchase of Luxury Goods: Apart from the baggage rule carrying, the migrants' families purchase TV, VCR, VCP, Freeze etc. from the domestic market. They spend a substantial portion of remittances (3.42%) for this purpose.

Education of Children and Other Family Members: Majority of the migrants' family stays at home. A significant portion of remittances (3.24%) is also used to educate the children, sisters and brothers of the migrants.

Community Development Activities: A small amount of remittances (1.71%) was contributed to community development activities, such as - school, college, madrasa, hospital etc.

Other Activities: Others activities include medical treatment of family members, gift/donation to relatives, sending relatives for pilgrimage/umrah, purchase of furniture, purchase of vehicle, purchase of machine/tools, land cultivation, donation for religious institutions and festivals, misappropriation, speed money, court settlement etc.

Social Impacts

Like economic impact, international migration has some social bearings too and those are worth mentionable. Prolonged and recurrent absence of migrants from their families affects the children and wife, elderly parents and brothers and sisters of their households. The society, the migrants left behind is also affected. In this section an attempt has been made to identify the social tradeoffs and gains of migration both on migrants, their family members and the society they left behind.

Impact on Children: It is natural that the absence of migrants (father of the children) may have some consequences on their children. Children's education, age of marriage, exposure to peer group and coping in stress situations are the main issues used to assess the impact on children.

Education: In case of the married migrants, one of the major expectations was to ensure education of the children. The migrants expected that their income flow would enable them to enrol their children in better academic institutions and ensure access to their children's private tutoring services. However, experiences of these families showed

that migration brought both positive and negative consequences with respect to children's education. Table-12 shows the education situation of the migrants' children.

Table-12: Education Status of the Migrants' Children

Education Status	Frequency	Percentage
Improved	42	53.17
Deteriorated	28	35.44
Unchanged	9	11.39
Total	79	100

Source: Field Survey (2002-2003).

The above table reflects that in 42 cases the increased income from migration enabled the families to provide better educational opportunities to their children. This included ability to buy books and stationeries, admission in better schools and enabling access to private tutoring. 28 interviewees felt that the education of their children was hampered due to their absence. According to them, this was due to lack of guidance and insufficient income abroad. 9 respondents reported that their children's education remained unchanged. Those who accompanied children with them stated that medium of learning hampered education of their children.

Marriage: Many migrated with an objective to earn enough so that they can bear marriage expenses for their children, especially girl. This target was fulfilled in 37 cases. But, migration of principal members of the household sometimes resulted in the early marriage of their children. In the absence of the father, taking care of an adolescent girl was found particularly difficult for their mother. Early marriage for girl was a convenient way of solving the problem. In some cases, the young girls established affair with young boys and resulted in an early marriage in absence of their father. Nine such incidents were observed in the three study areas. In the same way seven male children married at an early age.

In Sylhet, special type of marriage of the migrants' daughter was observed and it is called 'forced marriage'. The migrants who settled in UK desired to get married their daughters (known as 'Londonee Kaynna') to the bridegroom of his relatives in Bangladesh to pave the way for migration of the later.

Drug Addiction: Drug addiction emerged as a warning feature of migration. Lack of fathers' guidance and supervision and love resulted in leading the young sons to the path of drug addiction. 7 such incidents were observed during field study. Five of these cases were in urban areas and rest three was in rural areas.

Impact on Wives: International migration may affect spouses in various ways. Wife of the migrant may feel depressed and lonely or may not be able to cope with the adverse situation.

As stated earlier, 79 migrants were married at the time of first migration. Another seven current migrants were found married at the time of interview. Out of these 86 migrants, only five took their wives with them. Therefore, the rest 81 persons kept their wives at home. Respondents were interviewed about the husband - wife relationship of these 81 couples. The outcome of the interview has been stated in the Table-13.

Table-13: Nature of Relationship between Migrants and their Wives

Nature of Relationship	Number	Percentage
Improved	36	44.44
Deteriorated	15	18.52
Unchanged	30	37.04
Total	81	100.00

Source: Field Survey (2002-2003).

It reveals from the above table that in 36 cases the relationship improved. Higher income and fulfillment of demands of wives are the main causes of such improvement. The relationships between 30 couples were unchanged. But in 15 cases the relationship of conjugal life deteriorated. The causes of such deterioration were husbands' long-time non-communication with wives, affair with other men, and misappropriation of fund by the wives or by her maternal relatives.

During field study, it reveals that in the absence of the male partner, the female partner takes over a double role, both of mother and that of father. This, on many occasions, has resulted in breaking the traditional gender based division of labour.

Empowerment of Women: International migration of the male members of the family creates scope for the empowerment of women. In the absence of the migrant, his father acts as the family head but in his absence, his mother or wife assumes the responsibility. In 68 households, out of 180 migrants' households, women (mother or wives or both) were family head during the time of migration of male members. The situation of empowerment of these women has been presented in the Table-14.

Table-14: Condition of Women Empowerment

Position of Women in Household	Frequency	Percentage of Total(180 Migrants)
Only Mother Head	37	20.56
Only Wife Head	22	12.22
Both Mother and Wife Head	9	5.00
Total	68	37.78

Source: Field Survey (2002-2003).

The women of the above families can take decision independently on spending the remittances, education of their children, marriage of the family members and managing other household activities. In some instances, the system continued ever after the return of the male migrants.

Internal Migration: It was observed that international migration caused internal migration in the study areas. Though there was no single incidence of urban to rural migration but urban to urban and rural to urban migration took place due to international migration. Five cases of urban to urban migration were observed, three from Noakhali to Dhaka and two from Kushtia to Dhaka. 19 cases of rural to urban migration were documented. Table-15 shows rural to urban migration of the migrants and their families.

Table-15: Rural to Urban Migration

Rural Area	Number	Total No. of Respondent	Percentage of Total
Noakhali	7	24	29.17
Sylhet	4	24	16.67
Kushtia	9	24	37.50
Total	20	72	27.78

Source: Field Survey (2002-2003).

It is seen from the table that internal migration trend of Kushtia district was higher in comparison with other two districts. This was due to the disturbances of the arms cadre extortionists in the rural areas of Kushtia district. Existences of such arms cadres were not felt in the rural areas of other two districts. In Sylhet urban to urban migration was nil and rural to urban migration was the lowest.

Social Mobility: International migration acts as a catalyst for social mobility. Successful migrants' income and wealth have infused them with a new life. In the study areas, upward social mobility of the migrants' family was recognised not only by the respondents themselves but also by the local leaders and elites. Table-16 shows the social status after migration according to the respondents.

Table-16: Social Status after Migration

Social Status	Noakhali	Sylhet	Kushtia	Total	Percentage of Total
Raised	40	38	35	113	62.78
Reduced	6	7	10	23	12.78
Unchanged	14	15	15	44	24.44
Total	60	60	60	180	100.00

Source: Field Survey (2002-2003).

The above Table reveals the changes of social status. 113 (62.78%) respondents reported that their social status has raised due to the migration of their relatives. 44 (24.44%) interviewees reported that their social status remained same because overseas income of their migrant relatives was insufficient. 23 (12.78%) respondents told that their social status reduced due to low income at abroad.

Interview with the local Union Parishad chairman and Upazila Nirbali Officer (UNO) reveal that successful migrants' family members and returned migrants are respected by the society they belong to. They are selected for the honourable posts of the religious and social institutions, like mosque, madrasa, school, college etc., because they donate a handsome amount in the development of these institutions. They are also paid due respect in various social ceremonies, such as Eid, marriage, birthday and so on.

Social Empowerment: Social empowerment is another consequence of remittance inflow. People, especially of the rural areas have more or less fascination for such power. During last Union Parishad Election, 2003 (held between January to February) active involvement of the returned migrants or their family members was very much visible.¹ They spend significant amount of remittances for this purpose. During last Union Parishad election either the returned migrants or migrants' family members were found to have participated (Table-17).

Table-17: Candidature of the Migrants or Migrants' Family Member

Nature of Candidature	Noakhali	Sylhet	Kushtia	Total
Chairman	2	1	0	3
Member	3	3	1	7
Total	5	4	1	10

Source: Field Survey (2002-2003).

Acting Union Parishad Chairman and UNO admitted that remittances have great influence in rural power structure. When the rural people become financially solvent they try to become socially empowered. During field study such truth was displayed by the activities of the returned migrants and current migrants' family members.

Education of Other Family Members: As stated earlier, in majority cases effect of remittances on the education of children of the migrants were positive. At the same time, remittances plays vital role in the improvement of education of other family members of the migrants, such as, brothers, sisters, nephew etc. It has been seen that 3.24% of total remittances was spent in educating the children and family members of the migrants. During field study it was revealed that a portion of migrants' income was spent for this purpose. Most of the respondents revealed that remittances played positive role for educating the family members. This was due to better school, better facilities of education and house tutoring. In few cases negative impact were also observed.

Social Development Activities: Migrants play a significant role in the development of his own society. In Sylhet it was very distinguishable than other two areas. Many schools, madrasas, colleges and roads were constructed and rural electrification commissioned by the expatriate Bangladeshis of that region. Few organizations of expatriate Bangladeshis were found to be active in the poverty alleviation of the rural areas of Sylhet district. In Noakhali area, social development activities of the migrants are also mentionable. But in Kushtia such type of activities by the migrants was not so much significant.

¹ Field study of this research was conducted just prior to this election. This was the picture of only one Union of each district.

Cost of Living and Inflation: During field study it was observed that cost of living was very high in Sylhet and Noakhali. In Kushtia it was comparatively lower. Local leaders, government officials and elites of Sylhet and Noakhali opined that it was mainly due to the remittances. But how much such inflation was caused due to remittances needs separate study to determine.

Conclusion

From the above discussion it is evident that social network plays very important role in the process of international migration. The cost borne by an individual for migration is very high. Major portion of hard earn remittance is being used in unproductive or less productive purposes. So, the rate of economic return is not satisfactory. The family members and society of a migrant is largely influenced by remittances in various ways and means.

To ensure optimum use of remittances government institutions should come forward. Policy makers should take necessary steps to formulate appropriate policy so that maximum inflow of remittances and best utilization of it can be achieved with an ultimate goal to obtain socio-economic emancipation of migrants, their society and country as a whole.

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COST COMPOSITION OF THE SELECTED PHARMACEUTICAL COMPANIES LISTED IN DHAKA STOCK EXCHANGE, BANGLADESH

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Abstract: Cost is an indicator of both operational and financial performance of an enterprise. The pharmaceutical industry in Bangladesh produces medicines at among the lowest prices in the world. To strengthen the pharmaceutical sector in the global market, cost trend of the companies should be examined. The present study found overall rising trends in the average cost composition of five pharmaceutical companies during 2001 to 2008. The companies had to incur on an average of 79.5% to 86.0% of cost of production in raw & packing materials. The average percentage rates of wages & salaries, power & fuel, depreciation and other manufacturing expenses of the companies were 4.4 to 8.6, 0.3 to 1.4, 1.1 to 2.1, 2.6 to 6.9 and 1.7 to 6.4 respectively. Their average operating expenses were 25.8% to 54.3% of cost of goods sold. The magnitude of variations in the proportion of these costs in the companies is statistically significant. The reasons for variations are mainly differences in price of materials, production profiles, load shedding, manpower etc. Lowering import dependence, applying standard costing, following current Good Manufacturing Practice (cGMP) by all the companies, ensuring cost based pricing of products and effective Drug Control Administration can reduce the cost variations among and within the companies.

Introduction

Cost means resources sacrificed to achieve a specific objective. "Business costs represent the value of economic resources that are sacrificed to obtain more desirable resources".¹ Cost composition or structure means the various components, which constitute the total cost of production. Cost composition is an important factor that affects the price of output and reflects the degree of operational efficiency and productivity in using various factors of production of an enterprise. The financial performance of the enterprise also depends on it. Hence it is an indicator of both operational and financial performance of an enterprise. It is of utmost importance for a manufacturing concern not only to increase the sales of its products but also to ensure its economical operations relating to production, administration and sales.² Because, under competitive market situation and also in centrally controlled pricing system, the only available scope for earning good and extra profit is the reduction in the cost of production.³ Cost reduction is closely related to a planned and positive approach to improve efficiency. It includes elimination of waste, improving operations, increasing productivity, finding other means to reduce unit costs.⁴ Through proper analysis of costs, management becomes able to detect all sources of wastes in production and selling and gets information on the basis of which they can control their day-to-day operations. Management should put emphasis on the

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effective and efficient use of all resources employed in the enterprise, which can ensure profitable financial performance of the enterprise.

Statement of the Problem

Pharmaceutical sector is one of the most developed sectors in Bangladesh. A significant advancement has been achieved in this sector during the last two decades. The positive impact of the Drug Control Ordinance 1982, promotion of therapeutically sound and cost effective use of drugs by the Government and following high professional standards of current Good Manufacturing Practice (cGMP) by the pharmaceutical companies are the key factors for achieving this advancement of this sector. The industry produces 97% of the domestic demand for medicines at among the lowest prices in the world.⁵ Moreover, it is one of the few industries in Bangladesh that stands to replicate the export success of ready-made garments. The demand for cost effective medicines is rising in the global market. If the local companies become able to produce medicines at the highest international standards with low cost base, Bangladesh has a great chance of becoming an important player in the global market. But now-a-days information about high drug prices, price differences in different companies' drugs and low quality of drugs are pronounced in the public media. Reports on 'Fake drug' are also witnessed. This information definitely hampers the image of Bangladesh medicines in both national and international open market competition. For the survival in the global rising competition of cost effective medicines, a company has to be the cost leader. It is thus worthwhile to examine the cost composition of the pharmaceutical companies in Bangladesh.

Literature Review

Chowdhury⁶ conducted a study on "Quality Control in the Pharmaceuticals Industry: A Case Study of Some Pharmaceutical Concerns of Chittagong." He found that larger companies were performing this job by installing quality control mechanism at the focal points of production and by utilizing modern instruments. He expected that quality control mechanism may play a vital role in the rising competitive drug market.

Kabir⁷ while carrying out a study on "The Cost-Volume-Profit Relationship in the Selected Pharmaceutical Companies in Bangladesh", identified Therapeutics Bangladesh (TB) as the most losing venture while Beximco Pharmaceutical (BP) as the most profitable venture. In TB the average total cost to sales was 138.38 percent, the highest among the selected companies followed by Glaxo Bangladesh of 105.32 percent and Pfizer Bangladesh of 95.19 percent while it was the lowest in BP of 89.32 percent. TB had 49.79 percent on an average of its total cost as fixed costs and BP had only 26.12 percent.

Jahangir and Neger⁸ summarized their surveyed data of an empirical study on "The Trend and Performance of Pharmaceutical Business in Bangladesh: An Analysis". They identified five factors viz. product quality, sophisticated technology, skilled chemists & pharmacists and brand image which affect the pharma business in Bangladesh. They considered 'Fake drug', adulterated drug and unethical drug promotion & marketing, bad manufacturing practices, uncontrolled drug price etc. as the important risk factors for pharma business in Bangladesh.

Rationale of the Study

So many studies have been conducted on the different aspects of pharmaceutical industry of Bangladesh, but no study is found to focus directly on the proposed study. The foregoing review and some other studies are only partly relevant to this. Thus

the present study of analyzing the cost composition of pharmaceutical companies operating in Bangladesh will contribute to fill the research gap and is expected to provide clues to the operational efficiency and management of the companies.

Objectives of the Study

The study aims at the presentation of comparative analysis of cost composition of pharmaceutical companies listed in DSE. The specific objectives of the study are:

- (i) To analyze the important components of cost of the selected pharmaceutical companies during the study period.
- (ii) To find out the magnitude of variations in the components of cost and to understand the trends there in.
- (iii) To find out the reasons for variations in the components of cost among the selected companies.
- (iv) To provide suggestions for improving the efficiency of the companies in cost management.

Hypothesis of the Study

The present study takes the following hypothesis for validation:

Null hypothesis: There is no significant difference in the proportion of cost composition in the selected companies.

The factors leading to formulating this hypothesis are that all the companies are enjoying same facilities in importing material and facing similar constraints in procurement of raw materials, payment for employees and some other increasing manufacturing expenses.

Methodology of the Study

Out of ten, presently on-trading pharmaceutical companies listed in DSE, five companies have been selected purposively as samples. The study covers a period of eight years ranging from 2001 to 2008. The study is mainly based on secondary data. Quantitative and qualitative data have been gathered from annual reports of the companies. Relevant matters have been consulted with respective persons over telephone. The statistical techniques viz. average, range, percentage, analysis of variance and graph have been applied in the study. Analysis of variance calculations have been performed manually. The names of the selected companies are:

- (i) Beximco Pharmaceuticals Ltd (BPL), (ii) Square Pharmaceuticals Ltd (SPL), (iii) Renata Ltd (RL), (iv) IBN SINA Pharmaceutical Industries Ltd (IPI), (v) Advanced Chemical Industries Ltd. (ACI).

Limitations of the Study

It is needless to say that no investigation is free from limitations. Hence, the present study being no exception has however the following limitations:

- (i) As there is no uniformity in product portfolio of the selected companies and as individual companies are including new products in their portfolio year to year, per unit cost has not been analyzed.
- (ii) In absence of uniformity and comparability of data disclosed in the annual reports of the companies, some important components of cost viz. promotional expenses, product research and development expenditure, quality control cost etc. could not be possible to analyze.

Analysis of Cost Composition of the Selected Pharmaceutical Companies

The cost compositions in pharmaceutical companies are broadly classified into three viz. raw and packing materials, manufacturing expenses, administrative and selling & distribution expenses. The main components of manufacturing expenses are wages & salaries, power & fuel, repairs & maintenance and depreciation. In order to get a

broad relative idea, the proportions of different components of cost have been discussed and analyzed under the following heads:

- i) Raw & Packing (R&P) Materials;
- ii) Wages & Salaries (W & S);
- iii) Power & Fuel (P & F);
- iv) Depreciation;
- v) Other Manufacturing Expenses (OME);
- vi) Operating Expenses.

Analysis of Raw and Packing (R&P) Materials

Pharmaceutical companies are import dependent by far. 72% to 93% of raw materials and 35% to 50% of packing materials of the companies are imported from U.K., U.S.A., France, Germany, Italy, Japan, Singapore, Malaysia, China, Korea, India, and Pakistan etc. The main R&P materials used in the companies are active materials, excipients, empty gelatin capsule, sorbitol, flavour, colour, glucose, lactose, plastic vial, ampule, aluminum foil, pvc film etc. Appendix-1 clearly shows that there is a continuous rising trend in average R&P materials cost of the selected companies with only an exception in 2003. But Table-1 reveals that the average proportion of this cost in the companies fluctuated over

Table 1: Raw and Packing Materials as Percentage of Total Cost of Production in the Selected Companies during 2001-2008

Year	BPL	SPL	RL	IPI	ACI	Average
2001	86.8 H	90.3	74.0	87.6 H	82.9	86.44 H
2002	86.2	90.4 H	71.9 L	87.2	83.2	86.32
2003	80.3	81.6	75.3	86.6	79.4	80.68
2004	80.9	80.3 L	78.4	86.0	77.4	80.30 L
2005	81.6	81.1	80.0	85.8	80.1	81.24
2006	79.0	81.5	81.5	82.3 L	80.0 L	80.75
2007	78.6 L	81.6	80.8	86.6	84.1	81.49
2008	79.8	81.6	83.4 H	86.2	86.3 H	82.65
Average	81.5	82.9	79.5	86.0	82.7	82.27
Range	8.2	10.1	11.5	5.3	6.3	6.14

H = Highest L = Lowest

Source: Annual Reports of the Selected Companies.

Table-1.1: Analysis of Variance of Proportion of R & P Materials

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F Ratio
Between companies	267.42	4	66.9	6.19
Within companies	378.03	35	10.8	

*Table value of F is 3.92 at 1% level and 2.65 at 5% level of significance.

Source: Annual Reports of the Selected Companies.

the period and varied between 80.30% in 2004 and 86.44% in 2001. In individual cases, the proportion fluctuated throughout the period in BPL, RL and ACI; it registered a declining trend up to 2006 in IPI while it was almost stable after 2003 in SPL. On average IPI incurred the highest of 86.0% of total cost of production in R&P materials where as RL experienced the lowest of 79.5% in this head. The percentage proportion was 82.9 in SPL, 82.7 in ACI and 81.5 in BPL. The highest range of variation was 11.5 in RL and the lowest was 5.3 in IPI. It is clear from Table 1.1 that the differences in the percentage share of R & P materials in the companies are significant at 1% level as the F ratio 6.19 is much higher than the table value of F at 1% level. The main reasons for variation in R&P materials in the companies are difference in prices and costing methods of materials, production profile and transportation.

Analysis of Wages & Salaries (W & S)

In Pharmaceutical industry medicines are produced in machine under the supervision of pharmacist; literate workers are mainly indirect. Appendix- 1 shows that the overall

W & S cost of the companies experienced a rising trend throughout the study period. But Table 2 depicts

Table 2: Wages & Salaries Cost as Percentage of Total Cost of Production in the Selected Companies during 2001-2008

Year	BPL	SPL	RL	IPI	ACI	Average
2001	4.3 L	3.6	12.9	6.6	7.1	5.35 L
2002	4.4	3.6	14.8 H	6.3 L	7.4	5.49
2003	6.3	3.5 L	11.6	6.4	8.9	5.79
2004	7.4	4.4	8.8	7.0	9.1 H	6.19
2005	7.4	4.5	9.2	7.4	7.8	6.27
2006	7.5	5.0	7.4	9.5 H	8.6	6.60 H
2007	8.5	5.1 H	5.9	7.5	6.8	6.45
2008	8.7 H	4.7	5.6 L	7.6	5.4 L	5.87
Average	6.9	4.4	8.6	7.4	7.2	6.1
Range	4.4	1.6	9.2	3.2	3.7	1.25

H = Highest L = Lowest

Source: Annual Reports of the Selected Companies

Table-2.1: Analysis of Variance of Proportion of W & S Cost

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F Ratio
Between companies	113.01	4	28.3	8.3
Within companies	118.25	35	3.4	

* Table value of F is 3.92 at 1% level and 2.65 at 5% level of significance.

Source: Annual Reports of the Selected Companies

that the percentage share of this cost to total cost of production of the companies on average marked a declining trend after 2006. In BPL the W & S cost in percentage was continuously rising during 2001 to 2008. Although the share fluctuated occasionally the overall trends were towards increase in SPL and IPI while it was towards decline in RL and ACI. The range of variation was the highest (9.2) in RL when it was the lowest (1.6) in SPL. The average share of this cost was also highest in RL being 8.6% and the lowest in SPL being 4.4%. It is depicted from Table-2.1 that the F ratio is 8.3 and the table value of F is 3.92 at 1% level of significant, which indicates that the differences in the proportion of W & S in the companies are significant at 1% level. The larger increase in other components of cost was the main reasons for the declining trend in this share in RL and ACI.

Analysis of Power & Fuel (P & F)

Power & Fuel cost is supposed to increase with the increase in production. Appendix- 1 clearly shows an upward trend in the proportion of P & F cost to total cost of production of the companies as a whole during the study period with a slight break in 2007. But it is observed from Table- 3 that the proportion of this cost of the selected companies on an average fluctuated up to 2004 and came down there after.

Table 3: Power & Fuel Cost as Percentage of Total Cost of Production in the Selected Companies during 2001-2008

Year	BPL	SPL	RL	IPI	ACI	Average
2001	0.8	1.7 L	2.1 H	1.1	1.3	1.37
2002	0.7 L	1.7	2.1	1.3	1.2	1.34
2003	0.8	2.0	2.0	1.3	2.1 H	1.68
2004	0.7	2.3 H	1.8	1.4	1.9	1.74 H
2005	0.9	2.1	1.6	1.4	1.3	1.58
2006	1.0	2.1	1.3	1.7 H	1.1	1.57
2007	1.0 H	1.7	1.4	1.0	0.8	1.35
2008	0.8	1.8	1.2 L	0.8 L	0.7 L	1.29 L
Average	0.9	1.9	1.6	1.2	1.2	1.47
Range	0.3	0.6	0.9	0.9	1.4	0.45

H = Highest L = Lowest

Source: Annual Reports of the Selected Companies

Table-3.1: Analysis of Variance of Proportion of P & F Cost

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F Ratio
Between companies	5.69	4	1.4	14
Within companies	3.58	35	0.1	

* Table value of F is 3.92 at 1% level and 2.65 at 5% level of significance.

Source: *Annual Reports of the Selected Companies*

The percentage share of this cost was not more than 2.3 in any of the companies. In BPL the proportion was almost stable during the period; it registered an overall downward trend in RL and IPI while it fluctuated over the period in SPL and ACI. The average share of P&F cost was between 1.9% being the highest in SPL and 0.9% being the lowest in BPL. Table-3.1 shows that F ratio is 14 and the table value of F at 1% level is 3.92. This means that the difference in the percentage share of P & F cost in the companies are significant at 1% level. Load shedding and high rated diesels used for short supply of gas in operating generator in some companies are the main reasons for this cost variation.

Analysis of Repairs & Maintenance (R & M) Cost

As the expenditure on R & M depends upon the use of plant and machineries in production process, it is supposed to be shown an increasing trend with the passage of time. It is observed from Appendix-1 that the average R & M cost of the selected companies registered a rising trend through out the period, but the average percentage share of R & M cost to total cost of production in the companies was almost stable and varied only between 1.26 and 2.21 as depicted from Table-4. The range of variation was also small in individual cases. The maximum average proportion of this cost was 2.1% in SPL while it was 1.1%, the minimum in RL and IPI.

Table 4 : Repairs & Maintenance Cost as Percentage of Total Cost of Production of the Selected Companies during 2001-2008

Year	BPL	SPL	RL	IPI	ACI	Average
2001	0.8 L	1.3	1.1	1.0	2.8 H	1.28
2002	0.8	1.4	1.3	1.0	2.2	1.26 L
2003	1.4	1.2 L	1.5 H	1.1	2.4	1.43
2004	2.0	2.1	1.5	1.0	2.6	2.02
2005	2.1	2.2	1.1	0.8 L	2.0	2.00
2006	2.7	2.4	1.0	1.4	2.0	2.21 H
2007	2.7 H	2.5	1.2	0.8	1.1	2.10
2008	2.5	2.5 H	0.9 L	1.5 H	0.9 L	1.95
Average	2.0	2.1	1.1	1.1	1.7	1.80
Range	1.9	1.3	0.6	0.7	1.9	1.0

H = Highest L = Lowest

Source: *Annual Reports of the Selected Companies*

Table-4.1: Analysis of Variance of Proportion of R & M Cost

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F Ratio
Between companies	6.17	4	1.54	4.97
Within companies	10.77	35	0.31	

* Table value of F is 3.92 at 1% level and 2.65 at 5% level of significance

Source: *Annual Reports of the Selected Companies*

It is clear from Table 4.1 that the differences in the percentage share of R&M cost in the companies are significant at 1% level as the F ratio 4.97 is higher than the table value of F at 1% level (3.92). The variation in percentage share of R & M cost in the companies were mainly due to high price of hi-tech spare parts of machineries and difference in number of shift in production and low share of other components.

Analysis of Depreciation

Depreciation is supposed to be equal in absolute sense if straight-line method of charging depreciation is used. It must decrease in absolute sense if diminishing balance method is used. BPL, SPL and IPI use straight line method while ACI and RL use diminishing balance method of charging depreciation. A clear upward trend in depreciation of the companies as a whole is observed from Appendix-I. Table-5 reveals that the average share of this cost of the selected

Table 5 : Depreciation as Percentage of Total Cost of Production of the Selected Companies during 2001-2008

Year	BPL	SPL	RL	IPI	ACI	Average
2001	5.6	2.1	1.9 L	2.2	2.9	3.22
2002	5.3 L	1.9 L	1.9	2.5	2.7 L	3.09 L
2003	6.3	10.2 H	2.2	2.7	3.0	7.27 H
2004	6.7	9.0	2.6	2.9	5.3	7.09
2005	5.8	8.4	2.8	3.0 H	5.3 H	6.49
2006	7.0	7.2	2.7	3.0	4.6	6.09
2007	7.1 H	7.2	3.6 H	2.5	3.2	5.89
2008	6.3	6.8	3.2	2.1 L	3.1	5.28
Average	6.3	6.9	2.8	2.6	3.6	5.64
Range	1.8	8.3	1.7	0.9	2.6	4.18

H = Highest L = Lowest

Source: Annual Reports of the Selected Companies

Table-5.1: Analysis of Variance of Proportion of R & M cost

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F Ratio
Between companies	47.96	4	12.0	3.16
Within companies	133.89	35	3.8	

* Table value of F is 3.92 at 1% level and 2.65 at 5% level of significance.

Source: Annual Reports of the Selected Companies

companies did not show any specific trend; rather it fluctuated year to year between 3.09% in 2002 and 7.27% in 2003. In SPL the depreciation varied in a range of 8.3, the highest among all the companies. The average share of depreciation was also highest of 6.9% in SPL followed by 6.3% in BPL varied in a range of 1.8. IPI marked the lowest average of this proportion of 2.6%, next to 2.8 in RL. Table 5.1 reveals that the F ratio is 3.16 and the table value of F at 5% level is 2.65 which means that the differences in the proportion of depreciation in the selected companies are significant at 5% level but not at 1% level of significance.

Analysis of Other Manufacturing Expenses (OME)

Other manufacturing expenses such as laboratory consumable stores product development expenses, rent, tax, insurance, staff uniform, sanitation expenses, security services etc. have been included under this head. It is also essential to control these expenses in order to control cost of production. Appendix-1 shows that the OME of the companies on an average registered a clear rising trend with a sudden decrease in 2004. But the average proportion of this head to total cost of production of the companies constituted no specific trend over the study period as revealed from Table-6. The proportion also fluctuated during the period in all the companies. The eight-year average proportion of OME was the highest (6.4%) in RL while it was the lowest in IPI (1.7%). The highest range of variation was 3.2 in BPL and the lowest was 0.6 in IPI. The differences in the percentage share of this head in four companies are significant at 1% level as Table-6.1 shows that F ratio 175.90 is much higher than the table value of F at 1% level of significance.

Table 6 : Other Manufacturing Expenses as Percentage of Total Cost of Production in the Selected Companies during 2001-2008

Year	BPL	SPL	RL	IPI	ACI	Average
2001	1.7 L	1.0 L	8.0 H	1.5 L	3.0 L	2.34 L
2002	2.6	1.0	7.4	1.7	3.3	2.50
2003	4.9 H	1.5	7.4	1.9	4.2 H	3.15
2004	2.3	1.9	6.9	1.7	3.7	2.66
2005	2.2	1.7	5.3 L	1.6	3.5	2.42
2006	2.8	1.4	6.1	2.1 H	3.7	2.78
2007	2.1	1.9	7.1	1.6	4.0	2.72
2008	1.9	2.6 H	5.7	1.8	3.6	2.96 H
Average	2.4	1.8	6.4	1.7	3.6	2.72
Range	3.2	1.6	2.7	0.6	1.2	0.62

H = Highest L = Lowest

Source: Annual Reports of the Selected Companies

Table 6.1: Analysis of Variance of Proportion of Other Manufacturing expenses

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F Ratio
Between companies	200.55	3	66.85	
Within companies	10.65	28	0.38	175.90

* Table value of F is 2.94 at 5% level and 4.55 at 1% level of significance. The figures of RL have been excluded from the calculation of F ratio as they are seemed to be abnormal

Source: Annual Reports of the Selected Companies

Analysis of Operating Expenses

Operating expenses include administrative expenses, which are related to administration of the office and selling, & distribution expenses, which are related to selling procedures of the products. Though production department works as a 'pivotal point' in any manufacturing organization, production of goods cannot be completed without the function of office and selling department.⁹ It is depicted from Table- 7 that the average proportion of operating expenses to total cost of good sold of the selected companies' registered an upward trend up to 2007 and reached to 40.42% from 24.86% in 2001. In BPL and SPL the proportion of operating expenses increased gradually and reached to 50.4% and 34.8% in 2008 from 22.1% and 19.9% in 2001 respectively. The expenses fluctuated over the period in RL, IPI and ACI forming ranges of 16.2, 19.4 and 11.1 respectively. On an average RL incurred 54.3% of cost of goods sold as operating expenses, the highest among all the companies followed by IPI of 42%. The others' average proportions were 38.1% in BPL, 33.5% in ACI and 25.8% in SPL. Table-7.1 reveals that the F ratio 14.90 is much higher than the table of F at 1% level (3.92). It means that the variances in proportion of operating expenses in the companies are significant at 1% level of significance. The differences in the proportion were mainly due to differences in advertisement and sales promotional expenses, sample expenses, delivery commission, traveling and conveyance etc.

Table 7 : Operating Expenses as Percentage of Cost of Goods Sold in the Selected Companies during 2001-2008

Year	BPL	SPL	RL	IPI	ACI	Average
2001	22.1 L	19.9	43.6 L	34.9	26.9 L	24.86 L
2002	22.1	20.8	48.4	33.7 L	33.3	27.03
2003	29.4	19.7 L	56.9	34.7	36.3	29.95
2004	33.9	24.1	59.8 H	37.5	29.7	31.60
2005	47.2	26.4	57.8	42.1	34.1	36.68
2006	49.9	27.9	59.1	50.0	37.8	39.36
2007	49.5	32.9	53.6	49.6	38.0 H	40.42 H
2008	50.4 H	34.8 H	55.4	53.1 H	32.0	39.10
Average	38.1	25.8	54.3	42.0	33.5	33.63
Range	28.3	15.1	16.2	19.4	11.1	15.5

H = Highest L = Lowest

Source: Annual Reports of the Selected Companies

Table 7.1: Analysis of Variance of Proportion of Operating Expenses

Source of Variation	Sum of Squares	Degree of Freedom	Mean Square	F Ratio
Between companies	3584.82	4	896.21	14.90
Within companies	2105.03	35	60.14	

* Table value of F is 3.92 at 1% level and 2.65 at 5% level of Significance.
Source: *Annual Reports of the Selected Companies*

Conclusion

Cost affects the price of output and profitability of a manufacturing concern. Therefore the analysis of costs of the concern is of utmost importance in order to control costs. The present study examined and analyzed the cost composition of five pharmaceutical companies listed in D.S.E. during 2001 to 2008. An overall rising trend has been found in the average cost composition of the companies. The trend in average proportion of Raw & Packing (R&P) materials to total cost of production was also towards increase while in other cases no specific trend was found. In Beximco Pharmaceuticals Ltd (BPL), Renata Ltd (RL) and Advanced Chemical Industries Ltd. (ACI) the proportion of this cost fluctuated throughout

the period. It registered a declining trend up to 2006 in IBN SINA Pharmaceuticals Ltd. (IPI) and it was almost stable in Square Pharmaceuticals Ltd. (SPL). The average percentage rate of materials was highest in IPI being 86.0 followed by 84.6 in ACI, 82.9 in SPL, 81.5 in BPL and 79.5 in RL. The percentage share of Wages & Salaries (W&S) to total cost of production showed a continuous rising trend in BPL. The overall trend in this share was towards increase in SPL and IPI while a declining trend was observed in RL and ACI. The average proportion of W&S in percentage was highest in RL being 8.6 followed by IPI, ACI, BPL and SPL being 7.4, 7.2, 6.9 and 4.4 respectively. The average proportion of Power & Fuel (P&F) ranged from 0.3 in BPL 1.4 in ACI. In case of Repairs & Maintenance (R&M) the average proportion varied in a range of 1.9 in both BPL and ACI and 0.6 in RL. The eight-year average proportion of Other Manufacturing Expenses (OME) of the companies was 2.72% where as in individual cases; the percentage rates were 6.4, 3.6, 2.4, 1.8 and 1.7 in RL, ACI, BPL, SPL and IPI respectively. The variation in the proportion of operating expenses to total cost of goods sold constituted the highest range in BPL being 28.3 followed by IPI, RL, SPL and ACI being 19.4, 16.2, 15.1 and 11.1 respectively. The differences in the cost composition of the selected companies are mainly due to difference in prices and costing methods of materials, pricing, production profile, high rated diesels used for short supply of gas in operating generator during load shedding, price of hi-tech spare parts, production shifts, etc. The variations in the proportion of all the components of cost in the selected companies analyzed in the study are significant at 1% level of significance except the proportion of depreciation which is significant at 5% level of significance. Hence, the null hypothesis is rejected and it indicates that there are significant differences in the proportion of these components of cost of the selected companies.

Lowering import dependence by improving backward linkage with Government facilities, adopting marginal costing system, implementation of standard costing as cost control device, following current Good Manufacturing Practices (cGMP) by all the companies, ensuring cost based pricing of the products, effective Drug Control Administration etc. can reduce the cost variations among the companies and within the companies. Effective purchasing procedure, elimination of waste and loss in materials handling and packaging, fair personnel policy and efficient administration are essential for cost reduction in individual companies. Methods of remunerating salesmen, sales promotion scheme, advertising, and marketing research of the companies should be given more managerial attention. Lastly, the goals of cost reduction can be achieved by developing 'cost consciousness attitude' among the employees.

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- ⁹ Saroj Kumar Saha (1991), *op.cit.*, p. 31.

Appendix 1: Average Cost composition of the Selected Pharmaceutical Companies

TK.in Lakh

Year	Materials Cost	Salaries & Wages	Power & Fuels	Repairs & Maintenance	Depreciation	Other Manufacturing Expenses	Total Cost of Production
2001	8367.92	518.23	132.30	123.89	321.05	217.32	9680.71
2002	9152.52	582.40	141.64	133.23	327.38	265.27	10602.44
2003	8868.68	636.02	185.07	156.77	798.72	346.44	10991.70
2004	9072.29	699.33	197.06	228.40	800.67	299.72	11297.47
2005	11094.44	856.09	215.32	272.08	886.54	332.43	13656.90
2006	12499.13	1021.34	243.05	342.48	943.18	429.19	15478.37
2007	14562.09	1152.98	241.09	374.68	1050.79	488.49	17870.12
2008	18198.39	1293.06	284.58	427.23	1163.29	652.33	22018.88

Source: Annual Reports of the Selected Companies

BANK LOAN OFFICERS PERCEPTIONS TOWARDS CORPORATE FINANCIAL DISCLOSURE IN THE BANKING SECTOR OF BANGLADESH : AN EMPIRICAL ANALYSIS

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Abstract: Due to the information asymmetry on the security market, Bangladesh listed banking companies have incentives to disclose voluntarily. Mandatory disclosure and voluntary disclosure are both included in an effective information disclosure system. Mandatory disclosure is the basic demand of the market, and voluntary disclosure is the extended demand of the market, because of its informative complement to the timing, content and depth of disclosure. This study focuses on the practices of some selected voluntary disclosure practicing through annual reports by banks operating in Bangladesh.

Introduction

The aim of the present research is to enhance our understanding of the corporate financial reporting disclosure environment in Bangladesh by seeking the opinions of the Bank Loan Officers that are expected to be affected by such an environment. Our objective therefore is to discover the major corporate information sources to the major interested parties in the banking sector in Bangladesh. Such a study will also shed light on how corporate financial disclosure preparers and regulators can improve the current corporate reporting practices as well as provide rich description of some aspects of financial accounting and its environment in Bangladesh. Although the subject of the present research is not a new one, it is, however, handled more thoroughly and has a broader scope than previous research attempts. There is a paucity of research regarding users information needs in developing countries. There are the studies of Wallace (1988a, 1988b) in Nigeria and Nicholls and Ahmed (1995) in Bangladesh, which measured the quality of disclosure taking into consideration the perception of users in a developing country perspective. This chapter analyzes the results of the questionnaire survey among a sample of bank loan officers. The main thrust of this paper is to focus the perception of the users (BLO) about their perceived importance for various sources of information in making their decisions, reasons for using financial information, and their opinions regarding the adequacy and reliability of information of annual reports. Different users groups have different objectives in using financial reports and it has been pointed out that they may have diverse informational needs (Benjamin and Stanga, 1977; p. 187).

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Objectives of the Study

The destination of this study is to focus the perception of the BLO as users about their perceived importance for various sources of information in making their decisions, and their opinions regarding the adequacy and reliability of voluntary information of annual reports. This study attempts to focus on the present scenario of corporate financial disclosure by the banks of Bangladesh in their annual reports. Objectives of this study cover the followings:

- (a) Evaluation of guidelines for standard corporate financial voluntary disclosure.
- (b) Analyzing the corporate voluntary disclosure practice in Bangladesh by the banking companies through the empirical analysis.
- (c) To know BLOs' attitude towards this type of voluntary disclosure.
- (d) To find out the adequacy of corporate financial disclosure on a voluntary basis.
- (e) Recommending some measures to take a sound corporate financial report by the banking companies.

Methodology

The article is based on empirical study as well as questionnaire survey i. e. primary information. For the purpose of the study, the questionnaires were sent to 20 bank loan officers (BLO) of different banks. Among them 17 respondents gave valuable feedback regarding the questionnaire while others were reluctant to give any information regarding this.

Questions solicited

The questionnaire for the current study was pre-tested with personnel of accounting department, prominent academicians, and researchers. The respondents were again supplied with the questionnaire two weeks after they filled up first questionnaire. The final questionnaire for the study contained a covering letter and a brief background of the study. In the covering letter, it was mentioned that the researcher was conducting the study as part of PhD thesis, so that the respondents would understand that the study is sponsored which might increase changes of better responses. Identifying the perceptions of various bank loan officers about the disclosure of the selected items of voluntary information in the banks annual reports through a questionnaire survey constitutes the main part of the study. The first part of the final version of questionnaire included questions representing the name, occupation, age, accounting training, educational qualifications of the respondents and the second part contained voluntary disclosure information of the banks stated earlier. The questionnaire used in the survey is presented in Appendix. To make this paper more informative different published textbooks, related journals, reports, seminar papers and research works have been analyzed. The questionnaire survey method, regardless of its inherent drawbacks seemed appropriate for this type of study. Survey method is most appropriate and effective for drawing conclusion regarding peoples' inference and attitudes (Carmichale and Swieringa, 1968). The response rate of the survey among the respondents is discussed in the empirical part of the paper.

Response rate

The questionnaire survey consists of a sample of 20 bank loan officers as indicated in Table-1.

Table 1: Response Rate of the Questionnaire Survey

User Group	Sample Size	No. of Responses	Rate of Response (%)
Bank Loan Officers	20	17	85

Table 1 showed the specified user group of the respondents and the size of the sample of the respondents. It also describes the response rate of the questionnaire survey from bank loan officer. Questionnaires were sent to 20 BLOs of the scheduled banks of Bangladesh. The respondents were requested to reply as early as possible for a significant involvement in the study. All the respondents were sent reminders through mobile about 10 days after the questionnaire were sent. Within two weeks of sending, 17 responses were received. The 17 usable responses constituted a response rate of 85 percent, which is acceptable. The response rate is above the rate mentioned by Moser and Kalton (1971) and Ali, Khan Fatima and Masud (2008) as being sufficient for a study leading to policymaking.

Review of the related literature

It is widely accepted that corporate annual reports are prepared primarily for external users. Therefore, such reports should be designed, in form and content, according to the needs of the external users (Radebough, and Gray, 1993). These users should be contacted frequently to assess their perceptions about various aspects of the reporting practices of public companies since their views will provide the main feedback to improve the communication function of corporate reports (Epstein, 1993).

One of the pioneering studies to have attempted to discover the information needs and sources of such information was undertaken in the United States by Baker and Haslem in 1973. The authors found that the majority of the individual investors rely heavily on stockbroker's advice as their

main source of information about companies. Financial statements, however, were found to be a source of information by only a minority (i.e., 8 per cent) of individual investors. Regarding other information items that are expected to be disclosed by companies, Baker and Haslern (1973) highlight that individual investors attach a great deal of importance to the information about the future expectations of the company. At the same time, individual investors attached a much lower degree of importance to information regarding dividends.

Anderson (1981) also recognized the need for research in this area and focused on institutional investors in Australia. He sought, primarily, to discover their perceptions about the importance of annual corporate reports to their decision making process by analyzing the responses of 188 institutional investors. Anderson (1981) found that Australian investors relied mostly on the annual report when making their investment decisions followed by visits to the companies. Regarding the annual corporate report itself, the most readable sections of the annual report were the balance sheet, profit and loss account, notes to the accounts, and the chairman's statement respectively. The profit and loss account, however, was perceived to be more important than the balance sheet. However, the author failed to perform any statistical test to determine whether there is a significant difference between the users' usage of the annual report sections on the one hand and the perceived importance of such sections on the other hand. Anderson (1981) also documents the external users' desire (i.e., 72 per cent) for additional information to be provided in the annual corporate report such as information about the company's product, current value of long-term assets, and remuneration of directors. Anderson and Epstein (1995) further extended their research by providing a useful investigation on

Australia. Unlike the Anderson (1981) study, which specifically focused on Australian institutional investors, the Anderson and Epstein (1995) study was more concerned with individual investors' usage of annual corporate reports. Their findings revealed that the annual corporate reports came third, after stockbrokers* advice and financial newspapers and magazines, as a basis for investment decision of Australian individual investors. Nevertheless, the vast majority of their respondents (i.e., 72 per cent) perceived annual corporate reports to be of only moderate use. Regarding the use of the annual report, the authors highlight the directors' report to be the most thoroughly read followed by the income statement. Nevertheless, their respondents did perceive the income statement to be more useful than the directors' report in making an investment decision. Arguably, Anderson and Epstein (1995) did not statistically determine whether the difference between the pattern of readership of the annual reports' sections and the perceived usefulness of such sections is of any significance in the Australian environment. Respondents had also expressed a desire for the simplification and more explanation of the balance sheet, statement of cash flow, and the income statement. Finally, the authors highlight the Australian investors' demand for additional disclosure in the annual reports; such as pending litigation, unasserted claims, management audit, and information on change of auditor.

In another Middle Eastern environment, Jordan, Abu-Nassar and Rutherford (1996) undertook a study to discover the view of external users of annual corporate reports. The authors targeted different groups of external users, namely individual shareholders, institutional shareholders, bank loan officers, stockbrokers, and academics. Their sample comprised of 224 respondents and all of their analyses are of a univariate type. In terms of the usage of the annual report, Abu-Nassar and Rutherford (1996) found bank loan officers to be the heaviest users of the annual reports in Jordan while individual shareholders and academics were found to be the least. They also found the income statement and balance sheet to be the most widely read parts of the annual corporate report by all the users. The authors documented the low degree of users' satisfaction about many qualitative characteristics of corporate reports in Jordan. In terms of the importance of the various sources of corporate information, Abu-Nassar and Rutherford (1996) argue the annual corporate report to be the most important source of information for all user groups. The only exception being the bank loan officers who indicated that the most important source of information to them was to personally visit companies followed by an independent examination of the annual report itself. Ali, Khan, Fatima and Masud (2008) provide a useful survey of the attitudes of individual respondents on the various aspects of Bangladeshi annual corporate reports. They analyzed the responses of 25 individual investors and found firstly, British American Tobacco (BAT) Bangladesh Co. Ltd makes very few disclosures on corporate governance on a voluntary basis and secondly, the user groups of the annual reports are in favor of such disclosure. The researchers further found that the current disclosures are not ample in evaluating the goal of corporate governance.

Data analysis

Academic achievement of respondents

Table 6.1 shows the overall respondent' academic achievements. Table-2 shows that 17.6% of the respondents have graduate education and 82.4% of the respondents have a Masters.

Table 2: Academic achievement of respondents

Educational Qualification		Total
		B.L.O.
Bachelor	Count % within res.gr.	3(17.6%)
Masters	Count % within res.gr.	14(82.4%)
Ph.D.	Count % within res.gr.	0(0.00%)
Total	Count % within res.gr.	17(100.0%)

Age group of the respondents

Table-3 shows that most of the respondents were in the age range between 50 and above (35.3%) years having 23.5% respondents in the range of 41-45 years and 17.6% of the respondents in the age of 46-50 years.

Table-3: Age group of the respondents

Age group		Total
		B.L.O.
26-30	Count % within res.gr.	1(5.9%)
31-35	Count % within res.gr.	2(11.8%)
36-40	Count % within res.gr.	1(5.9%)
41-45	Count % within res.gr.	4(23.5%)
46-50	Count % within res.gr.	3(17.6%)
50 and above	Count % within res.gr.	6(35.3%)
Total	Count % within res.gr.	17 (100.0%)

Working experience of the respondents

The working experience of the respondents in the study varied from less than five years to over 28 years. Table-4 shows the working experience of respondents in individual user groups as well as their composite classification. The working experience of the majority of the respondents in the study having 34.4% respondents in the range of 17-22 years experience.

Table-4: Working experience of the respondents

Working experience (in year)		Total
		B.L.O.
<5	Count % within res.gr.	2(11.8%)
5-10	Count % within res.gr.	2(11.8%)
11-16	Count % within res.gr.	4(23.5%)
17-22	Count % within res.gr.	4(23.5%)
23-28	Count % within res.gr.	3(17.6%)
28 +	Count % within res.gr.	2(11.8%)
Total	Count % within res.gr.	17(100.0%)

Accounting Qualification of the Respondents

Table-5 shows that 83.3% of the Professional Accountants group has professional qualifications in accountancy. Further the table shows that 31.1% of the respondents have no training in accounting and 27.9% of the respondents hold accounting qualifications. The table also shows, 100% of the accounting professors group holds accounting teaching profession.

Table 5: Accounting Qualification of the Respondents

Accounting Qualifications		Total
		B.L.O.
None	Count % within res.gr.	11(64.7%)
Worked/working as a bookkeeper	Count % within res.gr.	1(5.9%)
Attended appropriate course(s) in accounting	Count % within res.gr.	0(0.0%)
Hold accounting qualifications	Count % within res.gr.	2(11.8%)
Served/serving as an accountant executive	Count % within res.gr.	2(11.8%)
Served as accounting teaching profession	Count % within res.gr.	1 (5.9%)
Total	Count % within res.gr.	17(100.0%)

Opinion of the respondents regarding preparation of Aging Schedule

The bank loan officers were asked to response regarding the preparation of aging schedule. The responses are summarized in table 6.

Table 6

		BLO
No	Count % within	4(23.53%)
Yes	Count % within	13(76.47)
Total	Count% within	17(100.0%)

The table 6 shows that 76.47% of the banker response positively and 23.53% of the banker don't prepare aging schedule of loans and advances.

Opinion of the respondents regarding fixation of rate of provisions for bad debts

The bank loan officers were asked to response regarding fixation of the rate of provisions for bad debts. The responses are summarized in table-7.

Table 7

		BLO
No	Count % within	1(5.88%)
Yes	Count % within	16(94.12%)
Total	Count % within	17(100.0%)

The table-7 shows that 94.12% of the banker response that they fix the rate of provisions for bad debts.

Opinion of the respondents regarding receiving qualified opinion

The bank loan officers were asked to response regarding receiving qualified opinion or disclaimer. The responses are summarized in table-8.

Table 8

		BLO
No	Count % within	14(82.35%)
Yes	Count % within	3(17.65%)
Total	Count % within	17(100.0%)

The table-8 shows that 82.35% of the banker responses that they have received qualified opinion.

Opinion of the respondents regarding creating secret reserves in balance-sheet

The bank loan officers were asked to response regarding creating secret reserves in balance sheet. The responses are summarized in table-9.

Table 9

		BLO
No	Count % within	3 (17.65%)
Yes	Count % within	14(82.35%)
Total	Count % within	17(100.0%)

The table-9 shows that 82.35% of the banker responses that they create secret reserves in their balance sheet.

Opinion of the respondents regarding use of cost principle in valuing their assets

The bank loan officers were asked to response regarding the use of cost principle in valuing their assets. The responses are summarized in table-10.

Table 10

		BLO
No	Count % within	2(13.3%)
Yes	Count % within	15(88.24%)
Total	Count % within	17 100.0%

The table-10 shows that 88.24% of the banker responses that they cost principle in valuing their assets.

Opinion of the respondents regarding disclose of information in annual reports if cost principle is not followed

The bank loan officers were asked to response regarding if cost principle is not followed in valuing assets, is the information disclosed in the annual reports. The responses are summarized in table-11.

Table 11

		BLO
No	Count % within	2(13.3%)
Yes	Count % within	15 (88.24%)
Total	Count % within	17 100.0%

The table-11 shows that 88.24% of the banker responses that if cost principle is not followed, they disclose that information in the annual reports.

Opinion of the respondents regarding the adequacy of reporting requirements

The bank loan officers were asked to response regarding their satisfaction with the present reporting requirements and present reporting practices. The responses are summarized in table-12.

Table 12

Are you happy with the present-		reporting requirements	reporting practices
No	Count % within	3(17.65%)	4(23.53%)
Yes	Count % within	14(82.35%)	13(76.47%)
Total	Count % within	17(100.0%)	17(100.0%)

Table-12 shows that 82.35% and 76.47% of the respondents express their satisfaction on present reporting requirements and present reporting practices respectively.

Opinion of the respondents regarding disclose of the name of default directors with amount due in notes to financial statements

Table 13

		BLO
No	Count % within	15(88.24%)
Yes	Count % within	2(11.76%)
Total	Count % within	17(100.0%)

Table-13 shows that only 11.76% of the respondents disclose the name of default directors with amount due in notes to financial statements. Most of the respondents (88.24%) don't disclose the name of default directors.

Opinion of the respondents regarding disclose the name of borrower directors in notes to financial statements

Table 14

		BLO
No	Count % within	16(94.12%)
Yes	Count % within	1(5.88%)
Total	Count % within	17(100.0%)

Table-14 shows that only 5.88% of the respondents disclose the name of borrower directors in notes to financial statements. Most of the respondents (94.12%) don't disclose the name of borrower directors.

Opinion of the respondents regarding disclose of the name of Business enterprises of the borrower directors

Table 15

		BLO
No	Count % within BLO	17(100.0%)
Yes	Count % within BLO	0(00.0%)
Total	Count % within BLO	17(100.0%)

Table-15 shows that no respondents disclose the name of business enterprises of the borrower directors. 100.0% respondents don't disclose the name of business enterprises of borrower directors.

Major findings

Though corporate financial disclosure is an on going concept in the banking sector on a voluntary basis, some weaknesses of the reports may be identified. The paper revealed the following key findings:

- No respondents disclose the name of business enterprises of borrower directors.
- With regard to disclose the name of borrower directors in notes to financial statements a significant number of respondents held the opinion that they don't disclose the name of borrower directors.
- Again most of the BLO take the view that they don't disclose the name of default directors.
- The BLOs were asked to response regarding their satisfaction with the present reporting requirements and present reporting practices.
- In addition, a majority of the BLO expresses their satisfaction on present reporting requirements and present reporting practices.
- The findings also reported that most of the banker use cost principle in valuing their assets.
- Further they reported that if cost principle is not followed, they disclose that information in the annual reports,
- As the whistleblower most of the respondents states that they create secret reserves in their balance sheet.

- The findings covers also the soundness of the corporate financial disclosure of the banks that greater portion of the banker prepare aging schedule of loans and advances, they fix the rate of provisions for bad debts and they have received qualified opinion or disclaimer.
- It is important to note that percentages for yes/no answer where calculated from the total number who answered the questions as opposed to the total number of surveys distributed, this was done to prevent any distortion in the survey findings.

Limitations of the Study

- The study is based on empirical evidences and several areas of asymmetry have been illuminated.
- The authors have done the analysis on the basis of semi-structured primary data and some secondary data.
- For preparing the paper the authors only consider BLO as respondent and several respondent groups like Professional Accountants, Stock Brokers, Financial Analysts, Accounting Professors have been avoided.

Conclusion and recommendations

Annual reports, to a large extent, form the basis for action by investors, creditors and potential creditors of the banks. Because of this, shareholders, in particular, must understand in general way the contents of annual report. However, if the contents of annual reports turn out to be very difficult, shortages of readers demand, if not possible, for the readers to understand the performance of the specific organization. This study examines the perceptions of major user group, namely bank loan officer. The study reveals that the corporate annual report of banking company was the most important source of corporate information to the entire participating user group. This report provides an overview of the results pertinent to the questionnaire survey regarding voluntary disclosure policy of the commercial banks. The report offers a summary of the perception of key senior experts of BLO, pertaining to the disclosure policy of banks' level of compliance with best practice in corporate governance. This report provides an overview of the results pertinent to the Corporate Governance Survey of the Bangladeshi Banking Sector. Among the majority of respondents, the questionnaires were completed by representatives of the banks' top management, (e.g. Assistant General Managers) as well as heads of business divisions (e.g. Head of Compliance, Chief of Internal Audit). Respondent have in place a good general framework for corporate governance more emphasis is needed in the area of conducting structured reporting on compliance with good disclosure practices. More policies are needed to address minority rights and more efforts need to be geared toward designing and implementing special training programs on corporate governance and internal control practices for employees. Independent directors do not have a majority presence in the boardroom Banks, in general, do not take into consideration the evaluation of client's financial reporting practices in their credit risk assessment. Banks should have special committees for supervising and monitoring major business functions. Banks have already given much effort in the field of corporate financial disclosure in their annual reports. But still now some voluntary essential requirement exists; the current accounting system should make it mandatory for the stakeholders of banks. Corporate financial disclosure should be presented in classified form such as name of default directors with amount due, the name of borrower directors, Aging Schedule, fixation the rate of provisions for bad debts, qualified opinion or disclaimer, creating secret reserves in the balance-sheet, using cost principle in valuing assets, labor management relationship, environmental

contribution in separate headings. As it is voluntary requirement, all banks do not disclose corporate social responsibility in monetary terms. So the transparency of the corporate social responsibility report sometimes makes question mark to the user groups. To resolve this problem the Bangladesh Government should make it mandatory to disclose the corporate social responsibility information with financial data. Accounting should develop a standard to guide the practice of corporate financial voluntary disclosure and reporting with which the company can make a compliance report the corporate governance disclosure.

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ROAD MAP TO GOOD GOVERNANCE – THE NINE I APPROACH

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Abstract : Good governance and corruption are the most critical contemporary problems of Bangladesh. The concept of Good governance has swept public attention all over the world. Also there exists a general agreement on the meaning and concept of the term "Good governance" with little variance. But whatever feel-good rhetoric is around, finding actions which can stand the test of strategic promise and political commitment has been less straightforward in countries like Bangladesh. The paper attempts to brainstorm issues relating to the development of a national framework towards "Good Governance." Today's democratic environment across the globe keeps government under pressure to maintain a disciplined and structured framework in the operation of a democratic polity.

Introduction

Economic development can not flourish in the absence of good governance. The pre-condition for good governance is effective democratic institutions. What is important for good governance is democratizing the society. Improvement of the living standard of people can not happen where people cannot participate in governance, human rights are not respected, information does not flow and civil society and the judiciary is weak.

Good governance is an extension of the principle of the rule of law. Any society is well-governed when there is a rule of law, not rule of a man or a woman. A modern state is extensively governed by rules, regulations and laws, by complex guidelines and instructions, restrictive, prohibitive and penal procedures. Good governance can become myth for the people when the public representatives, bureaucrats and judiciary put rules and regulations aside and start ruling by using political office for personal gains. It has often been seen in history that an elected government may not be democratic but autocratic in practice imposing dictatorship of the head of the government. This can happen even in the parliamentary form of governments. It is ironical that, the democratic world is satisfied if the adults of a country can cast their votes at a periodic interval in a festive mood. But little do they bother whether these festive periodic exercises called election puts the voter in a helpless coercive situation to choose muscleman or criminals nominated by party A or party B as their representative only to endorse a rule of terrors or criminals.

The basic problem of maintaining rule of law in Bangladesh is the belief of a powerful group of politicians, bureaucrats, elites, business personalities and other persons from other professions, that although all human beings are created equal, they are more than the created equals. Law and judicial systems exist for those who are less equal than them, allowing them to float above the law and the arms of the

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court are not long enough to reach them. This irony in the day to day affairs of Bangladesh is the breeding ground of corruption, mis-governance and mis-fortune. The search for a policy and system to combat corruption is essentially a search for a leveler, except death which will cut the size of those more-than-equals to their proper size and dimension. If corruption is to be combated, it would have to be addressed both by way of a change of mind set and a change of consequences.

A. Good Governance: Conceptual Framework

The broad concept of good governance is the process of governing with maximum participation of the people. Good Governance refers to the broad set of actions that a government undertakes to ensure people centric socio-political-economic mechanisms to function effectively. Good governance, then, arises from actions of a government which is honest, transparent, accountable, efficient, and institutionally sound. Establishing good governance in Bangladesh requires reforms of the political system, electoral system, state machinery and institutions to monitor the governance.

A number of multilateral organizations (e.g. UNDP, World Bank, OECD) and bilateral organizations have emphasized on the elements of good governance and its impact on development. Multilateral organizations generally equate good governance with sound economic management based on (i) Accountability; (ii) Participation; (iii) Predictability and (iv) Transparency.

The concept of good governance has been clarified by the UN's Commission on Human Rights and identified the key attributes of good governance as:

1. Transparency 2. Responsibility 3. Accountability 4. Participation 5.

Responsiveness. However, there are some bilateral donors who are not satisfied with this narrow economic definition of good governance. They would like at least **Five** more elements to be included as an essential part of good governance, namely (i) Democratization; (ii) Human Rights; (iii) Rule of Law; (iv) cuts in Military Expenditure and (v) Probity.

The ESCAP of the United Nations has emphasized for good governance, the participatory nature of the government and the rule of law. According to this definition, good governance has **8** major characteristics - "It is i) participatory, ii) consensus oriented accountable, iii) transparent, iv) responsive, v) effective, vi) efficient, vii) equitable and viii) inclusive and follows the rule of law." By the rule of law ESCAP means fair legal frameworks and impartial enforcement of laws by an independent judiciary and incorruptible police force.

Good governance in Bangladesh is perhaps a far cry from the actual consonance of the term. There are several factors and issues that are constraining the very process of good governance. The major factors are i) corruption, ii) politicization of administration, iii) weak democratic institutions, iv) Ineffective parliament, v) absence of the rule of law and vi) absence of meritocracy etc.

Furthermore, we can outline nine criteria of good governance that may be used to determine whether any country qualifies to have good governance. For good governance also predominantly important are institutions like:

1. Independent and non partisan election commission
2. Independent Judiciary and the rule of law
3. Independent media and freedom of speech
4. Independent anti-corruption commission
5. Investing in the people

6. Independent and effective parliament
7. Independent human rights commission
8. Independent ombudsman system
9. Investment friendly environment

These nine components may be referred as the Nine I's of good governance or Nine 'I' approach of good governance. These Nine components of good governance should be institutionalized as democratic institutions for democratization the society. In the absence of this Nine I's good governance in Bangladesh like any other country will be a far cry.

These components constitute the foundations of modern democracy and create the underpinning to establish free economy and spur domestic and foreign investment, specially the potential investment of the non resident Bangladeshi (NRB's) particularly in the case of Bangladesh.

It is not true that only elections lead to a democracy. Democracy is a governance system based on values. Political vision is the main essence of a meaningful democracy. Mission statement is a mandatory object for good governance by political leadership. A meticulous 200-300 pages of home work (Manifesto) of the political parties is the document where political parties ought to outline their ideas and concept of democracy they want to offer to the citizens in lieu of their votes. The political parties should make it vividly transparent as to how and when they will apply their policies for establishing a democratic society ensuring parity, rule of law, equitable distribution of wealth, social justice, freedom of speech and thought if voted to power. The political philosophy and the commitment of the political parties should be expressed in the form of party manifesto much ahead of elections for empowering the voters so that they can make informed decisions before casting their votes during the elections. In Bangladesh, unfortunately the practice of presenting the manifesto of the political parties are not transparent and as such it may be stated that political commitment of the parties to people is also not transparent which gives the parties a space to shift from their commitments and promise after the election.

Sound policies and their execution are essential pre-condition of development. Good governance necessarily means govern justly, invest in the people and encourages private economic enterprise. To decide whether our country meets these standards must be determined by using specific indicators of performance.

Bangladesh is yet to promote principles of good governance and initiative of our civil society reinforces the need for good governance. Through cooperative ventures of our parliament, judiciary, executive organ of the state along with the civil society it is possible to enact policies and design the governance so that human dignity and freedom are allowed to flourish. Some of the principles of good governance date back to the time of ancient Greece. Others are principles developed in more recent years or lessons learned from our own history and that of other democracy practicing societies.

Broadly speaking, good governance promotes fundamental and universal human rights. As per our constitution the political power lies with the people (Article 7). Principles of good governance allow people to pursue their lives in a just, equitable and democratic society. Countries like Bangladesh need the tools to educate their citizens to take part in the opportunities offered by the global economy. We need to work to eradicate corruption and create a renewed respect for human rights as well as constitutional rights.

Perhaps the most basic and important principle of good governance is that a nation's political institutions be democratic. In the words of one of America's greatest presidents, Abraham Lincoln, democracy is a form of government "of the people, by the people and for the people." This means that the rights and principles of democratic government can and should be universally applied. They are not a uniquely American invention. The right of every person to speak freely about his government is a basic human right to overcome bad governance and make sure that government by the party, for the politician and nothing for the people be not established. The right of any citizen to express his opinion about his government is one that is supported by the doctrine "Rule by the Ruled" as has been recognized by nations all over the world. Now let us examine the Nine I's of Good Governance.

The main objective of the article is to explore the issues relating to the development of a national framework towards "Good Governance." This article has been written on the basis of secondary information.

Independent and non partisan election commission

Independent and Non partisan election commission is a precondition for free and fair participative elections to elect public representative to the parliament. Elections however are not the only cornerstone to democracy. Accountable leadership and fulfillment of the will of the people is essential to ensuring that elections are a means to a democratic society, not an end in themselves. One of the indicators of good governance is a country's commitment to citizen's political rights for functional democracy. It is critical that a nation's election be free and fair in a level plane ground. This means that every citizen have a equal access and opportunity to compete to become public representative. Voters have a choice among candidates and that they have a right to information concerning each candidates background.

Free and fair elections are open and transparent to all people without discrimination based on sex, religion or race. Such elections are not restricted by government interference and coercion by money and muscle. The right to free and fair elections should be guaranteed by independent non partisan election commission having appropriate capabilities and skill to deliver honest acceptable elections. And such elected government can only be held accountable to their citizens. Voters should be able to participate freely in the political process, whether through political parties or independent candidates.

Independent Judiciary and the rule of law

Another criterion of good governance is independent judiciary, important for preserving the rule of law. It is very essential to have a strong judiciary and courts to ensure that a nation's laws are enforced constantly and fairly. All organs of government must be law abiding. The rule of law also is the basis for the formation of Business enterprise and the establishment of a free market, which underpin economic development. Citizens or their elected representatives should be involved in all levels of lawmaking including the local government. Participation in this process gives people the confidence that the law will protect their property rights and human rights. Respects for the citizens and rights relating to personal privacy are a far cry in any weak democracy.

Another characteristic of good governance is the presence of constitutional limits on the political power. Such limits include transparent, creditable, periodic elections, guarantees of Fundamental Rights, guarantees of Human rights by a independent

judiciary, which allows citizens to seek protection of their rights and redress against government actions. These limit help make government departments accountable to each other and to the people. Accountability is another characteristic that is considered globally for the eligibility when determining whether a country practices good governance.

Not only should the law be enforced, but it should also be enforced fairly and without any sort of discrimination. Good governance means equal protection for all without any discrimination of sex, cast, creeds and race. An open and easy access to judicial and administrative systems. Political and civil rights should not be denied to citizens because of their sex, race or religion. A nation's courts should not be open to only a selected few. Government agencies should allow appeals of regulations as well as citizen participation in their decision-making process and citizens should be granted access to these bodies in a timely and easy manner.

Government also has a duty to protect their citizens from criminal violence, especially the practice of trafficking of persons. Women, girls and children are most vulnerable to this illegal trade, which can only be stopped by diligent law enforcement.

Independent media and freedom of speech

To function properly, a democratic society must ensure free exchange of information and ideas. This is best realized in the creation of a free and open media and the freedoms of speech and expression. A free and independent media provides voters with the information they need to make informed decisions. It facilitates the exchange of political discourse, creating an "open place for ideas" where no view is neglected and the best are chosen. Free media can also serve as a check on government power ensuring that bureaucracy, public officials and government departments remain accountable to the voters. The media's ability to report on trade and industry and the economy is also important for preserving public trust in the free economy and for attracting domestic and foreign investment including the potential investment of the NRB's. The right of the free media to publish, to editorialize, to criticize and to inform is a fundamental principle of democracy.

Independent Anti-corruption commission

Good governance also means combating corruption and countries can not be considered having good governance, if they are corrupt. To preserve the integrity of democracy, governments must strive to rid themselves of corruptions and bribery. Corruption destroys economic foundations, impedes the ability of developing countries to attract foreign investment. Corruption hinders the growth of democratic institutions and concentrates power in the hands of a few having money and muscles. The best way to combat corruption is for governments to be open and transparent. Official secrecy Act must not be abused. While in certain cases governments have a responsibility to retain secrecy and confidentiality regarding national security and alike issues. Democratic governments must be sensitive to the citizens' right to know without any discrimination. Strong laws against corruption, application of such laws and the actions of law enforcement agencies that work against corruption demonstrate a government commitment to this principle.

Investing in the people

Good governance requires that government invest in their people and work to preserve the welfare of their citizens, without regard to gender, race or religion. Government should invest in health care, nutrition, housing, education and poverty elevation, They should ensure an economic environment where people can find jobs and establish business enterprises. Along with other measures, a government's ability to provide job and a high standard of living for its people is considered by the democratic world in determining governmental effectiveness.

Independent and effective parliament

Legislature is a fundamental component of good governance, which serves as a demonstration of pluralism, tolerance of diversity and dissent as well as a place for compromise and consensus building. The health of democracy of any nation is largely dependant on a strong and functional legislature. A government with a legislature lacking the capacity to effectively oversee the executive or influence policy cannot be deemed to be democratic or delivering good governance. The role and task of the parliament is to make laws and monitor the executive. They hold the executive organ of the government accountable through committee hearings, intervention on important national issues and making appropriate laws to sustain good governance.

The formal government is only one of the actors in good governance. Under any parliamentary system of government the parliament is another key actor for ensuring good governance. But when the speaker becomes partisan, when Parliament Members looses their membership if they vote against anti people bills presented in the parliament by their party due to the black law like Article 70 of the constitution, presenting bill in the parliament becomes a farcical exercise. When ministers do not remain accountable even to the MPs, the parliament becomes autocratic establishing parliamentary autocracy frustrating the spirit of people centric accountable government.

Further when the elected opposition in the Parliament abstains from taking part in the proceedings of the Parliament, the Parliament becomes ineffective as a constitutional arrangement of scrutinizing government's activities. The idea that the opposition can topple a government by road violence without election is most unhelpful for democracy and democratic good governance.

Independent human rights commission

All concerned with governance believes that the creation of a national human rights commission shall play a key role in promoting and protecting human rights in Bangladesh. International human rights agencies expressed deep concern about human rights situation in Bangladesh. Victim of violence, political killing, house burning, victim of rape, victim of acid throwing, teasing of school girls, non registration of marriage, demand for dowry, domestic violence by husband, discrimination against girls & women, human right abuses by police are the few of many forms of human right violation in Bangladesh.

We can identify five bodies that people usually approach to obtain redress for their grievances:

1. Village elders through village *Salish* [binding arbitration by the village elders.]
2. Union Parishad [UP-local council] Chairman;
3. Court;
4. Local member of parliament

5. Police

But it is feared that if proper safeguards are not put in place to prevent and deter the imposition of cruel, inhuman or degrading punishments by the local bodies they might themselves continue to become instruments of human rights violations. It is not clear whether our human rights commission will have the remit to study and make recommendations on human rights violations arising from the imposition, by the village courts, of Islamic punishments such as stoning to death.

The creation of a national human rights commission should go hand in hand with a thorough review of existing legal and other institution in order to make these more effective instruments of human rights protection.

This initiative should be accompanied by a determined government policy aimed at holding the perpetrators of human rights fully accountable, thus ensuring that those who violate human rights cannot do so with impunity.

While human rights violations by police are a cause of serious concern in Bangladesh, members of other security and law enforcement agencies including army personnel have at times been involved in acts of torture and extra-judicial executions and should be equally accountable before law. It is expected that the human rights commission should address human rights violations by all state agents.

Independent ombudsman system

As mentioned in Article 77 of the Constitution, establishment of the institution of Ombudsman is a constitutional obligation. Successive governments have failed to meet that obligation, except the provision of the Ombudsman Act of 1980 and subsequent setting up of the Office of Tax Ombudsman, which has at best remained symbolic.

For democratic governance and preventing unlimited discretion of the Government and administration and ensuring social accountability in the governance process, the Ombudsman institution must be set up without any further delay.

The Ombudsman is one such independent institution that receives and probes into citizens complaints against government officials and institutions, and recommends corrective action. Ombudsman has the authority to investigate into allegations of maladministration, but not with same power as the court of law, nor do recommendations of Ombudsman have mandatory implications for reversing any government decision. However, the key impact of an effective Ombudsman lies in its power to focus public, legislative and government attention to grievances of citizens. Ombudsman is a Swedish word which refers to someone who takes upon herself or himself the responsibility to do something for another person. The Ombudsman is responsible for impartially and independently investigating citizens' complaints against a public authority or institution and tries to facilitate a fair settlement. From a practical point of view the Ombudsman is an institution for raising citizen's voice and catalyzing accountability of the administration.

According to the information of International Ombudsman Institute, by 2005, the Ombudsman's office existed in 129 countries around the world. These include states with well established democratic systems as well as those with shorter experiences of democratic experimentation.

The Ombudsman should be viewed as an institution composed a Chief Ombudsman, and

several others to be appointed in phases with specialized sector-specific jurisdiction, such as Ombudsman for Administration; Public Procurement

Ombudsman; Education Ombudsman; Health Ombudsman; Human Rights Ombudsman; Women and Child Rights Ombudsman; Land Rights and Land Administration Ombudsman; Environment, Water and Forest Ombudsman; Local Government Ombudsman; Banking Ombudsman; Ombudsman for the Rights of Minorities & other Disadvantaged Communities; Power & Energy Ombudsman; and Labour Rights Ombudsman, etc.

Powers and jurisdiction of the Ombudsman should be clearly defined and sufficiently communicated to the members of the public to avoid over-expectation and possibility of the Ombudsman being overburdened with activities of other institutions. To avoid overlapping jurisdiction with ACC, for instance, it should be clear that Ombudsman is a watchdog against maladministration, abuse and incompetence that has caused harm or loss to the aggrieved citizen. When it comes to abuse of power for financial or other material gain it becomes jurisdiction of the ACC. There should be close mutually complementary relationship between the Ombudsman and other pillars of the national integrity system.

Complementing other watchdog bodies like the Anti-corruption Commission (ACC), and depending upon the effective functioning of other pillars, especially Judiciary, Parliament, and Auditor General, the Ombudsman has a key role in the national integrity system. Given due legal and institutional capacity for independent and effective functioning, the Ombudsman can play a catalytic role in ensuring social accountability of the public institutions and functionaries.

Investment friendly environment

Bangladesh holds a huge potential for investment, especially from abroad, but it needs to ensure a more investment friendly environment to attract foreign direct investment (FDI). Major obstacles such as bureaucratic tangle, some sort of corruption, inadequate infrastructure, lack of transparency and accountability, political instability, poor law and order situation and complex visa system should be addressed to encourage more investment in the country. The contribution of the Chinese and Indian expatriates to their economy are good examples of congenial investment environment in those countries. The Bangladeshi expatriates also urged the government to forge a partnership among public and private sectors and also with the NRBs. The role of the Regulatory Reforms Commission and Better Business Forum towards conducive business atmosphere in Bangladesh is questionable so far.

The security to life and property is a core issue for a good government, and establishing investment-friendly environment is possible through an effective parliament, establishment of transparency and accountability and ensuring rule of law. Most of the remittances that come into Bangladesh are for family maintenance. But such remittances can be diverted to productive sectors that will certainly help develop the national economy. The government should introduce a series of investment vehicles such as mutual fund, industrial fund, infrastructure fund and micro-finance fund through which the NRBs can invest. Bangladesh can follow Indonesia, China and India and formulate strategies to attract FDI. And it is high time to restructure public private participation model. Like Malaysia and Singapore, Bangladesh should make a 'branding' for attracting foreigners. Apart from the NRBs, there are many big firms who are looking for new investment destinations, mainly for foreign entrepreneurs, the government should make the newly introduced 'one stop service' at the Zia International Airport more effective.

Conclusion

Practicing these components (Nine I's) of good governance results in a free and open society where people can pursue their hopes and aspiration. This will facilitate the creation of free markets, which are trusted by investors and financial institutions. Good governance is a pre-condition for any economic development. Development can not flourish where people can not participate in governance, human rights are not respected, information does not flow and civil society and the judiciary are weak. UNDP and the World Bank among others, have come to realize that focuses only on economic governance at the expense of democratic governance fails. The proof is that, 42 of the 49 high human development countries on the UN Development index are democracies. With few exceptions, all of the world's richest countries have the world's most democratic governance.

The fundamental rights and the standard of living of Bangladeshi citizens will be enhanced through the creation of strong democratic society with prosperous economy. All democratic societies have deep appreciation for the freedoms and opportunities they enjoy and believe the principles that underlie democratic institutions and vibrant civil society are the best way to achieve sustainable economic development. Governments that govern rationally with the commitment of good governance get support for their reform efforts from their people as well as from the democratic world.

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TO MAKE DIGITAL BANGLADESH : HOW AND WHY

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Abstract: The vision of Digital Bangladesh in order to be successful and sustainable is dependent on the development of indigenous capability to plan, design and building, monitor and manage national projects. To create ownership of the Digital Bangladesh within the general public, it should focus in promoting the broad areas: Education, Health, Agriculture and Entrepreneurship. In this article the author tried to explore these objectives.

Introduction

The term 'Digital Bangladesh' has created renewed interest in Government and commercial organizations in utilizing Information & Communication Technology (ICT) in governance and service delivery. It is opined that, the Digital Bangladesh comprises e-governance and service delivery through utilizing ICT but the vision of Digital Bangladesh encompasses much more than this. In order to make the vision successful the whole concept need a strong knowledge creation and management.

Meaning of Digital Bangladesh

The idea of Digital Bangladesh will be centered on many more activities by the stake holders for delivering services but building an indigenous knowledge base will be an important issue of building a sustainable Digital Bangladesh. The basic goals for Digital Bangladesh should center on:

(1) A reliable, secure broadband infrastructure throughout the nation with access for every Bangladeshi from their homes, work places, schools or telecenter or CeC; (2) A digitally literate population and workforce; A digitally enabled nation, providing e-government information and service at national, regional levels; (3) Digital business development with intensified use of Internet in business and e-commerce to leverage productivity in the manufacturing and service sector; (4) A critical mass of internationally competitive information and communication technology human capacity and business; and (5) A legal framework that assures freedom of expression, democracy, transparency and access to knowledge and culture, while protecting the rights of creators and innovators towards building indigenous knowledge and technological base.

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Plan Unveiled for Digital Bangladesh: Bangladeshi Finance Minister AMA Muhith has unveiled a nationwide information and communication technology (ICT) strategy aimed at making technology accessible to all.

The ICT and telecommunication sector will receive a total allocation of Tk 563 crore (US\$82 million) from the proposed budget for fiscal 2009/10 - Tk 298 crore (US\$42 million) more than the last fiscal year.

The allocation includes Tk 142 crore (US\$20 million) for an annual development programme for the Science and ICT Ministry, Tk 221 crore (US\$32 million) for the Post and Telecommunication Ministry, a special allocation of Tk 100 crore (US\$15 million) for ICT development and Tk 200 crore (US\$30 million) for the Equity and Entrepreneurship Fund for ICT promotion.

Muhith announced that automated systems would be introduced in the education, land and health sectors and tax administration would be phased in over the next few years.

The Finance Minister said: "We would like to integrate land survey, land records and land management and bring the whole land administration under digital management. Once this initiative becomes successful, we shall be able to resolve many complex issues surrounding land administration, which will realize our goal of building a Digital Bangladesh."

Attempts will be made to introduce e-governance and e-commerce by 2014 and 2012 respectively, to make the administration and business activities more efficient and transparent. "We have to use ICT extensively for accelerated development. Therefore, we are moving ahead with a dream of establishing a digital Bangladesh by the year 2021. The transition to digitization process will, on the one hand, help accelerate production and on the other hand, help curb corruption," said Muhith.

Significant of the study: Information and Communication Technology (ICT) has taken the center stage to revolutionize the developed country. ICT is the backbone of any digital initiative. ICT covers the vast area of information technology, communication technology and of course the telecommunication technology; categorically processing of information and ensuring connectivity.

The wave of the revolution has also touched the developing countries like Bangladesh with massive changes. Prime Minister Sheikh Hasina had pledged to turn the country as a Digital Bangladesh by 2021 during election campaign in last year. I assume the idea boosted by sessions of teleconference used to communicate with the root level supporters during her election campaign. Since then, Digital Bangladesh became a slogan, a common talking point in the country. Government officials are using this slogan each and everywhere (either applicable or not applicable). For example, while placing the national budget of 2009-2010 in parliament, finance minister A M A Muhith uttered at least twelve (12) times the term "Digital Bangladesh".

Dreams of Digital Bangladesh: Dream of Digital Bangladesh is achievable. But without ICT sector development the dream would only be a nightmare for the total nation. One thing needs to be mention that ICT is only a technology, a technology or a machine could not be functional without a person or governing body behind. As policy makers, the government must ensure the development is not interrupted by means of wrong policy decision making. Signs of such policies are already placed. Private companies had invested billons in this industry and also ready for more. But government intervention is making their existence at stake. How? Let us see.

Technical view: Existing mobile phone operators are already struggling for not being profitable. They hoped that government would reduce tax on SIM card so that more users can be connected. But all they got in recent budget is new tax on mobile phone handsets. Is this encouraging for Digital Bangladesh? Moreover government has not issued 3G licenses for quite a long time. So opportunities for mobile operators are limited to voice based operation only. I think, this might be the reason, mobile operators are still involved in promoting (directly or indirect) illegal VOIP. WiMAX operators paid Tk 215 crore to have BWA license. It is obvious that this huge amount had a toll on their deployment plan as neither of them able to start their test operation yet. If three hundred base stations require for network coverage in Dhaka, you can only assume the numbers to cover the whole country. Such deployment requires continuous flow of investment. But I think, they are already struggling to swallow the burden of huge license fee.

Fixed wireless ISP's even don't have the direction to focus on. They are limited to their own boundaries due to lack of initiatives shown by government. Though they are the first to sow seeds of Digital Bangladesh by introducing rural broadband to the country even before the government thought, lack of proper guidelines is threatening their existence. Looks like BTRC, the regulatory body, has considerations (more or less) for Mobile and WiMAX operators only and acting like a step mother to fixed wireless operators. They are like "Chagoler tin nombor Baccha", a famous Bengali phrase (goat's third child, is it the translation?), who fails to suck its mother milk due to the presence of other two strong brothers.

There are some other issues like high bandwidth price, absence of second submarine cables, proper ICT guidelines which need to be solved for country to step ahead.

Digital Bangladesh is an idea that includes the IT use for management, administration and governance to ensure transparency, accountability and answerability at all levels of society and state. Building of a country wide IT backbone is essential for a digital Bangladesh. With government owned BTCL, mobile operators, railway communication system, internet service providers' total Bangladesh is already under a digital network. By a small initiative an adequate Nationwide IT backbone

could be developed. In this case only government could not be sufficient. Public-Private partnership could be the ideal endeavor.

And that is where the bottle neck is!! Government should treat private companies as partners instead of viewing as treasury vaults. They are here for the business but not for the charity. We should not forget that if these companies are profitable, government should also get the benefit. Otherwise, dream of Digital Bangladesh will remain dream to the government and nightmare to the investors.

Development

Bangladesh government's vision of a 'Digital Bangladesh' appears to aim in the right direction, in light of the new report. The report, Information and Communications for Development 2009: Extending Reach and Increasing Impact said the World Bank in Bangladesh is providing technical backing on stock-taking in the ICT sector and for the Digital Bangladesh programmed.

However, a survey released last month by the Japan External Trade Organization (JETRO) said broadband fees in Bangladesh were the highest among 30 Asian countries last year. Since the survey was carried out in January 2008, BTCL has reduced Internet tariff charges by up to 40 percent, while Internet service providers reduced the average Internet access charge for home users by 25 percent, but this was not sufficient for Bangladesh to be competitive, according to JETRO.

Promised Digital Bangladesh with young Generation: Broadly speaking, a digital society ensures an ICT driven knowledge-based society where information will be readily available on line and where all possible tasks of the government, semi-government and also private spheres will be processed using the state of the art technology. So, a digital Bangladesh must guarantee efficient and effective use of modern ICT in all spheres of the society with a view to establishing good governance. In other word, making Bangladesh a digital one, we have to establish technology driven e-governance, e-commerce, e-production, e-agriculture, e-health etc. in the society emphasizing the overall development of the common people, the major stakeholders of the country.

Due to globalization, more specifically due to booming of ICT like most of the countries on the globe, Bangladesh has already been connected with the outside world. Yet in the field of ICT, our only grand success lies in Mobile telecommunication which has brought an abrupt change in telecommunication scenario of the country. However, in the other spheres of ICT, our achievement is very insignificant and we are still far away from transforming ourselves into a knowledge-based society.

Building strong ICT infrastructure is the pre-requisite for making Bangladesh a digital one. For this, we need to focus on the following relevant issues assessing the harsh reality that hinders our development in this context.

- a) *Power deficit*: Latest statistics reveal that Bangladesh faces a power deficit of up to 2000 MW against a demand of 5000 MW daily.
- b) *Network infrastructure*: Outside Dhaka, at present a few computer network infrastructures have been developed so far. Apart from some educational institutes outside Dhaka, observation finds that most of the LAN setups are Dhaka centric. This observation reveals the reality of the digital gap even within the country.
- c) *Use of Internet*: For the ICT development Internet users of the country must be increased. In this case our position is the worst one among the South Asian countries. The latest statistics (ITU, 2007) revealed that Internet penetration in our country is only 0.3%, whereas, in Pakistan and India, it is 7.3% and 5.3% respectively.
- d) *Under sea submarine cable*: Since 2006, Bangladesh has been connected to worldwide Internet Super High Way through an under sea submarine cable. But this single submarine cable frequently faces disruption resulting in slow bandwidth.
- e) *Network Readiness*: Networked Readiness Index (NRI), developed by the University of Harvard, measures the propensity for countries to exploit the opportunities offered by information and communications technology. The NRI seeks to better comprehend the impact of ICT on the competitiveness of nations. The NRI is a composite of three components: the environment for ICT offered by a given country or community, the readiness of the community's key stakeholders (individuals, businesses, and governments) to use ICT, and finally the usage of ICT amongst these stakeholders. Unfortunately, the latest survey (2006-7) revealed that Bangladesh's NRI ranking is one of the lowest among the Asian countries.
- f) *Use of open source software*: Many countries (e.g. France and Malaysia) have started to use open source software in ICT development projects for cost effectiveness. Unfortunately, in our ICT development domain the culture of using open source has not yet been introduced.
- g) *English literacy rate*: From different sources, it has been learnt that, English literacy rate in Bangladesh is less than one percent. Whereas, English literacy rates in India and Pakistan are 60% and 20% respectively. There is a strong correlation between English literacy and ICT development in the present context of globalization. In the arena of ICT English has become the Lingua-Franca. On the other hand, we have not localized Bengali in the domain of computing. Hence, English literacy is a must for our ICT development. Unfortunately, in this case our position is the worst in the sub-continent.

Though the above accounts seem to be frustrating one, these can be easily overcome within a reasonable span of time if we can establish good governance in the country. Since independence, Bangladesh has been critically suffering from poor governance. Lack of vision, corruption, lack of transparency, weak coordination, undemocratic decision making were the salient features of our past governments. These can also be marked as the major barrier to the overall progress of Bangladesh. However, the newly installed government which has called for changes, hopefully, will establish much expected good governance to keep up with people's aspiration.

For making a digital Bangladesh by 2021, the government must address the above stated issues effectively and efficiently in transparent manners. In many cases we need to reformulate our national policy (e.g. education policy, ICT policy) in accordance with the Millennium Development Goals.

Conclusion

To build a digital Bangladesh, let build a nationwide IT infrastructure, a tech shabby generation, a human resource with knowledge, nation with kindness and patriotism.

Building of an IT educated work force is the most important segment of digital Bangladesh initiative. It is already been told that technology is important but not works without a person behind. For a future Bangladesh a tech shabby generation is significantly important. This generation would be the driving force for a digitized, prosperous and humane nation. To develop this kind of generation it needs to an education policy and national human resource policy. It is another hard truth that this objective could not be achieved over night, but a good beginning is essential, which will create the expected human resource that will manage, administer and govern future Bangladesh.

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আইবিএস প্রকাশনা

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