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Ancestral Voices: The Transition to Modernity in Indian English Poetry

Kaiser Haq, PhD*

Abstract

This paper suggests a revision of the generally accepted view of the history of Indian (or South Asian) poetry in English, according to which the tradition suddenly attained modernity and an authentic native voice after independence and the pre-independence poetry is seen as being largely imitative of romantic and post-romantic modes. By highlighting the work of two poets who flourished in the early decades of the twentieth century -- Hasan Shahid Suhrawardy and Joseph Furtado - a case is made for regarding them as pioneers in the subcontinent of modern and contemporary poetic modes. A few other poets from that period whose work also exemplifies poetic modernity are also briefly discussed to bolster the argument that there is more continuity in the South Asian Anglophone poetic tradition than contemporary critics and poets have tended so far to believe.

The resurgence of Indian English poetry that got under way soon after the British left brought with it an iconoclastic attitude towards the earlier exemplars of the tradition, a number of whom had become household names, revered as cultural icons. The new poets took their cue from modern(ist) masters and, schooled in "Practical" and "New" Criticism, were generally dismissive and at best patronizing towards their predecessors. The critical thrust was very much in the spirit of modern critics who made sport with Shelley. Instead of Shelley, Indian English poetry has Sri Aurobindo Ghose (1872-1950), the mystic-nationalist guru of the Pondicherry Ashram, whose first collection appeared in 1895, and eleventh and last posthumously in 1957. To Nissim Ezekiel (1924-2004), foremost of the new poets, "anyone who thinks highly of Sri Aurobindo as a poet has no feeling for the English language" (Lal, 169).

Ezekiel's younger contemporary, R. Parthasarathy (b.1934), introducing his well-known anthology, *Ten Twentieth Century Indian Poets*, dismisses Henry Louis Vivian Derozio (1807-31), Kasiprasad Ghose (1809-73), Michael Madhusudan Dutt (1824-73) and Manmohan Ghose (1869-1924), as being merely of historical interest, and patronizingly commends Toru Dutt (1856-77) for showing that she had talent in one poem, "Our Casuarina Tree," and Sarojini Naidu (1879-1949) for having "perhaps the finest ear among Indian poets for the sound of English," witness the "springy and elastic" anapestic metre of "The Palanquin Bearers," even though ultimately, "as poetry, it disappoints" (Parthasarathy, 2-3).

Like the modern writers of the West who were their main inspiration, the new Indian English poets felt that a rupture in cultural history separated them from their

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predecessors. As Parthasarathy puts it, "Toru Dutt's poems mean little to us because our idea of poetry has changed since her day," and then asks rhetorically, "can we know outside or beyond our own era's ideas about language?" (Parthasarathy, 3). This implies that the modern poets—and by extension readers with a modern sensibility—need not bother to read their predecessors.

These attitudes, characteristic of a modern orthodoxy, show signs of undergoing a salutary revision. In an interview with Nilufer Bharucha in 1996, not long before he was incapacitated by Alzheimer's, Nissim Ezekiel declared that he was all for reclaiming older voices like Sarojini Naidu: "Thousands of people who would not know anything about poetry in general, never mind English poetry, know something because of Sarojini Naidu's poems on Indian themes. So, even if there are some weaknesses, when I read Sarojini Naidu I find that I have doubts about certain words and phrases she is using, but then I feel, yes but the subject is hundred percent Indian. That is the advantage to get familiar with Sarojini Naidu's poetry" (Bharucha, 37). What Ezekiel is saying about Naidu applies to other early Indian English poetry as well, with the exception of poems about England, such as those in *Songs of Love and Death* (1926) by Manmohan Ghose (1869-1924); but these have the interest of being the poetic expression of an Indian mind nurtured in England. Besides, even Manmohan Ghose has written on Indian themes, most notably "Nollo and Damayanti: An Indian Mystery Play."

Ezekiel's reappraisal of the earlier poets can be seen as part of a broader phenomenon. There is renewed critical interest in their work from the perspective of cultural studies, as is evinced in Rosinka Chaudhuri's *Gentlemen Poets in Colonial Bengal: Emergent Nationalism and the Orientalist Project* (2002) and G. J. V. Prasad's *Continuities in Indian English Poetry: Nation, Language, Form* (1999). There remains, however, in my opinion, a small point in the historiography of Indian English Poetry that hasn't been satisfactorily classified. It pertains to what I would call the apocalyptic prejudice of the modern poets; it is responsible for the view of recent literary history as a modern movement separated by a historical rupture with an outmoded post-Romantic tradition. I believe that this view is not really tenable, and that a careful examination of the poetry of the first half of the twentieth century will reveal the unequivocal introduction of a modern strand into Indian English poetry. It of course co-existed with the remnants of the post-Romantic tradition, which indeed survived well beyond the year of independence, but it should be duly recognized as a well-defined transition to the triumph of modern poetry with the emergence of Ezekiel, A. K. Ramanujan, Dom Moraes and a host of others. So far acknowledgement of the poets of the transition to modernity has been either confused or ill-defined. Thus Rosinka Chaudhuri notes at the conclusion of her study that after the First World War Indian English poetry "veered away from the old body of nineteenth-century Orientalist verse. Always mindful of English poetic idiom, Indian poetry responded to the change in the English literary ambience with the advent of Modernism" (Chaudhuri, 190). Here we have a confident assertion of the advent of modernism in Indian English poetry, but no names are mentioned. Elsewhere we have a list of names, but they do not match the label imposed on them: P. Lal, who edited *Modern Indian Poetry in English: An Anthology and a Credo* (1969), included six poets who had been published before

Independence: Joseph Furtado, Ferooz Kabraji, Dhan Gopal Mukherji, Sarojini Naidu, Harindranath Chattopadhyaya, and Sri Aurobindo." His justification is that "The poems selected from their work show 'modernism' . . . the change in idiom and feeling that was beginning to make itself felt some time before the first 'modern' spearhead launched itself in the years 1947-1950" (Lal, ii).

This is a bewildering claim, for none of these poets evince anything resembling "modernism." And yet, the thesis Rosinka Chaudhuri and P. Lal both subscribe to, that the modern element manifested itself in Indian English poetry before Independence, is valid, and can be easily established with a careful examination of the work of a couple of poets. I have chosen Joseph Furtado (1869-1947) and Shahid Suhrawardy (1890-1965) as my prime exhibits. One could add a few more names, but first the principle of selection should be explained.

A crucial preliminary task is a workable delineation of literary modernity, for which I find it convenient for our present purpose to use Stephen Spender's classic study, *The Struggle of the Modern* (1963) as a point of reference. "Modern" as Spender uses the term is interchangeable with "modernist," which enjoys greater currency today, and is contrasted with "Contemporary." The difference is that whereas modernism combines an apocalyptic view of history with *avant garde* technical experiments—as in *The Waste Land* or *Ulysses*—the "Contemporary" writers (in Spender's sense of the term) are content to use traditional techniques to deal with the modern situation—as in the poetry of Thomas Hardy, the Georgian Edmund Blunden or his American friend Robert Frost. In the post-World War II situation, the new poets were both heirs to modernism and in reaction to it. Modernist influence was unavoidable, since they were schooled in an academic situation shaped by "Practical" and "New" Criticism, but it was counterpointed by deliberately chosen non-modernist (Spender's "Contemporary") influences, for example Hardy's in the case of Philip Larkin, the first major post-World War II English poet. Regarding the genealogy of the post-World War II English poets, Spender notes that they

look back across the confusing political theory of the 1930's, the despairing affirmations of Eliot, Yeats and Pound, to the Georgians cultivating their garden.

Of course there is a great more to it than that. There is modern criticism which has added self-consciousness and consciousness of technique to the young poets. Their Georgian poems seem to have been sent to a laundry run by the new critics . . . the Georgian themes of Philip Larkin or Ted Hughes are treated more intellectually than in the poetry of Edward Thomas or Walter de la Mare (Spender, 263-4).

The Georgians of course were among Spender's "Contemporaries." The post-World War II English poets therefore are an amalgam of the "modern" and the "Contemporary." Across the Atlantic their American contemporaries, like those of Robert Lowell's generation, turned their backs on modernist impersonality and began an intense examination of intimate experience in what came to be known as Confessional Poetry.

like his Movement contemporaries in England, especially D. J. Euright, Kamala Das like the Confessional poets, Moraes like the neo-Romantic poets who survived into the post-World War II scene, like George Barker. And like their Western counterparts, the post-Independence Indian English poets are genealogically an amalgam of the "modern" and the "Contemporary," which are represented respectively by the aforementioned Shahid Suhrawardy and Joseph Furtado. The two of them together, plus a few others who can be classed with them, provide the missing link, so to speak, in the evolution of modernity in Indian English poetry.

Let us take the modernist first. Shahid Suhrawardy was a man of many parts, a linguist (besides English he spoke Russian, French, Italian, Spanish and German, and he also acquired some Chinese), art critic, theatre producer, academic; besides being South Asia's first modern(ist) poet. Born in Kolkata into one of the most illustrious Muslim families in Bengal, he took an honours degree in English from Kolkata University before leaving for Oxford on a scholarship. He took time off to study at the Sorbonne (1910-11), then graduated from Oxford with a degree in history in 1914. He got to know a number of literary and other luminaries, like Robert Bridges, D. H. Lawrence, Aldous Huxley, Lady Ottoline Morrell. Lawrence's letters mention him warmly and reveal that Suhrawardy had signed up for the abortive Rananim project.

Suhrawardy went to Russia to study Slavic languages and stayed on to become Reader in English language and literature at the Imperial University of St. Petersburg and the Moscow Women's University. He became friendly with Alexander Kerensky, and finding the atmosphere increasingly uncongenial following the Bolshevik Revolution, decided to leave. He fetched up in Berlin, moved to Paris in 1920 and from 1921 to 1928 was one of the producers of the Moscow Art Theatre, a company that included the great Stanislavski. Then for three years he served as an expert on the theatre at the International Institute of Intellectual Cooperation set up in Paris under the League of Nations. In 1931 he returned home, gave a course of lectures on "Mussalman Art in Spain" at Kolkata University and the following year took up an appointment as Rani Bageswari Professor of Fine Arts. Kolkata University Press published a collection of his lectures (1938) and also his translation from the Russian Scholar Vassili Vladimirovich Bartold's celebrated study *Of Mussalman Culture* (1934). As Nizam Professor of Islamic Culture Suhrawardy gave a series of lectures at Santiniketan, and from 1940 to 1947 was the art critic of *The Statesman*. He was a key figure in the literary and artistic circles of Kolkata, and was particularly close to the modern Bengali poets Bishnu Dey and Sudhin Datta. A larger circle to which he belonged included Malcolm Muggeridge, who for some years edited *The Statesman*, and left a vivid record of his Indian friendships in his memoir *The Infernal Grove* as well as in his diaries. From 1943 to 1947 he also served as a member of the Bengal Public Service Commission, and after Partition held a similar position under the central government in Pakistan before taking up an appointment as the country's ambassador to Spain.

This biographical sketch may appear to be a digression but is in fact tangentially relevant to the thrust of the main argument in that it indicates how

Suhrawardy's cosmopolitan lifestyle shaped his sensibility, exposing him to *avant garde* influences at their very source. This will become clearer if we examine his poetry. He published three collections in all, two of his own compositions and one of collaborative translations from Chinese. The first collection is a pamphlet of twenty odd poems overloaded with wistful sentiments and appropriately titled *Faded Leaves* (1910). Very much in an aestheticist mode, it belongs with the work of Dowson and Lionel Johnson, or, among Indians, Sarojini Naidu or Manmohan Ghose, as even a short extract will suffice to demonstrate:

Other lips have pressed those that I thought
Too sacred and pure to touch with mine,
Other eyes have flashed love and awakened
The pulses wild of a life divine.

("Sappho")

There are poems about India as well, but in the same aesthetic mode:

India! Oh, India!
The god of my tenderest devotion,
Cold is thy heart, sick with grief,
Stilled is thy soul's world-emotion.

("The Mother You Dream")

A sea-change occurred in Suhrawardy's poetry by the time the First World War broke out. His second and much more substantial collection, *Essays in Verse* (Cambridge University Press 1937), includes 41 poems from at least as early as 1914 till at least as late as 1933: we can tell because a number of the poems are dated. In a section titled "Early Poems," amidst the rather unexceptional quatrains of the poem from 1914 occurs this striking stanza:

Whilst I sit darkling in my room,
Beating against the prison-bar,
You come and fling into the gloom
A bright inconsequential star.

("When Thunderclouds About Me Break")

This, I would say, is the first example of modern Indian English poetry. It belongs with early Eliot poems like "Portrait of a Lady" and "Preludes," and like them reflect the ironic mode of Laforgue and Corbiere, which Suhrawardy might have become familiar with during his year at the Sorbonne. Similarly, in a poem written in 1915, he incorporates mainstream Symbolism, and acknowledges his debt in the very title:

Your eyes to me are moonlit seas
where rove my sea-gull dreams like souls,
where coral roses keep their tryst
with large translucent bees,
where sea-weeds held in amber bowls
whisper like eager girls,

.....
But in your inmost eye I see a boy,
a wondrous fair-limbed flower-bodied boy,
gazing into an amethyst.
("Narcisse: Mallarméen")

Eliotesque modernism recurs in the section titled "An Old Man's Songs":

But you,
Stranger to apocalyptic needs,
In the narrow orb of your accurate mind
Rotate from hour to hour:
Dinner for two;
Tennis at four;
Odol and powder before going out to friends;
Cautious caresses;
Honourable amends,
Lips painted to the crimson of a wound
After sentimental flutters;—
Whatever happens one should go to sleep
Carefully drawing to the shutters

Oh, Passion lion-hearted, that ruled calamitous wilds,
Browses on well-laid lawns, a weary sheep
("At Tennis")

Several of the other "Old Man's Songs" (there are 10 in all) are noteworthy for the effective combination of an intellectual diction with naked passion, suggesting an attempt to overcome the "dissociation of sensibility" that Eliot had diagnosed:

The young have need, perchance,
Of cathartic close-ups,
Of tautological caress.
What are old men to do with their lust?—
Only to stitch their hearts
To the hem of your whirling dress,
And scatter
Into iridescent dust!

In another poem the speaker complains, for "you make each day a sacrifice/ To an intransigent whim./ Tennis to slim;/ Dancing to scatter the frivolous hours away," before frankly declaring, "I love the grand inconsequence of your youth." Elsewhere a masochistic ageing speaker notes "the apt perversion of your years," which induces her "To hold my love to shame./ Glittering in the harness of your mockery."

The battle of the sexes continues in the section of "New Poems," with an ever more aggressive deployment of a sardonic vocabulary:

You gourmendise your fickle heart
With ecstasy galore,
And in your naivety you bless
The dialectic platitudes
Which aggrandise your vanity.

.....
I fancy you sitting before
The Sacerdotal Charlatan,
The Hypochondriac Bore,
Sipping nonchalantly your tea;
Rhapsodic 'twixt a scone and cake,
You fabricate a monstrous plan
To save the soul of Man.

("Letter for the New Year 1933")

There are poems of a mellow mood as well, the most impressive being "Letter from O'Ni," a translation of a Chinese poem in the form of an exile's monologue, subtly poignant and wickedly humorous:

... Bo-bo, more learned than those
Who after long travail
And many attempts at suicide
Have passed the Civil Service,
Pares his scholarly nails,
Thinking of holy Flan-si talking to a ghost
Or mourning o'er Chiao Chung Ching's faithful wife.

From here there is a natural progression to Suhrawardy's last book of verse, *Poems of Lee Hou-Chu: Rendered into English from the Chinese* (1948), which was prepared in collaboration with Liu Yih-Ling, a Chinese poet. Lee Hou-Chu, the last king of the southern branch of the T'ang Dynasty, lost his kingdom to the Sung Dynasty and was killed by poisoning at his 42nd birthday feast. But his poems, written in the lyric form known as tzu, survive, and in these versions impress us with sharp, emotionally charged images:

The autumn breezes blow
In tune with the rain.
Outside the curtain stand two or three banana tress,
How will you spend the long night?

("Ch'ang Siang Se")

Suhrawardy's interest in Chinese poetry will naturally remind one of Pound and the role of translations from Chinese in the development of modern poetry. Within the Indian English tradition Suhrawardy has a worthy successor in Vikram Seth, who also has felicitously translated a sizeable body of Chinese verse. Suhrawardy's small but varied poetic output clearly places him at the fountainhead of modern poetry in the subcontinent. Not only in Anglophone writing, but in the entire body of subcontinental poetry, he was the first to strike a modern note. Even in Bengali poetry, which was perhaps the most up-to-date in keeping up with Western trends, modernism did not make any impact until nearly the end of the 1920s.

Suhrawardy's reputation in India seems to have become a victim of the Partition. Since he moved to Pakistan he ceased to be an Indian poet and became instead the first modern poet of the new country. It is to Professor Srinivasa Iyengar's credit that he ignores

the vicissitudes of history and counts Suhrawardy as “Among the earliest of the ‘new’ poets” and provides a convincing critical account of his modernity in the pioneering study, *Indian Writing in English* (643–45). Iyengar also mentions a few other modern poets who appeared before independence, P. R. Kaikini, for instance, or Krishan Shungloo, who followed the eccentric American modernist, e. e. cummings, by publishing a collection titled *the night is heavy* (1943), whose 39 poems are of course all in lower case. Recently Suhrawardy’s historic significance as the subcontinent’s first modern poet has been salutarily highlighted in Makarand Paranjape’s anthology, *Indian Poetry in English* (1993). The appendix to the anthology includes five of Suhrawardy’s poems, prefaced by a note, ‘Shahid Suhrawardy: the Recovery of a Forgotten Modernist Poet.’ Even then, sadly, Indian critics are not yet unanimous in acknowledging Suhrawardy’s achievement. Indeed, Eunice de Souza, in the introduction to her anthology, *Early Indian Poetry in English* (2005), dismisses Suhrawardy’s ‘“modernist” poems as modernist doodles, not modernism. It is (*sic*) the work of someone who has read Eliot and Pound and is imitating some of their effects’ (xxvii). If the high standard de Souza purports to uphold were applied consistently most of the poems she does include in her anthology would have to be trashed. One can only surmise that for some reason or prejudice she leapt on to a critical high horse when faced with Suhrawardy’s work.

Going back to Spender’s dichotomy, let us focus on the “Contemporary” counterpoint to the modern in Indian English poetry. Joseph Furtado was a Goan, whose mother tongue was Konkani, but who was educated in Portuguese and then in English. Like Joseph Conrad he chose to write in his third language, which fired his imagination when he discovered Goldsmith’s poems, “Traveller” and “Deserted Village.” He published six collections of verse, of which two were published in England: *A Goan Fiddler* (London: Chapman & Hall, 1927) and *The Desterrado* (London: Chapman & Hall, 1929). The first had a short preface by Edmund Gosse and the second was dedicated to his memory. After working on the Indian Railways for some years Furtado settled in his native Goa, where, according to Gosse, his life was characterized by “a habit of solitude, of intellectual isolation” (*Fiddler*, vi). And yet, with a quality akin to saintliness, he could delight in nature and happily translate that delight into poetry. But there were other feelings too, and poems of social criticism and satire. According to Gosse, “The poetry is that of one to whom English versification is not merely foreign, but has been cultivated through a double veil of unfamiliarity. But its ardour will not escape sympathetic attention” (*Fiddler*, vii).

Gosse’s comment on the versification is apropos, but what he sees as a defect is in my view its prosodic originality. For Furtado’s sing-song cadences capture the rhythms of Indian English, something that metrically correct verse would not do. The effect becomes strangely unforgettable when the idiom too is demotic Indian English, as in “The Fortune Teller”:

Saib’s hand one minute, please;
 No like no give me fees . . .
 Saib plenty money make,
 Half cunning people take.
 I see saib marry twice,
 The second memsaib nice

Parthasarathy rightly points out that here and in another poem, "Lakshmi," Furtado became the first poet to use "pidgin or bazaar English" (Parthasarathy, 7), thus anticipating the Indian English poems of Ezekiel and a few others (I myself have written four, collected in *A Happy Farewell*, Dhaka: University Press Limited, 1994). However, he makes no distinction between Furtado's Indian English poems and Ezekiel's, and thinks in both "the jargon never rises above caricature" (Parthasarathy, 8). This ignores the distinction that Ezekiel's use of demotic English is much more self-conscious, with deliberate puns and literary allusions.

Furtado is in the neutral, non-pejorative sense of the term, a naive writer, and it is noteworthy that a review of *The Desterrado* in *The Tablet* pronounced that "Something of the quality of Blake shines through these poems" (quoted in Iyengar, 628). The *TLS* review of *A Goan Fiddler* noted "the ecstatic naivete of his feeling for life" and claimed that Furtado spontaneously achieved what Wordsworth had to consciously cultivate (Iyengar, 627).

Like Blake Furtado is aware of both innocence and experience, and the poems reflecting the latter will naturally appeal to the modern reader. The idiom he uses throughout is plain and direct, with a colloquial vigour that remains undiminished after more than three quarters of a century. These qualities, blended with the ironic modernity we find in Suhrawardy, would produce the post-Independence poetry of Ezekiel's generation.

Like the poets of independent India, Furtado is frank in delineating the tensions arising from constricting circumstances. "The Neglected Wife," for instance, is a lament of a woman whose husband left to work in Bombay just after their marriage three years ago:

And this young age creates a rage
Of such desires, upon my breast
This fold of saree it won't rest.

When she goes to church, "For love, not God, I yearn,/ For the young men these all smile to me,/ And I their smiles return" and "can't suppress the sinful thought." At a wedding dance she is thrilled when a young man makes a pass at her, but is too shy to respond. She turns to the church for comfort, but her Father Confessor "Sees naught besides my sin."

"The Peasant" is prototypical of all recent poems about genteel folk who go slumming and come up against incomprehension and rejection. The poem states a traditional piety as its axiom:

How good a thing is toil!
Sweet after toil is bread,
And best to plough the soil
Ere the sun is overhead

The speaker feels that "it will do me good,/ A sweat upon my brow" and so he approaches the ploughman in the poem:

Well after work comes food
And work or food to share,
To share it with another.
Great joy it is and rare!

Do try it, my good brother,
And let me hold the plough."
These words scarce had I said,
One moment, at my brow,
Stared he—then shrieked and fled!

"An Old Lesson" is a brief and cynical rhymed tale of a good man and a wicked neighbour. When locusts come

They spared the bad man's field
And laid the good man's waste!

Gender-related themes recur in "The Girl Without a Dowry" (Life's for boys, is all for boys . . . None will wed a dowerless maid,/ And I the veil must take,") and, with more psychological complexity, in "To a Beata," which exposes the cruelty of a practice once common among affluent Goan families of keeping an unmarried daughter because of the superstition that otherwise their houses wouldn't prosper:

Thy life is all a winter drear—
From day to day, from year to year,
'Tis one dull round of toil and prayer

Alongside Furtado, one could place Fredoon Kabraji as another poetically interesting "Contemporary." He is the only Indian to formally join the school of English Georgian poets. Indeed, his first major collection is titled *A Minor Georgian's Swan Song* (London: Fortune Press, 1938). Another collection, *The Cold Flame* (London: Fortune Press, 1956) includes work from 1922 to 1953. Less exciting than Furtado, but more urbane, his work can still be read with interest:

Suddenly,
Like a branch of the willow
Lifted on a breath of the wind,
Stooping low, low, down to the stream,
Her arms lifted in air,
Gently to bend, bend down to the key-board:
And the key-board woke,
And ran music
Like the stream!

("A Pianoforte Recital")

Even though this study is far from exhaustive, it should be clear that there is far more continuity in the Indian English poetic tradition than is commonly supposed. Even though the moderns and Contemporaries we have discussed are lesser figures than the major post-independence poets, they cannot be ignored. Instead of a rupture at the time of Partition there is an unbroken chain of poetic development that goes all the way back to Derozio. But before him there was indeed a rupture in our literary/cultural life, occasioned by the rise of British power.

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From Communicative Competence to Communicative Language Teaching: Cultural Context of Origin and Clash of Cultures in Other Contexts

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Abstract

There has been an attempt to implement Communicative Language Teaching for a significant change in English teaching and learning in Bangladesh for quite some time, but a large number of English teachers in the country still seem unaware of the theoretical underpinnings of CLT, but awareness of the teachers is important for successful implementation of a method. This paper focuses on the ideas underpinning CLT, examines the cultural and educational contexts of its origin to familiarize practicing English teachers in Bangladesh with these perspectives. The paper also briefly refers to the cultural clash CLT experiences in contexts other than that of its origin to develop in the teachers a critical awareness about its effectiveness in Bangladesh.

Introduction:

Communicative language teaching is one of the most popular and most widespread ELT pedagogy of the present time. The idea of Communicative Language Teaching developed in the U.K. in the early 70s. The earliest reference to the term, according to Brumfit (1986), was made in Candlin's paper "sociolinguistics and Communicative Language Teaching" presented to the IATEFL conference in London in 1971. Hymes (1972), Wilkins (1976), Widdowson (1978), Brumfit and Johnson (1979), and many others in the 1970s introduced and elaborated the idea of communicative language teaching. In the 1980s, it took the form of a revolution. Candlin (1981), Littlewood (1981), Ellis (1982), Canale and Swain (1980), Canale (1983), Johnson and Porter (1983) and Fearch et al (1984) among many others contributed greatly to the dissemination of the communicative movement to different parts of the globe. This paper examines in some detail the main ideas and theoretical principles behind the rise and growth of communicative approach, outlines the characteristics of the cultural and educational culture in which it originates and relates the experiences in contexts other than that of its origin, especially non-western contexts, and thereby calls for the needs to examine its effectiveness or appropriateness in non-western contexts, like ours.

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Communicative Language Teaching and the Notion of Communicative Competence:

Communicative language teaching argues for the development of 'communicative competence' (Hymes, 1972; Canale, 1983; Canale and Swain, 1980; Savington, 1972; Fearch et al, 1984, and Bachman, 1990, among others). The four basic considerations in communication, according to Hymes (1972), are :

1. Whether (and to what degree) something is formally *possible*.
2. Whether (and to what degree) something is *feasible* in virtue of the means of communication available.
3. Whether (and to what degree) something is *appropriate* (adequate, happy, successful) in relation to a context in which it is used and evaluated.
4. Whether (and to what degree) something is in fact *done*, actually *performed*, and what its doing entails.

According to Hymes (op. Cit.) two things – (1) 'grammaticalness and (2) acceptability' – are necessary for effective communication. Canale (1983) views communication as the exchange and negotiation of information between at least two individuals through verbal and non-verbal means. Canale (ibid) and, Canale and Swain (1980) also describe communicative competence as 'the underlying systems of knowledge of vocabulary and skill in using the sociolinguistic conventions for a given language'. According to Canale (op. cit.) communicative competence comprises both knowledge, and skills in using acquired knowledge when interacting in actual communication. Knowledge, according to him, means what one knows (consciously or unconsciously) about the language and about other aspects of life and the world, and skill refers to how well one can perform. He mentions four components of communicative competence: (1) grammatical competence, (2) socio-linguistic competence, (3) discourse competence, and (4) strategic competence. Each of these components is discussed briefly in the following section of this paper.

The first component of communicative competence is 'grammatical competence' which refers to mastery of the language code, graphic, or phonic. Features such as rules of vocabulary, word formation, sentence formation, and pronunciation are included in grammatical competence. These features focus directly on the knowledge and skills required for understanding and expressing accurately the literal meaning of utterances. As such, grammatical competence is considered an important aspect of communicative competence, and hence, an important area for language teaching.

The second component of communicative competence is 'Sociolinguistic competence'. According to Canale (op. cit.), socio-linguistic competence includes socio-cultural rules of language use. It addresses the extent to which utterances are produced and understood appropriately in different sociolinguistic contexts depending on contextual factors such as status of participants, purposes of the interaction, and norm or conventions of interaction. Appropriateness refers to appropriateness of both form and meaning. Appropriateness of meaning refers to the extent to which particular communicative functions, attitudes, and ideas are judged to be proper in a given situation. Appropriateness of form concerns the extent to which a given meaning

(including communicative functions, attitudes, and propositions/ideas) is represented in a verbal or non-verbal form that is proper in a given sociolinguistic context, and addresses appropriateness of kinesics and proxemics. The notion of naturalness or probability of occurrence (Hymes 1972) can also play an important role in determining the appropriateness of form and meaning.

The third component, 'discourse competence' refers to knowledge and skill of putting the sentences and paragraphs together in longer units of communication for unity, coherence and cohesion. The fourth component 'strategic competence' refers to non-verbal communication as aids to communication when verbal means of communication are found to be inadequate. It includes such aspects as paralinguistic and extra-linguistic features, for example, gestures, eye-contacts and the like.

According to Bachman (1990), communicative competence involves both knowledge of, and competence in the language and the capacity for implementing or using this competence. Bachman (op. cit.) defines what he calls 'communicative language ability' as consisting of both knowledge, or competence and the capacity for implementing, or executing that competence in appropriate contextualized communicative language use. Bachman's framework of communicative language ability has three components: (1) language competence, (2) strategic competence, and (3) psycho-physiological mechanism. He provides a diagram in which he first divides language competence into (1) organizational competence, and (2) pragmatic competence. Each of these competencies again is shown as having two components. Organizational competence comprises (1) grammatical competence, and (2) textual competence, and pragmatic competence, which comprises (a) illocutionary competence, and (b) socio-linguistic competence. Bachman's figure shows each of these competencies as comprising some more aspects. Grammatical competence consists of (a) vocabulary, (b) morphology, (c) syntax, and (d) phonology/graphology, Textual competence consists of (a) cohesion, and (b) Rhetorical organization, Illocutionary competence consists of (a) ideational function, (b) meaning function (c) heuristic function, (d) imaginary function, and sociolinguistic competence consists of (a) sensibility to variety, (b) sensibility to register (c) sensibility to Nature, and (d) sensibility to Rets (rhetoric), and figures of speech.

According to Fearch et al (1984), communicative competence comprises (1) phonology/orthography, (2) grammar, (3) lexis, (4) pragmatics, (5) discourse, (6) communicative strategies, and (7) fluency.

Citing Hymes' (1972) definition of communicative competence, Troike (1982) holds that the idea extends to both knowledge and expectation of who may or may not speak in certain settings, when to speak and when to remain silent, whom one may speak to, how one may speak to persons of different status and roles, what appropriate non-verbal behaviours are in various contexts, what the routines for turn taking are in conversation, everything involving the use of language and other communicative dimensions in particular social settings. Troike (op. cit.) adds that the idea must be embedded in the notion of cultural competence, or the total set of knowledge and skills which speakers bring into a situation. All aspects of culture are relevant to communication, but those that have the most direct bearing on communicative forms and processes are the social structure, the values and attitudes held about language and

ways of speaking, the network of conceptual categories which result from shared experiences, and the ways knowledge and skills are transmitted from one generation to the next, and to new members of the group. Shared cultural knowledge is essential to explain shared presuppositions and judgments of truth value as well as of contextually appropriate usage and interpretations.

Communicative Language Teaching

View of Language in CLT:

View of language in the communicative approach has been outlined by Richards and Rodgers (1986:71) as follows:

- Language is a system for the expression of meaning
- The primary function of language is for interaction and communication.
- The structure of language reflects its functional and communicative uses.
- The primary units of language are not merely its grammatical and structural features, but categories of functional and communicative meaning as exemplified in discourse.

Language has also been defined as a 'means of communication', as a 'system of meaning', as a means of doing things.

View of Language Learning in CLT:

Language learning theory of CLT has been largely influenced by J. Brunner's theory of Discovery Learning (J. Brunner), the basic idea of which is: "the more the students approached learning as a process of discovering something the more there was a tendency to learn". The main points of Discovery Learning theory are:

- Active learning is important so that knowledge can be constructed by learners rather than receiving knowledge from a higher authority, teachers or books in the form of rote learning.
- It is based on the assumption that education is a process, not a set of facts.
- Learning is an active process and it is the responsibility of the learners. Learners are required to take charge of their own learning when set with particular problem/s.

In CLT Language learning has been defined as learning how to mean. View of language learning in the communicative language teaching may be summarized as follows:

Language learning means

- Being able to use the language.
- Learning how to mean.
- developing 'communicative competence' which includes:
 - (1) *Linguistic competence and covers;*
 - *Pronunciation including stress and intonation*

- Vocabulary
- Grammar
- (2) Sociolinguistic competence i.e. using language according to role-relationship (status, power structure etc) and according to context or situation
- (3) Discourse competence or sticking things together into a coherent and cohesive discourse, and
- (4) Strategic competence, using extra and paralinguistic features to make communication effective, and fill up language deficiency.
- Developing the major skills i.e. Reading, Writing, Speaking and Listening and their sub-skills (as shown in the transparency)
- Performing social functions with language, because language is a doing thing. The functions cover:
 - (a) Instrumental functions (to get things done)
 - (b) Regulatory (to control the behaviour of others)
 - (c) The interactional (to create interaction with others)
 - (d) The personal (to express personal feelings and opinions)
 - (e) Heuristic (to learn and to discover)
 - (f) Imaginative (to create a world of the imagination) and
 - (g) Representational (to communicate information)

(Halliday, 1975, 145)
- Learning both knowledge and skills i.e. both 'langue' and 'parole' (Saussure, 1959), 'competence' and 'performance' (Chomsky, 1965), or 'use' and 'usage' (Widdowson, 1975)
- Learning both 'learning' and acquisition'
- Learning to communicate through communication
- Using language to learn it is more important than learning language rules for using, because rules help us to analyze and explain, to talk about the language, it does not help us use the language. We learn to use language through practice in using it.
- Learning to negotiate through language
- Learning both accuracy and fluency, not one at the cost of other, but accuracy through fluency
- Converting input into 'intake', and 'intakes' into 'outputs'

Pedagogic Mode of CLT:

Pedagogic idea of communicative language teaching derives much from this idea of 'communicative competence'. The objective of CLT is to facilitate the development of communicative competence. It is held that a language is learned best when the learner becomes involved in real communication so that he is a user of the language rather than a detached observer who analyses and rehearses the language for later use.

The humanistic techniques, individualized instruction, and the manipulation of the student teacher relations have contributed to the development of communicative approach. It proposes that students should talk to each other and share one another's thoughts and feelings, and advocates a socially accepting and totally unthreatening group atmosphere. It is believed that Language competence develops by joint group efforts. CLT advocates a kind of social climate where the relationship between teacher and student changes gradually from one of dependence to one of independence.

Communicative language teaching argues for the development of language through communication. The central focus is on meaning, not on form of language. It is believed that if one takes care of meaning, language will take care of itself. The language input is less controlled. It emphasizes:

- Use of peer teaching and small group activities,
- Language stretching and hypothesis testing, and,
- Notional-functional activities within a prevailing structural framework.

CLT uses peer-mediated instruction and role-playing activities Teachers try to find new and better ways of getting students to help each other. Student involvement and self-direction are of paramount importance in the CLT. In the classroom, students are provided with opportunities for language use; classroom activities frequently encourage creative use of the language by students. Fluency before accuracy is the slogan of CLT, and accuracy is believed to develop through fluency practice. Error correction is considered a hindrance for language learning. Accuracy is not totally overlooked, but it is believed that accuracy will develop through fluency, and it should be addressed at the feedback stage.

Burt and Dulay's (1981) investigation into 'what feature of the environment enhance second language acquisition gives a summary of the major aspects of CLT. According to them,

- A natural language learning environment is necessary for optimal language acquisition.
- Communicative interactions among students themselves or between teacher and students are very important for language learning.
- Providing comprehensible input is important for facilitating language acquisition by learners.
- Real-life type activities and need based language use prove motivating for the learners to learn a language.

The environmental factors enhance the learners' 'creative construction' of the new language. Burt and Dulay (op. cit.) describe language learning as 'a two way street', where learners with their mental and physical machinery comprise one dimension, and the environment, including the teacher, the classroom and the surrounding community comprise the other. Both dimensions require equal attention in ELT research. Traditionally, attention has been given to the first. CLT proposes that attention should also be given to learner strategies, learning style, to

attitude and motivation and also to the learning environment surrounding the learner. The key idea of the CLT is to provide the learners with rich exposures to natural language in the classroom.

Communicative approach promotes the idea of learner centredness, and concerns with allowing learners a greater role in the management of their learning by providing opportunities for learner choice in the method and scope of study. Littlejohn (1985) says :

We now realize that a healthy classroom is one in which learners are active and where teacher talk is reduced to a minimum. A considerable amount of time is spent in devising tasks that require learners to work in groups to do role play, to fill in charts and grids, to give their personal opinions, and generally to engage in more oral work. Learners are to pretend realistic 'contexts' for language use, and they are asked to interact in that pretended context.

It is held that learners can gain a lot by being encouraged to work in groups or pairs, and to accept some degree of responsibility for their learning. According to this view, learners can show great motivation and enthusiasm when a less dominant teacher in the classroom allows the learners to become more involved in their learning. The communicative approach sees learners in a more positive light. Littlejohn (1985) holds that if learners are given the necessary opportunities, they:

- Enjoy mental and physical work.
- Exercise self-control and self-direction.
- Look for the reward of achievement;
- accept responsibility
- Show a great deal of imagination in solving problems.

In ARAL (1987: Introduction) characteristics of CLT are summarized as follows:

- It focuses on the needs of learners, and attempts to define their needs.
- It puts emphasis on the content of the activity, rather than on overt language learning;
- It is marked by a tendency to specify syllabuses in terms of meaning (notional or semantic syllabuses), or speech acts (functional syllabuses).
- It shows encouragement and tolerance of language variation in the classroom, even to the extent of mixing mother tongue and target language use;
- It promotes the idea of Individual work;
- Errors are considered a natural part of the process of language acquisition;
- It advocates for a supportive environment, to encourage anxiety-free participation; a reduction or suspension of the teacher' authoritarian role;
- It emphasizes the use of techniques which encourage student participation in natural environment – activities such as group and pair work, simulation, information-gap exercises and the like;

- It argues for the presentation of language items in contexts of typical use rather than in isolation;
- It advocates for the use of materials which are either authentic (i.e. natural language, not specially designed for language teaching), or simulate authenticity.

The communicative methodology encourages both 'acquisition' and 'learning' (Krashen, 1981). CLT proposes to let the learners be free to find their own route, and recommends methodology that facilitates learning. The teacher is expected to function as an 'onlooker', having set up pair or group works; or as a 'partner' in much the same way as the parents in first language acquisition and participates in activity with the pupil as an equal partner, not as the one who supplies 'correct behaviour'.

In communicative language teaching 'feedback' on learners' performance is provided in such a way that learners can sub-consciously test hypotheses about the target language. Communicative methodology overlooks learners' errors, especially at the initial stages of teaching and learning, to facilitate the development of fluency, which is usually affected if the teachers insist on a pedagogical role that is rigorous on error correction procedures. It is argued that fluency can best be fostered by a methodology in which students first 'communicate as far as possible with all available resources, followed by presentation and drill if a need is demonstrated. Communicative methodology offers opportunity for communication and requires the teacher to relinquish control of the teaching/learning process in favour of the pupil.

A communicative classroom is described as a place to use the foreign language, not essentially as a place to learn right answers, recite book learning or specify pages to be covered on some future exams.

Teachers' Role in the Communicative Language Teaching

The teacher has to play the role of an informant, a monitor, stimulator, manager, advisor or consultant (Byrne, 1984). As informant, the teacher is mainly concerned with putting in new language and seeing that the class as a whole has more or less got it right. As a monitor, the teacher creates opportunities for practice and checks selectively. As a stimulator, the teacher interacts with the class as a whole for a variety of purposes in a linguistically flexible way; and as a manager, an advisor or a consultant, the teacher is available for consultation, having set up activities which give the learners opportunities to draw on their language resources. Yet another role for a teacher is that of a participant. The communicative approach has tended to push the teacher into the background. However, teacher's potential has to be used as much as possible. The teacher joins in without dominating the scene.

Both teachers and learners have to make important contributions in the classroom. Byrne (op. cit) presents teachers' and learners' contributions in a four-stage diagram: in the A and B stages, teacher provides accuracy focused linguistic knowledge, but in

stages, C and D, teachers and learners share knowledge and experience etc. Byrne proposes five approaches to classroom learning, which take into account aspects of autonomous learning. They are:

1. Exploiting the classroom as a social setting in its own right:

- Establishing and developing inter-personal relationships within the class.
- Discussing and exchanging ideas and information across the class (formally or informally as the occasion demands). This is one of the areas where the teacher can play an invaluable role as a facilitator and participant.

2. Bringing the outside world into the classroom. There are many things one does outside the classroom in one's daily life, which can be done naturally with great profit in the classroom. One great advantage of it is that the learners immediately recognize it as 'real'. The outside world is brought into the classrooms by:

- Planning games of different types that unobtrusively generate enough language .
- doing tasks that involve some kind of problem solving;
- Discussing and investigating topics of real educational value.
- Stimulating the outside world in the classroom in two ways. The ways are:
 - Role-play activities;
 - Simulations.
- Escaping from the classroom on an imaginative level through such activities as.
- Story telling
- Using speculative activities, that is, activities that set the learners to give their own ideas about, for example, situations presented visually or verbally.
- Using dramatic activities i.e. that is, activities which involve some form of extended role play and require the learners to develop the settings themselves (and therefore use language in the process).

5. Getting out of the classroom into the outside world through activities generated and linked together by a project, such as producing a class newspaper or magazine. Not all these activities will take place outside the classroom, but they do provide opportunities for interviewing, and investigation in real life settings. Importantly activities may be inter-linguistic; cross-cultural and of a kind that integrates all four skills. Project work also is an interesting activity; it provides opportunities for combining all five approaches.

Richards and Rodgers (1986) hold that several roles are assigned for teachers in the communicative language teaching. They cite Breen and Candlin (1980:99) who describe the teachers' roles in the following terms:

Within a communicative methodology, the teacher has two main roles: the first is to facilitate the communicative process between all participants and the various activities and texts. The second role is to act as an independent participant within the teaching learning group. The latter role is closely related to the objectives of the first role and arises from it. These roles imply a set of secondary roles for the teacher. First,

as an organizer of resources, and as a resource himself, second as a guide within the classroom procedures and activities.... A third role for the teacher is that of researcher and learner, with much to contribute in terms of appropriate knowledge and abilities, actual and observed experience of the nature of learning and organizational capacities.

The teacher is also a need analyst, counselor and group process manager.

Summarizing the discussion, teachers' roles may be outlined as follows:

- Create a real-life like, realistic situation in the classroom to facilitate the use of language in that situation,
- Create a relaxed environment in the classroom
- Create opportunities to help learners practise skills, to use language in the classrooms,
- Help develop 'communicative competence' by creating opportunities for communication in the class.
- Train students to use language
- Facilitate language use through different activities
- Monitor activities (language use)
- Engage learners in and guide activities
- Make learners read, write, speak and listen in class
- Provide feedback on learners' performance
- Provide input, facilitate intake and out by dividing lessons into 'presentation' practice' and production stages.

Learners' Role

- For learners' roles CLT borrows ideas from studies on good language learner (Naiman et al, 1975). According to Naiman, good language learners:
- Are aware of their own attitudes and feelings towards language learning and to themselves as language learners,
- Realize that language works as an organized system and is a means of communication and interaction.
- Assess and monitor their progress regularly,
- Realize that language learning involves hard work and time set themselves realistic short term goals,
- Actively involve them in the L2 and learn to take risks in it.
- Are willing to experiment with different learning strategies. and practise activities that suit them best,
- Organize time and materials in a personally suitable way and fully exploit all resources available.

In CLT learners are expected to learn through interaction, and to accept responsibility for their learning. Knowles (1975) holds:

...there is convincing evidence that people who take initiative in learning (pro-

active learners) learn more things and learn better than do people who sit at the feet of teachers passively waiting to be taught (reactive learners). ...They enter into learning more purposeful and with greater motivation. They also tend to retain and make use of what they learn better and longer than do the reactive learners.

Students are supposed to develop their own learning strategies so that they will not be dependent on their teachers.

Breen and Candlin (op. cit.) describe the learners' roles in the following terms:

The role of learner as negotiator between the self, the learning process, and the object of learning emerges from and interacts with the role of joint negotiator within the group, within the classroom procedures and activities which the group undertakes. The implication for the learner is that he should contribute as much as he gains, and thereby learn in an interdependent way (1980: 10)

In this approach learners have to:

- Find out their own way
- Organize information
- Be active
- Create opportunities for their learning
- Make intelligent guesses
- Learn different styles of speaking and writing

In short, learners need to be active participators, not passive recipients.

Distinguishing Features of Communicative Language Teaching

Richards and Rodgers (1986:67) outlines some principles of CLT, the major ones of which are as follows:

- Meaning is paramount.
- Memorization should be discouraged
- Contextualization is a basic premise
- Language learning is learning to communicate
- Drilling may occur only peripherally
- Comprehensible pronunciation is sought
- Judicious use of mother tongue is permitted
- Communicative competence is the goal.
- Fluency and acceptable language is the primary goal; accuracy is judged in context.
- Students are expected to interact with other people
- Intrinsic motivation is necessary.

Larsen-Freeman (1986:128-129) mentions a few more points, which are:

- Whenever possible authentic language, i.e. language as it is used in a real context should be introduced.
- The medium of communication in the classroom should be target language.
- Language use at the discourse level should be the focus.
- Students should be given opportunities for expressing their feelings, opinions and views.
- Errors should be tolerated and regarded as parts of the learning process.
- The social context of the language event (contextualization) is essential.
- An opportunity to use language in classroom is important.
- The teachers should work as advisors

The Cultural and Educational Contexts of Origin of Communicative Language Teaching:

Communicative language teaching, like most other ELT theories, originated in the native English speaking contexts where individualistic concepts of life have taken deep roots in social life. The theories embody the general spirit of life in those contexts. They are, therefore, described as being Anglo-centric, or Euro-centric in characteristics (Pennycook, 1989 and 1994; Philipson, 1992; Holliday, 1994).

CLT developed in the western educational culture, a culture that tries to foster the growth of democratic values through a fraternal, democratic model of education. The class lesson that is authoritarian in nature is inefficient and unacceptable to the modern child in the western countries. The truth that what the teacher asserts the student is required to accept is based on the concept of pedagogical authority. In the western culture, it is believed that a free society can not be sustained by an authoritarian system of education. Perhaps, the freedom of a society would possess more reality if the students are nurtured in freedom and given the chance to acquire the self-discipline, which it requires in order to survive.

Socio-cultural conditions prevailing in the western countries prompt the growth and nourishment of education that becomes known as the innovative or progressive model of education. In this model, learners are needed to build up knowledge and concepts creatively through activity, participation and the experience of verbal expression. This model puts emphasis on individual development and personal experience. Learning is not regarded as a passive stockpiling of information supplied by the teacher or the text, but, on the contrary, it is considered 'as an active, creative operation by means of which the learner converts information provided for him into acquired knowledge in an organized form.' (Holec, 1979:23)

This model of western education is prompted by works of psychologists such as Carl Rogers, Arthur T. Jersild, Arthur Combs, and Abraham Maslow, among many others. John Dewey contributed greatly to this model of education. It is known as the 'student-centred', 'humanistic' or 'democratic' model of education. Learners in this

model are viewed as 'active organisms', and learning is conceived of both as a 'connective process', and as a 'dynamic, cognitive and affective process.' Learners are viewed as the centre of the learning process and teachers, as facilitators. Learners are also viewed as 'social organisms' and learning, as occurring through interpersonal actions and reactions, each person serving as stimulus for every other person. Group climate of the classroom is considered as essential for learning. The classroom is viewed as a place where everyone faces everyone else for a group learning environment. One form of this model views learners not only as problem solving and stimulus reducing organism, but also as a problem finding and stimulus seeking organism (Getzels, 1977).

Learners in the western model of education are expected to gain considerably by being encouraged to learn through interaction, and to accept some degree of responsibility for their learning. Knowles (1975) holds that:

...there is convincing evidence that people who take the initiative in learning (pro-active learners) learn more things and learn better than do people who sit at the feet of teachers passively waiting to be taught (reactive learners). ... They enter into learning more purposefully and with greater motivation. They also tend to retain and make use of what they learn better and longer than do the reactive learners.

The western innovative model of education has been also described as the 'fraternal permissive model' (Tumposky, 1982) in which the teacher minimizes differences between himself and the students. In this view, a teacher is considered a facilitator rather than an arbiter of classroom activities. The teacher is expected to train his students to develop their own learning strategies so that they will not be dependent on him. Sturtridge (1982) says that the teacher is seen as a helper and a facilitator of learning rather than as instiller of knowledge. The teacher is no longer viewed as teaching the book, but helping the learner to learn. The learners are expected to pursue their own learning strategies, and they are required to take an active approach to the learning task.

According to Cortazzi (1994), cultural and educational expectations in western education include:

- (1) Knowing and understanding different points of view;
- (2) Critical evaluation of alternative theories, approaches etc.
- (3) Arriving at balanced judgements;
- (4) Presenting clear lines of argument rather than description or information, and
- (5) Acknowledging sources used.

One of the three basic principles of permanent education policy laid down by the steering group on permanent education set up in 1972 by the council for cultural operations is that "the exercise of responsibility should be made possible and 'the capacity to assume responsibility and autonomy should be developed' (Schwartz, 1977). Janne (op. cit.) holds that 'adult education could contribute towards the improvement of the quality of life by realizing the objectives like (1) equality of opportunity, (2) responsible autonomy, personal fulfillment, and (3)

democratization of education. (Organization, content and methods of adult education, Report, ccc/EFS (77) 3, cited in Holec (1979).

Communicative Language Teaching originates in such educational and cultural contexts of Britain, North America and Australia, and as they match with the macro culture of those contexts, they prove effective in those contexts. But they are far different from the teaching-learning cultures and general mode of life prevailing in non-western contexts.

Non-Western Teaching-Learning Culture and Communicative Language Teaching: a Clash of Cultures

Many studies now show that cultures and educational experiences of the non-western contexts are significantly different from the mode of teaching and learning in the American or western European cultures. Maley (1984), Young (1987), Sampson (1984), Cortazzi (1994), and Burnaby and Sun's (1989) studies about the teaching-learning culture and ELT experience of China, Cortazzi's (1994) reference to the educational practice of Japan, and Jones' (1995) reports about the educational practices of Cambodia, among many others, present a comprehensive picture of the teaching-learning culture in those contexts. All these studies present a similar picture of Afro-Asian and Latin-American teaching learning culture and shows that in these cultures a passive understanding is emphasised, and a relevant reproduction is tested. According to these researchers, learners in these contexts are socialised into a model of education that became known as the transmission model, and is also called the traditional model of education and their experiences predispose them to a view of learning which puts emphasis on processing of knowledge by rote learning, comprehending, storing and relating facts..

Non-western teaching-learning culture seems to conform with what Friere, (1972) describes as the 'pedagogy of the oppressed' in which an all knowing teacher transmits knowledge to the 'know-nothing' students. Sim (1991) says that, as in the guru-student or master-disciple relationship of ancient Indian education, the teachers in non-western contexts are respected authorities. The students in these contexts are expected to humble themselves in order to learn and to recognise that hard work is beneficial.

Non-western teaching-learning culture is basically 'teacher-fronted', 'subject-matter-oriented' and authoritarian. Materials, methods of instruction, and the form of classrooms—all are teacher centred. The teacher is placed in front of the classroom—sometimes on a dais or platform, and the pupils in chairs or benches often fastened to the floor in straight rows facing forward so that they can not turn away from the only source of knowledge, the teacher in the classroom.

Many studies now report that it is not producing the desired results in the non western contexts because of the differences in teaching –learning culture, differences in the learning style CLT proposes and the learning practices and style prevalent in a situation.

Conclusion

The paper, thus, shows that Communicative Language Teaching has some strong points about its theory of language and theory of language learning, and the suggested classroom practices. But the classroom procedures—pair work, group work, role play, simulation, drama technique, being very active in classroom activities etc., are largely western in nature and significantly different from teaching-learning experiences and preferences of teachers and learners in non-western contexts, which, in most cases, are characterized by learning from lectures and rote learning. CLT classroom procedures conform to the western teaching-learning cultures, and contrast with non-western teaching-learning cultures. It is reported that CLT works well in western contexts but it does not seem to work so well in non-western contexts. Attempts to implement it in non-western contexts often result in what Holliday (1992) describes as 'tissue rejection'. Therefore, a top-down dogmatic imposition of the communicative approach will prove insensitive and irresponsive to non-western contexts. Local teaching-learning culture, therefore, should be taken as the basis for a bottom-up approach to design appropriate language course, materials and use an appropriate methodology for teaching and learning in the classrooms. Many ELT professionals and researchers, including Pennycook (1994), Macedo (1994) and Kumarivabivelu (2006) argue for 'antimethods pedagogy', a methodology which, according to them, is not enslaved by the rigidity of models and methodological paradigms. They suggest that ELT needs to abandon the 'methods fetish' (Bartlome, 1994) and be free from the blind adoption of so called effective strategies. Instead of 'follow the methods' techniques it should try to 'develop a methodology' that is culture and context sensitive, in other words, bottom-up, not top-down (Richards, 1992 and Ashworth, 1984).

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An In-depth Comparative Study of British English and American English

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Abstract

The accessibility to highly developed multi-media technologies in diverse educational sectors has formed the basis for making the independent learning process increasingly attractive. Independent learning acquaints learners with methods and approaches regarding rapid progress in individual fields of study. Learners may face new challenges to monitor and evaluate themselves while they can not help assessing their own level. Research articles and research theses open up the opportunities for learners to disseminate and ratify their knowledge. This article reports on the similitude and disparity between British English and American English through the perusal of which learners will eschew confusion while using the language. It applies many of the findings of the English language especially the differing areas of British and American English in a large scale. Many arenas of both British English and American English have been brought forward in the article which may meet the needs of the learners of English who have been in search of a reliable document so long. A profound comprehensive investigation has been attempted utmost in the article and so both the teachers and learners of English will ascertain elucidation to protract consistency in the language.

1. Introduction

British English and American English are considered the most distinguished forms of the English language amid about innumerable varieties especially in the midst of regional diversities of the language. While there are certainly many more varieties of English, American and British English are the two varieties that are mostly discussed among the language experts. Generally, it is agreed that no one version is 'correct', however, there are certainly preferences in use. The most important rule of thumb is to try to be consistent in the usage. If someone decides that he or she is going to use American English spellings, he or she should be consistent in his or her will. "The *color* of the orange is not fine but its *flavour* is very sweet"- this is not always easy or possible.

Will an American accent or American pronunciation in an examination affect a learner's understanding and prevent him or her from getting a good score? The diversity of intonation, accent, and pronunciation can never impinge on a learner of English. It is extremely unlikely that the students may feel disturbed for miscellany of the language. Well-educated native speakers of English from any country in the world are understood without any difficulty. Remember that there are more regional accents in the UK alone than in all the other English speaking countries put together.

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American English has both spelling and grammatical differences from British English, some of which were made as part of an attempt to rationalize the English spelling used by the British at the time. Unlike many 20th century language reforms, the American spelling changes were not driven by government, but by textbook writers and dictionary makers.

2. Background

The English language was first introduced to America by British colonisation, beginning in the late 16th century. Similarly, the language spread to numerous other parts of the world as a result of British colonisation elsewhere and the spread of the former British Empire, which, by 1921, held sway over a population of about 470-570 million people: approximately a quarter of the world's population.

There were three great periods of European immigration. The first extended from the settlement of Jamestown in 1607 to the end of colonial times, roughly around 1790. The second period covers the expansion of the original thirteen colonies west of the Appalachian. The third, i.e., after the Civil War, is marked by an important change in the source of immigration. From the point of view of language development, perhaps, the first period is the most important because it was the first colonists who brought in and established the speech. What came to be known as American English was what was brought by the colonists in the seventeenth century. It was the language spoken in England at that time, i.e., Elizabethan English.

Over the past 400 years, the form of the language used in America – more especially in the United States – and that used in the United Kingdom and the rest of the British Isles have diverged in many ways, leading to the dialects now commonly referred to as American English and British English. Differences between the two include pronunciation, grammar, lexis, spelling, punctuation, idioms, formatting of dates and numbers, and so on, with some words having completely different meanings between the two dialects or even being unknown or not used in one of the dialects. One particular contribution towards formalising these differences came from Noah Webster with the intention of showing that the United States spoke a different dialect from Britain.

The first American dictionary was written by Noah Webster in 1828. At that time, America was a relatively new country and Webster's particular contribution was to show that the region spoke a different dialect from Britain, and so he wrote a dictionary with many spellings differing from the standard. Many of these changes were initiated unilaterally by Webster.

This divergence between American English and British English once caused George Bernard Shaw to say that the United States and United Kingdom are "two countries divided by a common language"; a similar comment is ascribed to Winston Churchill. Likewise, Oscar Wilde wrote "we have really everything in common with America nowadays, except, of course, the language" (*The Canterville Ghost*, 1888). Henry Sweet predicted in 1877 that within a century, American English, Australian English and British English would be mutually unintelligible. It

may be the case that increased world-wide communication through radio, television, the internet, and globalization has reduced the tendency to regional variation. This can result either in some variations becoming extinct (as, for instance, truck has been gradually replacing lorry in much of the world) or in the acceptance of wide variations as “perfectly good English” everywhere. Often at the core of the dialect, though, the idiosyncrasies remain.

Nevertheless, it remains the case that although spoken British and American English are generally mutually intelligible, there are enough differences to cause occasional misunderstandings or at times embarrassment – for example, some words that are quite innocent in one dialect may be considered vulgar in the other.

British and American English are both variants of World English. As such, they are more similar than different, especially with ‘educated’ or ‘scientific’ English. Most divergence can be ascribed to differing national histories, demographics, and cultural development, and the way in which national language has thus developed differently in parallel with the differing national needs.

3. Discussion

As English is, with paramount hail, an international language, it is, beyond doubt, the most widely used language of the present world. English, in comparison with some other languages of the world like Sanskrit, Latin, Greek, French etc., was introduced late. It started its journey in the 5th century A.D. and got the modern shape in the 14th century. From this time, English did not have to turn back to be established as a prominent language of the world.

Elizabethan period is acclaimed as the golden period of English literature in which the towering figure Shakespeare reigned with crowning accomplishment of many fields especially of drama and poetry. As the wizard of English language, he made charismatic display of the language in his various writings. English language got the touch of more modern colour at the time of Shakespeare. Shakespearean English is still used by English loving people with utmost warmth of heart because of its glamour.

Is there any major difference between British English and American English? It is a question, which is very common especially among the people who are in touch with learning and teaching-English. This diversity is just for the sake of diversity.

The two styles of English are, to a greater extent, very similar. In fact, minor differences are most noticeable in vocabulary, spelling and idioms but American and British speakers of English rarely experience any difficulty in understanding one another. This may be partly because British English has in recent years been heavily influenced by American English, especially through the culture of pop (popular) music and films.

Webster also argued for many ‘simplifications’ to the idiomatic spelling of the period. Somewhat ironically, many, although not all, of his simplifications fell into common usage alongside the original versions, resulting in a situation even more confused than before.

The easiest differences are probably the ones concerning spelling. There was a conscious effort to simplify and rationalise English spelling from the time of Benjamin Franklin and Noah Webster, who sought to make English spelling more compatible with its phonetics. Both advocated omitting all superfluous letters that did not have a phonetic function in a word, such as the *u* in *colour* or *favour*, the *w* in *write* or *written*, positioning letters in a word in logical phonetic order as the *e* in words like *theatre*, *centre* or *metre*, and others. Some of these revised spellings have survived and some have not. Franklin himself did not maintain his own revisions in many places.

4. The Glaring Discrepant Areas of British English and American English

4.1. Use of the Present Perfect Tense

In British English, the present perfect is used to express an action that has occurred in the recent past that has an effect on the present moment. For example:

I have lost my diary. Can you help me look for it?

In American English, the following is also possible:

I lost my diary. Can you help me look for it?

In British English, the above would be considered incorrect. However, both forms are generally accepted in standard American English. Other differences involving the use of the present perfect in British English and simple past in American English include *already*, *just* and *yet*.

British English: I have just had dinner. I have already sent the letter. Have you finished your homework yet?

American English: I just had dinner **OR** I have just had dinner. I have already sent the letter **OR** I already sent the letter. Have you finished your homework yet **OR** Did you finish your homework yet?

4.2. Possession

There are two forms to express possession in English: Have **OR** Have got

Do you have a computer? Have you got a computer? He has not got any friends. He does not have any friends. She has a beautiful new car. She has got a beautiful new car.

While both forms are correct and accepted in both British and American English, 'have got' (e.g. *have you got*, *he has not got*, etc.) is generally the preferred form in British English. Most speakers of American English employ 'have' in the following way:

Do you have any complaint? He does not have much money.

4.3. The Verb Get

The past participle of the verb 'get' is 'gotten' in American English. For example,

He has got much better at playing cricket. (BrE) He has gotten much better at playing cricket. (AmE)

4.4. Word Derivation and Compounds

Directional suffix-ward(s): British forwards, towards, rightwards, etc.; American forward, toward, rightward. In both dialects, distribution varies somewhat: afterwards, towards, and backwards are not unusual in America; while in Britain forward is common, and standard in phrasal verbs like look forward to. The forms with -s may be used as adverbs (or preposition towards), but rarely as adjectives: in Britain as in America one says "an upward motion". The Oxford English Dictionary in 1897 suggested a semantic distinction for adverbs, with -wards having a more definite directional sense than -ward.

In BrE, agentive -er suffix is commonly attached to football (also cricket; often netball; occasionally basketball). AmE usually uses football player. Where the sport's name is usable as a verb, the suffixation is standard in both dialects: for example, golfer, bowler and shooter.

English writers everywhere occasionally make new compound words from common phrases; for example, health care is now being replaced by healthcare. However, AmE has made certain words in this fashion which are still treated as phrases in most Commonwealth countries. For example, Americans write trademark, but some other countries write trade-mark or trade mark.

In compound nouns of the form verb-noun, sometimes AmE favours the bare infinitive where BrE favours the gerund. Examples include (AmE first): jump rope / skipping rope; racecar / racing car; rowboat / rowing boat; sailboat / sailing boat; file cabinet / filing cabinet; dial tone / dialling tone.

More generally, AmE has a tendency to drop inflectional suffixes, thus favouring clipped forms: compare cookbook / cookery book; Smith, age 40 / Smith, aged 40; skim milk / skimmed milk. Both forms are often encountered in British usage.

Singular attributives in one country may be plural in the other, and vice versa. For example, the UK has a drugs problem while the United States has a drug problem (although the singular usage is also commonly heard in the UK); Americans read the "Sports" section of a newspaper, while the British read the "Sport" section.

4.5. Vocabulary

Probably the major differences between British English and American English lie in the choice of vocabulary. Some words mean different things in the two varieties. For example:

Mean: (American English: angry, bad humored, British English: not generous, tight fisted)

Rubber: (American English: condom, British English: tool used to erase pencil markings)

Some American words are completely different from British words in shape but their meaning is similar. For example,

Anywhere (BrE), Anyplace (AmE); Railway (BrE), Railroad (AmE); Tap (BrE), Faucet (AmE); Autumn (BrE), Fall (AmE); Valves (BrE), Tubes (AmE); Tin (BrE), Can (AmE); Petrol (BrE), Gasoline or Gas (AmE); Solicitor/Barrister (BrE), Attorney (AmE); Flat (BrE), Apartment (AmE); Luggage (BrE), Baggage (AmE); Aerial (BrE), Antenna (AmE); Mobile phone (BrE), Cellular phone (AmE); Sweets (BrE), Candy (AmE); Bill (BrE), Check (AmE); Biscuit (BrE), Cookie (AmE); Nappy (BrE), Diaper (AmE); Stupid (BrE), Dumb (AmE); Lift (BrE), Elevator (AmE); Torch (BrE), Flashlight (AmE); Chips (BrE), French fries (AmE); Rubbish (BrE), Garbage (AmE); Angry (BrE), Mad (AmE); Post (BrE), Mail (AmE); Nasty (BrE), Mean (AmE); Film (BrE), Movie (AmE); Trousers (BrE), Pants (AmE); Public toilet (BrE), Rest room (AmE); Mean (BrE), Stingy (AmE); Van/Lorry (BrE), Truck (AmE); Holiday(s) (BrE), Vacation (AmE)

There are many more examples besides the above mentioned ones. If there is a difference in usage, the dictionary will note the different meanings in its definition of the term. Many vocabulary items are also used in one form and not in the other. One of the best examples of this is the terminology used for automobiles.

Hood is in American English while *Bonnet* is in British English, *Trunk* in American English while *Boot* in British English, *Truck* in American English while *Lorry* in British English and many more such. In this context, British versus American English vocabulary tool can help the learners much.

4.6. Greetings

When Christmas is explicitly mentioned in a greeting, the universal phrasing in North America is Merry Christmas. In Britain and Ireland, Happy Christmas is common although Merry Christmas is often used. It is worth noting however, that Americans quite often say "Happy Holidays" when referring to the entire Christmas season (Christmas, New Year's Day, and the days around them). "Happy" is also nearly always used with other holidays, such as Hanukkah and Kwanzaa.

4.7. Presence or Absence of Syntactic Elements

Where a statement of intention involves two separate activities, it is acceptable for speakers of AmE to use to go plus bare infinitive. Speakers of BrE would instead use to go and plus bare infinitive: thus where a speaker of AmE might say "I'll go take a bath"; BrE speakers would say "I'll go and have a bath". Similarly, to come plus bare infinitive is acceptable to speakers of AmE, where speakers of BrE would instead use to come and plus bare infinitive: thus where a speaker of AmE might say "come see what I bought," BrE speakers would say, "come and see what I've bought" (notice the present perfect tense: a common British preference).

4.8. Numbers

When saying or writing out numbers, the British will insert an "and" before the tens and units, as in "one hundred and sixty-two" and "two thousand and three", whereas Americans will typically drop the "and" as in "two thousand three"; however, "two thousand and three" is also common. The same rule applies when saying numbers in their thousands or millions: "four hundred and thirteen thousand" would be said by a British speaker, whereas the simpler "four hundred thirteen thousand" by an American speaker; "four hundred and thirteen thousand" may be considered incorrect by some American speakers, but is still widely used.

Some American schools teach that "and" indicates the decimal point: thus, numbers preceding "and" are integers, while the numbers following "and" are fractional (e.g. "five hundred thirteen and seven tenths" for 513.7 - in the UK and also common in the US, this would be read "five hundred and thirteen point seven").

Americans are more likely than the British to read numbers like 1,234 as "twelve thirty-four", instead of "one thousand, two hundred and thirty-four" unless discussing the year 1234, when "twelve thirty-four" would be the norm on both sides of the Atlantic. The year 2000 and beyond are read as "two thousand", "two thousand and one" and the like by both British and American speakers; a small subset read these years as "twenty oh one" through "twenty oh nine," and years beyond 2010 may universally become "twenty ten", "twenty eleven" and so on. The BBC has recently taken the step to read numbers as "twenty-oh-six" for 2006. For the house number (or bus number, etc) "272" British people would tend to say "two seven two" while Americans would tend to say "two seventy-two".

Finally, when referring to the numeral 0, British people would use "zero", "nought", or "oh" normally, or "nil" in instances such as sports scores and voting results. Americans use the term "zero" most frequently; "oh" is also often used, and occasionally slang terms such as "zilch" or "zip". Phrases such as "the team won two-zip" or "the team leads the series, two-nothing" are heard when reporting sports scores. The digit 0, for example, when reading a phone or account number aloud, is nearly always pronounced "oh" in both languages for the sake of convenience.

When reading numbers in a sequence, such as a telephone or serial number, British people will use the terms double or treble or triple. Hence 007 is "double oh seven". Exceptions are the emergency telephone number 999, which is always "nine nine nine" and the apocalyptic "Number of the Beast" which is always "six six six". The directory enquiries prefix 118 is also "one one eight" due to its extensive advertising campaign with the slogan read out as "One one eight, what's your number?". In the U.S., 911 (the U.S. emergency telephone number) is almost always read "nine-one-one", while 9/11 (September 11, 2001) is usually read "nine-eleven".

Some Numerical Variations are:

| | Common British Vernacular | Common American Vernacular | Common British Vernacular |
|-----|---------------------------------|--|---------------------------|
| 101 | "A hundred and one" | "One-oh-one" <i>Here, "oh" is used for the digit zero</i> | "One-oh-one" |
| 109 | "A hundred and nine" | "One-oh-nine" | "One-oh-nine" |
| 110 | "A hundred and ten" | "One-ten" | "One-one-oh" |
| 117 | "A hundred and seventeen" | "One-seventeen" | "One-one-seven" |
| 120 | "A hundred and twenty" | "One-twenty" | "One-two-oh" |
| 152 | "A hundred and fifty-two" | "One-fifty-two" | "One-five-two" |
| 208 | "Two hundred and eight" | "Two-oh-eight" | "Two-oh-eight" |
| 334 | "Three hundred and thirty-four" | "Three-thirty-four" | "Three-threc-four" |

A few numbers (*Specialised Numbers*) have special names (in addition to their regular names):

'0' has several other names, depending on context:

Naught / nought: mostly British usage

Oh: used when spelling numbers (like telephone, bank account, bus line)

Nil: in general sport scores (chiefly British, although American use in sports scores is common)

Love: in tennis; origin disputed

Zilch, nada, null, zip: used when stressing nothingness; this is true especially in combination with one another: "You know nothing-zero, zip, nada, zilch!"

Nix: also used as a verb

12: a dozen, used mostly in commerce

13: a baker's dozen

20: a score, nowadays archaic; famously used in the opening of the 'Gettysburg Address': "*Four score and seven years ago...*"

120: a great hundred (twelve tens; as opposed to the *small hundred*, i.e. 100 or ten tens), also called small gross (ten dozens), both archaic; also sometimes referred to as *duodecimal hundred*

144: a gross, used mostly in commerce

1728: a great gross, used mostly in commerce

4.9. Dates

Date formats are usually written differently in the short (numerical) form. In British, European and International (covering most of the world) English, the day usually comes before the month and the ordinal suffix is always vocalised and often appended: "the 1st of October 1984". However, other usages are not exceptional; "October the First is too Late" is the name of a novel by the English astronomer Fred Hoyle. In writing, *the* and especially *of*, while vocalised, are generally left out from the written date, particularly when the date stands alone, such as when writing cheques: *1st October 1984*. The full form was common in older English, as can be seen in old English literature. The three main written forms are therefore: The 25th of January 2005 (old English extended form rarely used now in written form, but still fully used for all three forms in spoken English); 25th January 2005 (omitting "the" and "of"); 25 January 2005 (omitting the ordinal suffix)

In North American English, the day usually comes after the month and the ordinal suffix is rarely written, but optionally vocalised: "September 4, 1990" (read "September four (th), nineteen ninety"). The British form is still used for certain dates such as the 'Fourth of July'. Today is (the) 14th (of) March 2004. (British and international form, read "Today is *the* fourteenth *of* March, two thousand and four"). We signed the documents on June 10, 1969. (North American form, read "...on June ten (th), nineteen sixty-nine").

The comma before the year is optional. It is usually used in American English (September 4, 2004) but now seldom used in British and International English (4 September 2004). In abbreviations of month names, such as "Aug" for August, the period or full stop is often left out.

Christmas Day 2000, for example, is 25/12/00 in the UK and 12/25/00 in the U.S., although occasionally other formats are encountered, such as the ISO 8601 2000-12-25, popular among programmers and others seeking to avoid ambiguity. The difference in short-form date order can lead to misunderstanding. For example, 06/04/05 could mean either 4 June 2005 (U.S.) or 6 April 2005 (UK).

A consequence of the different short-form of dates is that in the UK many people would be reluctant to refer to "9/11" although its meaning would be instantly

understood. On the BBC “September the 11th” is generally used in preference to 9/11, although 9/11 is commonplace in the British press.

When writing long-form dates, the format “December 25, 2000” is generally encountered in the U.S., and widely encountered in the UK. However, the British are more likely than Americans to use the format “25 December 2000” although it is acceptable in the U.S., and the American grammarians Strunk and White, among others, recommend it. American military usage follows the British model: “25 December 2005” and “25/12/05.” It is common in the UK, and somewhat less so in the U.S., to add a superscripted ‘st, nd, rd’ or ‘th’ to the day number in informal writing (thus “25th December 2000” or “December 25th, 2000”), but this is generally regarded as superfluous and avoided in formal use.

Similarly, in American speech, “December twenty-fifth” is the most likely form, though “the twenty-fifth of December” is also not uncommon. For example, many Americans refer to Independence Day as the “fourth of July.” In the UK the latter is more likely, and even when the month is presented first the definite article is usually inserted in speech, thus “December the twenty-fifth.”

4.10. Education

In the UK, a student is said to study a subject (or, at Oxford or Cambridge, to read a subject), while in the U.S., a student either studies the subject or majors in it (except at a few Ivy League schools, such as Princeton University, Brown University, and Harvard University, where one “concentrates” in it). Unlike most of the world where university students pursue a single field of study, United States universities often require a variety of courses. To major refers only to the student’s principal course of study, while to study may refer to any class being taken.

British English: She studied History at Bristol. She read History at Oxford.

American English: She majored in History at Yale.

The word course is ambiguous in American usage. It may refer to a student’s major (as in the phrase “course of study”) but more commonly it refers to the study of a restricted topic (e.g. “a course in Early Medieval England”, “a course in Integral Calculus”) and is equivalent to a module at a British University.

In the UK, a student revises or does revision for an examination, while in AmE, the student reviews for it. When taking or writing the examination, a student in the UK would have that examination supervised by an invigilator whereas in AmE it would be a proctor or (exam) supervisor.

In the UK, a student is said to sit or take an exam, while in the U.S., a student takes an exam. In the UK, a teacher sets an exam, while in the U.S.; a teacher writes or gives an exam. The expression he sits for an exam also arises in BrE, but only rarely in AmE; American lawyers-to-be sit for their bar exams, and American master’s and doctoral students may sit for their comprehensive exams, but in nearly all other instances, Americans take their exams.

British English: I sat my Spanish exam yesterday. I plan to set a difficult exam for my students, but I haven’t got it ready yet.

American English: I took my exams at Yale. I spent the entire day yesterday writing the exam. At last, it's ready for my students.

Another source of confusion is the different usage of the word college. In the U.S., this refers to a post-high school institution such as a university, whilst in the UK and most Commonwealth countries it refers primarily to a tertiary institution between secondary school and university where intermediary courses such as A Levels or NVQs can be taken and GCSE courses can be retaken. Americans may be surprised to hear of a 14 year old attending college in the UK, mistakenly assuming it is at the university level. It should be noted however, that in the case of Oxford, Cambridge, London and Durham universities, all members are also members of a college, e.g. one is a member of St. Peter's College, Oxford and hence the University.

In both the U.S. and UK, college can refer to some division within a university such as the "college of business and economics". Institutions in the U.S. that offer two to four years of post-high school education often have the word college as part of their name, while those offering more advanced degrees are called a university. (There are exceptions, of course: Boston College, Dartmouth College and The College of William and Mary are examples of colleges that offer advanced degrees.) American students who pursue a bachelor's degree (four years of higher education) or an associate degree (two years of higher education) are college students regardless of whether they attend a college or a university and refer to their educational institutions informally as colleges. However, a student who pursues a master's degree or a doctorate degree in the arts and sciences is a graduate student. Students of advanced professional programmes are known by their field (business student, law student, journalism student): Some universities also have a residential college system, the details of which may vary from school to school but generally involve common living and dining spaces as well as college-organised activities.

There is additionally a difference between American and British usage in the word school. In British usage this refers only to primary (elementary) and secondary (high) schools, and to sixth forms attached to secondary schools - if one "goes to school", this type of institution is implied. By contrast, an American student at a university may talk of "going to school" or "being in school"; it may surprise a British person to hear that a 20 year old American is still in school. However, the word is still used in British universities to describe a division grouping together several related subjects, for example the School of European Languages containing departments for each language.

Among high school and college students in the United States, the words freshman (or the gender-neutral term frosh or first year), sophomore, junior and senior refer to the first, second, third, and fourth year respectively. It is important that the context of either high school or college first be established, or else it must be stated directly (that is, "She is a high school freshman." "He is a college junior."). Many institutions in both countries also use the term first-year as a gender-neutral replacement for freshman, although in the U.S. this is recent usage, formerly referring only to those in the first year as a graduate student. In the UK, first year university students are often called freshers; however, there are no specific names for those in other years, nor for school pupils. Graduate and professional students in the United States are known by their year of study (a "second year

medical student” or a “fifth year doctoral candidate”).

In the UK, the U.S. equivalent of a high school is often referred to as a secondary school regardless of whether it is public or private. Secondary education in the United States also includes middle school or junior high school, a two or three year transitional school between elementary school and high school.

A public school has opposite meanings in the two countries. In the U.S. this is a government-owned institution supported by taxpayers. In England and Wales, the term strictly refers to a select group of prestigious independent schools funded by students' fees, although it is often more loosely used to refer to any independent school. Independent schools are also known as private schools, and the latter is the correct term in Scotland and Northern Ireland for all such fee-funded schools. Strictly, the term public school is not used in Scotland and Northern Ireland in the same sense as in England, but nevertheless, Gordonstoun, the Scottish private school which Charles, Prince of Wales attended, is sometimes confusingly referred to as a public school. Government-funded schools in Scotland and Northern Ireland are properly referred to as state schools - but are sometimes confusingly referred to as public schools (with the same meaning as in the U.S.).

Both the United States and the United Kingdom use several additional terms for specific types of secondary schools. A prep school or preparatory school is an independent school funded by tuition fees; the same term is used in the UK for a private school for pupils under thirteen, designed to prepare them for fee-paying public schools. An American parochial school covers costs through tuition and has affiliation with a religious institution. In the UK, the state-funded education system grew from parish schools organised by the local established church, the Church of England (C. of E., or C.E.), and many schools, especially primary schools (up to age 11) retain a church connection and are known as church schools, C.E. Schools or C.E. (Aided) Schools. There are also faith schools associated with the Roman Catholic Church and other major faiths, with a mixture of funding arrangements.

In the U.S., a magnet school receives government funding and has special admission requirements: students gain admission through superior performance on admission tests. The UK has city academies, which are independent privately sponsored schools run with public funding, and which can select up to 10% of pupils by aptitude.

4.11. Punctuation

4.11.1. Full Stops/Periods in Abbreviations

Americans tend to write “Mr.”, “Mrs.”, “St.”, “Dr.” etc., while British will usually, but not always, write “Mr”, “Mrs”, “St”, “Dr”, etc., following the rule that a full stop is used only when the last letter of the abbreviation is not the last letter of the complete word. However, many British writers would tend to write other abbreviations without a full stop, such as “Prof”, “etc”, “eg”, and so on (so recommended by some Oxford dictionaries). The rationale behind this usage is that it is typographically more elegant, and that the omitted full stops/periods are essentially superfluous, as the reader recognizes the abbreviation without them. It

also removes ambiguity by reserving the period for ending sentences. However, the “American” usage of periods after most abbreviations is also widely used in the UK. Note that in either case it is incorrect to put a period after units such as kg for kilogram or Hz for hertz, as these are considered unit symbols, not abbreviations; however, in non-scientific contexts, the unit for “inch” is often written “in.”, as it would be ambiguous without the period.

4.11.2. Hyphens

It is sometimes believed that BrE does not hyphenate multiple-word adjectives, such as “a first class ticket”. This usage is rare, and often considered incorrect. The most common form is as in AmE, such as “a first-class ticket”. 4.11.3. Quoting

Americans start with double quotation marks (") and use single quotation marks (') for quotations within quotations. In general this is also true of BrE, but can be the opposite when used in book publishing, for example. In journals and newspapers, quotation mark double/single use depends on the individual publication's house style.

4.11.4. Contents of Quotations

Americans are taught to put commas and periods inside quotation marks, whereas British people will put the punctuation inside if it belongs to the quote and outside otherwise. This means that direct speech retains punctuation inside the quotation marks in BrE also, with a full stop changing into a comma if followed by explanatory text.

British style: Carefree means “free from care or anxiety”. *American style:* Carefree means “free from care or anxiety.” “Hello, world,” I said. (both styles)

The American style was established for typographical reasons, having to do with the aesthetics of commas and quotation marks in typeset text. It also usefully eliminates the need to decide whether a period or comma belongs to the quotation. However, many people find the usage counterintuitive. Hart's Rules and the Oxford Dictionary for Writers and Editors call the British style “new” or “logical” quoting; it is similar to the use of quotation marks in many other languages (including Portuguese, Spanish, French, Italian, Dutch, and German). For this reason, the more “logical” British style is increasingly used in America, although formal writing still generally calls for the “American” style. In fact, the British style is often the de facto standard among Americans for whom formal or professional writing is not a part of their daily life; many are in fact unaware that the normative American usage is to place commas and periods within the quotation marks. (This rule of placing all punctuation inside quotation if and only if it belongs to the quotation is expressly prescribed by some American professional organisations such as the American Chemical Society; see ACS Style Guide.) According to the Jargon File, American hackers have switched to using “logical” British quotation system, because including extraneous punctuation in a quotation can sometimes change the fundamental meaning of the quotation. More generally, it is difficult for computer manuals, online instructions, and other textual media to accurately quote exactly

what a computer user should see or type on their computer if they follow American punctuation conventions.

In both countries, the “British” style is used for quotation around parentheses, so in both nations one would write:

I am going to the store. (I hope it is still open.) But: I am going to the store (if it is still open).

4.11.5. Letter-writing

American students in some areas have been taught to write a colon after the greeting in business letters (“Dear Sir :”) while British people usually write a comma (“Dear Sir,”) or make use of the so-called open punctuation (“Dear Sir”). However, this practice is not consistent throughout the United States, and it would be regarded as a highly formal usage by most Americans.

4.11.6. Titles and Headlines

Sometimes, the words in titles of publications, newspaper headlines, as well as chapter and section headings are capitalised in the same manner as in normal sentences (sentence case). That is, only the first letter of the first word is capitalised, along with proper nouns, etc.

However, publishers sometimes require additional words in titles and headlines to have the initial capital, for added emphasis, as it is often perceived as appearing more professional. In AmE, this is common in titles, but less so in newspaper headlines. The exact rules differ between publishers and are often ambiguous; a typical approach is to capitalise all words other than short articles, prepositions, and conjunctions. This should probably be regarded as a common stylistic difference, rather than a linguistic difference, as neither form would be considered incorrect or unusual in either the UK or the U.S. Many British tabloid newspapers (such as *The Sun*, *The Daily Sport*, *News of the World*) use fully capitalised headlines for impact, as opposed to readability (for example, BERLIN WALL FALLS or BIRD FLU PANIC). On the other hand, the broadsheets (such as *The Guardian*, *The Times*, and *The Independent*) usually follow the sentence style of having only the first letter of the first word capitalised.

4.11.7. Times

Americans always write digital times with a colon, thus 6:00, whereas Britons often use a full stop, 6.00. Also, the 24-hour clock (18:00 or 1800), which in the UK would be considered normal in some applications (e.g. air/rail/bus timetables) although unusual in informal contexts, is largely unused in North America outside of military applications.

4.12. Pronunciation

Though the list is not very big, there remain some specific differences in pronunciation between British English and American English.

There are separate transcriptions for British English and American English. For example,

| | |
|---------|--|
| Dot: | BrE /dɒt/, AmE /dɑ:t/ |
| Farm: | BrE /fɑ:m/, AmE /fɑ:rm/ |
| Go: | BrE /gəʊ/, AmE /ɡou/ |
| Mother: | BrE /'mʌðə/, AmE /'mʌðə/ (or /'mʌðər/) |

4.13. Different Prepositions in Certain Contexts

In the United States, the word *through* can mean “up to and including” as in *Monday through Friday*. In the UK *Monday to Friday*, or *Monday to Friday inclusive* is used instead; *Monday through to Friday* is also sometimes used. (In some parts of Northern England the term *while* can be used in the same way, as in *Monday while Friday*, whereas in Northern Ireland *Monday till Friday* would be more natural.)

British athletes play *in a team*; American athletes play *on a team*.

The intransitive verb ‘affiliate’ can take either *with* or *to* in BrE, but only *with* in AmE.

The preposition used with the word weekend is *on* in the U.S. and *at* in Britain (e.g. in “at the weekend/at weekends” vs. “on the weekend/on weekends”; such usages as “his weekend”, “over the weekend”, “closed weekends”, etc. are found in both dialects). The Americans use *on the weekend* while the British use *at the weekend*, the Americans prefer *write me soon* while the British prefer *write to me soon*.

After “talk” the Americans can use the preposition *with* but the British always uses *to* (i.e. “I’ll talk with Dave / I’ll talk to Dave”). The American form is sometimes seen as more politically correct in British organisations, inducing the ideal of discussing (with), as opposed to lecturing (to). This is, of course, unless talk is being used as a noun, for example: “I’ll have a talk with him” in which case this is acceptable in both BrE and AmE.

In AmE *from* is the preposition prescribed for use after the word ‘different’: “American English is different from British English in several respects.” While considered technically incorrect by some prescriptionists, *different than* is also commonly heard in the U.S., and is often considered standard when followed by a clause (“American English is different than it used to be”). The phrasing *different to* is used only in BrE; when grammar is taught formally in the UK, both *different than* and *different to* are regarded as incorrect, whereas *different from* is considered correct by those who subscribe to grammatical prescription.

It is common in BrE to say *opposite to* as an alternative to *opposite of*, the only form normally found in AmE. The use of *opposite* as a preposition (“opposite the post office”) has long been established in both dialects, but appears to be more common in British usage.

The noun ‘opportunity’ can be followed by a verb in two different ways: opportunity plus to-infinitive (“the opportunity to do something”) or opportunity plus of plus gerund (“the opportunity of doing something”). The first construction is the most common in both dialects, but the second has almost disappeared in AmE and is often regarded as a Britishism.

In the U.S., ‘forms’ are invariably *filled out*, but in Britain they can also be *filled in*. However, in reference to individual parts of a form, Americans may also use in (“fill in the blanks”). Both British and Americans may say (for example) that a river is named after a state, but “named for a state” would rightly be regarded as Americanism. BrE sometimes uses *to* with *near* (“we live near to the university”), while AmE avoids the preposition in most usages dealing with literal, physical proximity (“we live near the university”). Britons facing extortionate prices may have no option but to *fork out*, whereas Americans are more likely to *fork over* or sometimes *up*; both usages are however found in both dialects. British thugs will beat someone up, while their American counterparts will also beat on (as both would for an inanimate object, such as a drum) or beat up on their victim.

Use of Prepositions before Days Denoted by a Single Word: Where British people would say “She resigned on Thursday”, Americans often say “She resigned Thursday”, but both forms are common in American usage. Occasionally, the preposition is also absent when referring to months: “I’ll be here December” (although this usage is generally limited to colloquial speech).

In the UK, *from* is used with single dates and times more often than in the United States. Where British speakers and writers may say “the new museum will be open from Tuesday,” Americans most likely say “the new museum will be open starting Tuesday.” A variation or alternative of this is the mostly American “the play opens Tuesday” and the mostly British “the play opens on Tuesday”.

AmE uses intransitively the verb *meet* followed by *with* to mean “to have a meeting with”, as for business purposes (“Yesterday we met with the CEO”), and reserves transitive *meet* for the meanings “to be introduced to” (“I want you to meet the CEO, she’s such a fine lady”), “to come together with (someone, somewhere)” (“Meet the CEO at the train station”), and “to have a casual encounter with” (“Meet me in the morning”). BrE uses transitive *meet* also to mean “to have a meeting with”; the construction *meet with*, which actually dates back to Middle English, appears to be coming back into use in Britain, despite some commentators who preferred to avoid confusion with *meet with* meaning “receive, undergo” (“the proposal was met with disapproval”). The construction *meet up with* (as in “to meet up with someone”), which originated in the U.S., has long been standard in both dialects.

The verb *agree* is used transitively in BrE (as in “agree a contract”) while in AmE one would “agree to a contract” or “agree on a contract”. The verb *visit* is often used intransitively in AmE, with possibly the additional meaning of “to have a

conversation" (as in "to visit with a friend," a construction that often sounds strange to British, and many American, ears).

Some verbs that are intransitive in BrE are transitive in AmE; for example, British: "The workers protested against the decision." American: "The workers protested the decision." British: "To cater for a banquet." American: "To cater a banquet." British: "To claim for benefits." American (and also British): "To claim benefits." The verb prevent can be found in two different constructions: "prevent someone from doing something"; "prevent someone doing something." The latter is well established in BrE, but not in AmE. Some verbs can take either a to-infinitive construction or a gerund construction; for example, to start/begin/omit to do something/doing something. AmE uses the gerund more often than BrE.

A few 'institutional' nouns take no definite article when a certain role is implied: for example, at sea (as a sailor), in prison (as a convict), and at/in college (for students). Among this group, BrE has in hospital (as a patient) and at university (as a student), where AmE requires in the hospital and at the university. (When the implied roles of patient or student do not apply, the definite article is used in both dialects.) Likewise, BrE has in future and American has in the future.

AmE distinguishes "in back of" (behind) from "in the back of"; the former is unknown in the UK and liable to misinterpretation as the latter. Both, however, distinguish "in front of" from "in the front of".

The use of the function word *out* as a preposition to denote an outward movement, as in "out the door" and "out the window", is standard in AmE, but not quite in British writing, where *out of* is generally the preferred choice, although the "American" usage, usually considered regional or dialectal by British dictionaries, is gaining ground in UK speech.

4.14. Past Simple or Past Participles

The following verbs have two acceptable forms of the past simple or past participle in both American and British English. However, the irregular form is generally more common in British English (the first form of the two) and the regular form is more common to American English.

Burn: burnt or burned, Dream: dreamt or dreamed, Learn: learnt or learned, Lean: leant or leaned, Smell: smelt or smelled, Spell: spelt or spelled, Spill: spilt or spilled, Spoil: spoilt or spoiled.

4.15. Spelling

Here are some general differences between British and American spellings:

Words ending in **-or** (American) **-our** (British) *color, colour, humor, humour, flavor, flavour, valor, valour* etc.

Words ending in **-ize** (American) **-ise** (British) *recognize, recognise, patronize, patronise* etc.

Words ending in **-se** (American) **-ce** (British) *defense, defence, license, licence, offense, offence* etc.

Words ending in **-og** (American) **-ogue** (British) *dialog, dialogue, monolog, monologue, catalog, catalogue* etc.

Words having **single consonant** (American) and words having **double consonant** (British) *traveling, travelling, canceled, cancelled, marvelous, marvellous* etc.

5. Among more distinguishing fields, the following are also worth scrutinising:

In British English, **either a singular or a plural verb** may be used with a singular collective noun. In American English, **a singular verb** is required. For example,

The government **is/are** in favour of economic sanctions. (BrE)

The government **is** in favor of economic sanctions. (AmE)

British English tends to use the construction with **should** whereas American English generally uses the **present subjunctive**. For example,

I insisted that she **should** face the interview. (BrE)

I insisted that she **face** the interview. (AmE)

Quirk et al (Quirk is a distinguished linguist) describes that putative **should** is far more common in British English than in American English, while the **present subjunctive** occurs more frequently in American English than in British English.

The employees have demanded that the manager **resign**. (AmE)

The employees have demanded that the manager **should resign**. (BrE)

The employees have demanded that the manager **resigns**. (esp BrE)

In British English, the indefinite pronoun **one** is repeated in co-reference where American English uses **he**. For example,

One cannot succeed in the examination unless **one** tries hard. (BrE)

One cannot succeed in the examination unless **he** tries hard. (AmE)

5.1. Some other grammatical variations

Finnair have a flight to London today. (Large collective nouns) (BrE)

Finnair has a flight to London today. (AmE)

England have played well today, even if they lost. (BrE)

England has played well today, even if it lost. (AmE)

The Government are acting like themselves again. (BrE)

The Government is acting like itself again. (AmE)

He went on a course. How many were on the course? (BrE)

He was in a course. How many were in the course? (AmE)

We lived in the High Street. (BrE)

We lived on Main Street. (AmE)

He is in hospital with a broken leg. (BrE)

He is in the hospital with a broken leg. (AmE)

We were not able to catch him up. (BrE)

We were not able to catch him, catch up with him, catch up [with him]. (AmE)

The students are taking a very different attitude from their teachers. (BrE)

The students are taking a very different attitude than their teachers. (AmE)

The tour lasted from January to June. (BrE)

The tour lasted from January through June. (AmE)

I was at School with his brother. (BrE)

I was in School with his brother. (AmE)

She is going to complete a two-year language course. (BrE)

She is going to complete a two-year language programme. (AmE)

6. Conclusion

To sum up, these two national standards, British English and American English, are overwhelmingly predominant both in the number of distinctive usages and in the degree to which these distinctions are institutionalised. English is spoken as a native language by over three hundred million people: in the United States of America, Great Britain, Canada, Australia, the Caribbean, Ireland, New Zealand and other places. This list shows a great abundance of English dialectal variation throughout the world. The varieties of English used in the United States and in Britain are the most important in terms of population and use throughout the world. It is recounted that one must be consistent in the use of English (Either British English or American English) while using the language.

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Gender in Perspective: The Women Workforce of the RMG Industry of Bangladesh—Expectations and Realities

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Abstract

On an average, women constitute about 80 - 90 percent of the total workforce engaged in the Ready Made Garment (RMG) industry sector — the single most foreign exchange earner export item of the Bangladesh economy. The vocation and destiny of these women workers had already been in a precarious state as the much-talked-about WTO regime commenced while the situation further aggravated sharply after the heinous 9/11 event in the USA, which, until then, was the main market of the RMG products of Bangladesh. This setback took place in a time when this segment of the country's vast womenfolk was thought to be the ray of a new hope that, if given with suitable opportunity, the Bangladeshi women can significantly contribute to poverty alleviation and economic development. The recent collapse of the RMG industry would have serious bearing on the lives of the women labor force of the industry as the country already faces the challenge of absorbing some two million labor force entrants annually vis-à-vis addressing the problem of large-scale underemployment. Against this backdrop, efforts have been made in this paper to explore the nature, causes, and likely consequences of the problems that, directly or indirectly, inhibit the growth, prosperity and sustenance of these unsung heroes — the women workers who are engaged especially in the RMG industry of Bangladesh. After thoroughly investigating into the issue, consulting the relevant available literature, and ardently observing the situation, the paper is of the opinion that the women RMG workers have been confronted with hordes of problems that soon must be addressed proactively in order to ensure a level playing field in where these women can work without minimum fear thereby can significantly contribute to the wellbeing of themselves and their families in particular, and of the economy in general. However, the findings of the study would be a fabulous source of necessary facts, figures, and information for the interested researchers and academicians though the paper necessitates the urgency of further research on the issue in the days ahead.

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Section-I

1. Introduction:

A. Development of RMG Industry:

The readymade garment industry in Bangladesh is not very recent in origin. Custom-made garments are the norm for most of the domestic market, part of which is supplied from within the home production system. In Bangladesh, however, the first readymade garments factory was established in Dhaka in 1960; a second was established in 1962; a third and a fourth in 1967 and 1968 respectively. At the time of Liberation of Bangladesh there were five units of manufacture of readymade garments for domestic markets. Although the Liberation War in 1971 disrupted the industries marginally, these units continued to serve the domestic market well after the war.

Bangladesh got entry into the export market with a small consignment manufactured by the then existing units in 1976. This established a contact and a beginning and thereafter the number of units continued to grow. By the year 1983 the number of garments manufacturing units rose to 60 and in the same year some 200 entrepreneurs came up with fresh proposals for obtaining permission to setup such plant. By 1984 the number further rose to 250 and another 250 units were reportedly at various stages of implementation¹. However, in 1985, due to the U.S. policy, there seem to have come an abrupt halt to this honeymoon-era of RMG business in Bangladesh. The significance of the RMG industry in national economy of Bangladesh notwithstanding has grown significantly over the last couple of decades. And at present there are about 3000 RMG manufacturing units in the country that employ about 1.5 million people².

This phenomenal growth of the RMG industry in Bangladesh has done several important things. *First* of all it has visibilized women as part of the workforce of the economy. *Secondly* it has linked the womenfolk directly with the formal sector of employment. It has also given women independent sources of income, as opposed to being treated as unpaid family labor. However, garment workers are very much at the lower end of the salary scale and are working under exploitative conditions. There is, for instance, compulsory overtime work. From the feminists' point of view, therefore, it is not a positive model, though it does contain a lot of positive elements³.

B. Why Are The Women RMG Workers Important?

In urban and semi-urban areas with the gradual growth of export-oriented industries, a large number of women got employed in garment, fish processing and tea industries. Of these, garment industry provided the largest employment to women where they constituted more than 90% of the total labor force of the entire industry⁴. And recent estimates suggest that about 83% to 90% of the RMG workforce is comprised of women⁵. This provided us with some perspective to the social mobility with the entry of women in the formal labor market and transition from the male-dominated public sphere, and not only the 'pull' factor but the 'push' factors also played crucial role in this independent migration. More than 95% of the

RMG workers are migrants from rural areas and the bulk of them (almost three quarters) have migrated from landless families⁶.

Again a number of studies suggest that RMG workers act as an important source of income for marginal families and households that are absolutely landless, under-educated and having no alternative source of generating wealth. The average family size of the women workers was found to be between 4.1 and 5; another study estimates that around 28% of the women workers are the primary breadwinners of their families while the others are secondary earners.

It is, therefore, arguable that any policy program regarding the sustainable development of the economy in general and growth of the RMG sector in particular cannot be devised without giving serious consideration to this segment of the formal labor force of the economy. However, it is rather imperative for the policy planners that they do take the issues/problems that directly or indirectly confront the women RMG workers into their cognizance so as to ensure sound growth of this critical sector.

2. Rationale behind the Study:

That women work, and work outside home, be it for family or for self is a bare fact in today's Bangladesh. But what is the condition or rather the environment around them, under which they are working, is an interesting issue worth analysis. Is the environment congenial or not? Do they have any feeling either in favor of their working environment or against? Are they as free as their male counterpart in the office suffering from any sort of complexity—inferiority or superiority? Have they been able to adjust and adapt themselves to the needs of the job, or have failed to catch up? To sort out such problems a thorough analysis has been done in this research paper.

The economic empowerment of a section of the womenfolk of the country that came into being with the boom of RMG manufacturing business has been accompanied by vigorous debate among scholars and policy makers about its effects on women⁷. This paper explores this issue through an in-depth analysis of how Bangladeshi women RMG workers view and experience their income and the associated problems (if there is any) that they face in their day-to-day affairs.

Section-II

Some Statistics:

The Annual Report 2001 of Bangladesh Police reports that on an average 37 women & children fall prey to various kinds of violence everyday, and 10 of them are raped across the country. It has also been reported that violence against women and children increased at a rate of 14 percent in the previous years. In the year 2001, out of the total 1,14,191 crimes reported with the police, 13,339 incidents were related with violence against women. According to the report, 3189 rape cases were committed during the last year and the number was 3140 in the year 2000. In the year 2001, a total of 2343 accused persons were arrested under various cases of

violence against women, but almost 95 percent of the accused managed to get release through the loopholes of 'the Prevention of Violence Against Women & Children Act 2000'. According to another report of 'Odhikar', an NGO, prepared on the basis of news reports published in different newspapers, during January and February of this year 115 women and children were raped, 45 fell victim to acid-violence, and 28 were victims of dowry-related issues of which 13 died and 3 committed suicide across the country. If we look at further beyond it is seen that in 1997 a total of 5434 cases of violence against women were filed across the country, which rose to 6210 in 1998, and the number further rose to 9572 in the year 1999. But the same number was only 2048 in the year 1985. What has been apparent from the above statistics is that year after year the incidences of violence against women have alarmingly been increasing in Bangladesh. And advocates of women and children's rights in Bangladesh opine that the issue has been getting rise only because the criminals are left unpunished. A snapshot of the situation of violence against women and children in Bangladesh can be made as follows:

Table: Picture of violence against women & children in Bangladesh.
(During the period from January 01, 2001 to February 28, 2002)

| Items | Types of Violence | Number of Victims |
|-------|--|-------------------|
| 1 | Acid Violence | 297 Persons |
| 2 | Torture for Dowry Purposes | 43 Persons |
| 3 | Death for Dowry Purposes' | 139 Persons |
| 4 | Commitment of Suicide for Dowry Purposes | 06 Persons |
| 5 | Rape Cases | 720 Persons |
| 6 | Number of Raped Children | 171 Persons |
| 7 | Victim/Death for Other Reasons | 150 Persons |

Source: Odhikar, Naripakkha. Also see the Daily Prothom Alo, March 08, 2002 issue.

The Problem:

To begin the discussion on the problems that the women workers of the RMG industry of Bangladesh confront in their daily life, it should be noted that their case does not necessarily represent the case of working women in all strata of the society. First of all, however, women working in garment factories are not really moving from home to work. They are more likely to be moving from domestic work at someone else's home to factory work. Questioning whether they are needed at home assumes that their contribution at home is more than the amount they are making *from* work in the garment industry. Obviously this is not the case. It is not hard to figure because the fact that they have chosen to go for factory work indicates that their expected gains from working are greater than expected gains of remaining at home⁸.

This type of question also imposes arbitrarily a middle class morality on poor women, which is an additional burden for them to carry. Suggesting that poor women should not go out and work in garment factories because it makes them neglect their families reveals "ignorance" and a "pathetic attitude" towards the lives of most of these women and their families. To watch one's children suffering without the means to alleviate this is certainly more painful than to leave them for part of the day with the knowledge that one's earnings are improving the situation.

However, the hordes of problems that the women RMG workers in Bangladesh encounter everyday can be highlighted under the following headings.

1) The Ongoing World Order:

Perhaps the first casualty in Bangladesh of the September 11, 2001 tragedy is the huge women workers of the RMG sector. Because, due to the forthcoming commencement of the WTO regime, the RMG sector was already in trouble and the situation further aggravated after the terrorist attack on the U.S.A on September 11, 2001. A survey conducted by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), immediately after the terrorist attack revealed the closure of 673 RMG production units in Bangladesh. Another survey of the BGMEA indicates that total of 1200 RMG units have been shutdown between the period of January to December 2001.

According to the Asian Development Outlook 2002-Bangladesh, the global economic slowdown and developments following the events of September 11 in the U.S.A. have considerably undermined the country's growth prospects for 2002. The loss of employment in the sectors immediately affected by the global slowdown, including RMGs in particular, is likely to be substantial with adverse consequences for poverty reduction. Between July and December 2001, about 1200 RMG factories closed and an estimated 350,000 workers in the RMG industry lost their jobs⁹. This obviously has brought serious bearing on the respective RMG workers, particularly the womenfolk, because women are the first and foremost victim of any economic setback including famines.

2) Traditional Mindset of People:

That increasing number of women is now working in Bangladesh has given rise to some concerns about whether our society is ready to adapt to the expansion of the role of women into areas traditionally reserved for men. Some, who believe that our culture does not allow ladies to be active outside the home, make numerous arguments to support their case. Most common is that these women are 'needed at home' to look after the family. Traditionalists also argue that a "women's touch" is necessary for raising children. Moreover, many traditionalists will of course argue that the inputs of a 'wife' have no close substitutes. Many also lament that increased women's participation in the labor market makes them less dependent or even absolutely independent of their husbands. By being an equal partner in the household decision making process, they may perturb the delicate balance of the nuclear or joint household. Some also argue that women may lose their purity by

coming into contact with unknown men as they venture out of the protected circle of the family. This assumes, of course, that women 's purity is something that must be imposed from without rather than maintained from within. It is, in fact, a type of protectionist argument, which in effect says that women are too delicate as well as vulnerable to venture into the world. And hence they must be protected from the harsh realities of life. Rather the fact is that reality is harsh everywhere, in the home as well as at the office, and it is harsh for everyone, men and women. Protecting women to allegedly hold up their status is yet another example of finding an excuse to deny them opportunities to fulfill their potentials as human beings.

Other similar arguments are advanced from time to time to maintain the status quo of women as full time home-makers. The social barriers to working added an additional cost to working, or alternatively, the approval they received from staying home constituted an additional benefit to staying home.

3) Working Environment:

I) Level of Satisfaction:

According to a study, there remain a lot of factors that generate dissatisfaction among the female garments workers¹⁰. These are:

1. No proper recognition of performance,
2. No betterment of service condition,
3. Stagnation in same post,
4. No liberty at work,
5. Poor pay structure,
6. Stereotype nature of work,
7. No refreshment facility, and
8. Uncongenial environment, etc.

II) Attitude of Male Team Members:

At the beginning garment manufacturing was just a new type of occupation, rather a male oriented job for females. Men's attitude towards women colleagues was absolutely conditioned by old conception of sex specific roles. Initially this naturally created complexity and tension of various degrees. But with the passage of time, and also owing to day-to-day interactions in office with persons of opposite sex, there was a gradual development at the level of between-sex understanding. This phenomenon has changed the complexion to a larger extent reducing superfluous stimulations. This change has also been accelerated due to input of increasingly larger number of women workers in garment factories since the recent past. In addition there are other factors that affect relations between men and women, which are shown below by the following figure.

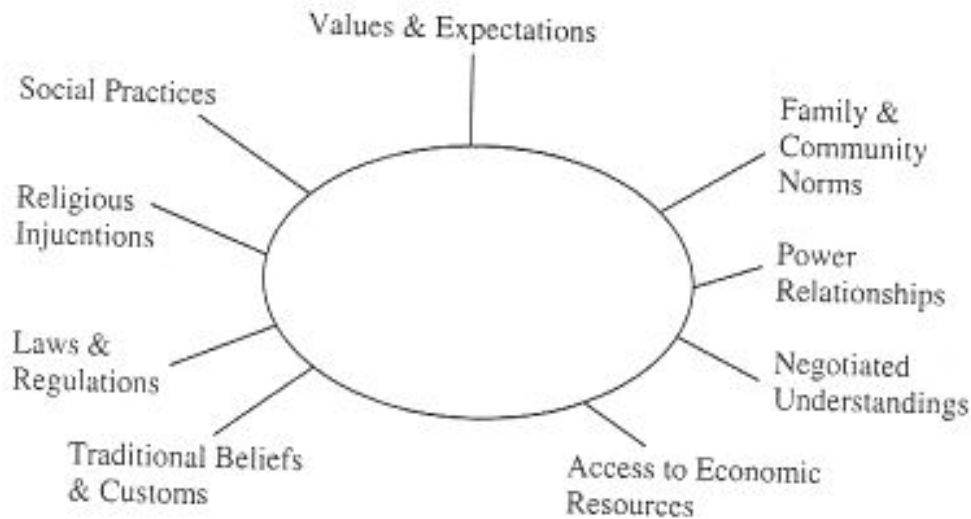


FIGURE : Factors Affecting Relationship between Men & Women¹¹

It should not be a troublesome exercise for one to understand how the aforesaid factors may affect the working relationship between male and female workers in the garment factories. A very common practice by the male garment workers can be cited as an instance in this regard. It has been observed and it is noted that the majority of the women R.MG workers had not been employed prior to their work in the garment industry, a finding that concurs with that noted by other studies of the industry¹². The BGMEA reports that of the 500,003 workers employed by the industry, over 78 percent were women who had no previous work experience in the organized industrial sector¹³. The median age of workers of the study ranged from early to late twenties. Using their inexperience as an opportunity the male workers intentionally extend their hands in order to teach them how to work efficiently and as a result the female incumbents become loyal to and fond of their male co-workers. With the passage of time the male workers then offer the female workers to make love with them. An emotional relation develops accordingly, which in course of time reaches up to bed. After losing the virgin female workers can neither take any punitive measure against their so-called beloved, nor can they inform their respective authority for fear of further repercussions. In fact, what a single female worker could do when instead of detecting the defect of the work-in-progress the QC-people tend to praise the beauty of a particular organ of the lady with the machine!

Moreover, in the organizational setup, bureaucracy or hierarchy is an in-built mechanism, which is being maintained by manning persons of different rank and order. One, therefore, needs simultaneous interactions with her superiors, co-workers, and subordinates at the workplace. As a matter of fact, interactions and exchange of views have become almost a routine affair. At the same time, it may be borne in mind that the behavior and expectation of behavior from others depend largely upon one's own characters and personality.

III) Burden of Overwork:

While discussing about working environment another aspect needs to be taken into account. This is about the situation in which working women gets involved in extra official activities concerning the office. The situation can perhaps be best-

described as a secondary involvement within the primary one. The women workers of the RMG sector need to work overtime and sometimes overnight with no period for leisure and no extra wages. When a factory gets closed at midnight although the male workers can easily go to their residence, it becomes almost impossible for the female workers to leave the workplace for home. There are a group of miscreants who waits for the female garment workers who come out of their offices at late or midnight after their schedule works; and the female workers lose everything they have on the hands of those miscreants. The irony of fate is that in many occasions the law enforcing agency people such as the Ansars attack and assault the female workers during the night time.

IV) Physical Environment:

The temperature within the factories in an average RMG enterprises is high, but lights are huge, which, in turn, affect the women workers particularly. Lack of adequate ventilation, damp floors, extreme congestion etc., are among other constraints, which could easily be found in an average RMG factory.

V) Security Problems:

An important issue that was frequently cited by common women RMG workers is that in the name of routine security checking the security personnel at the entrance of the factories do physically & sexually harass the women, particularly the young girls which, as opined by the sample women workers, could easily be avoided if female security personnel were deployed vis-à-vis the traditional male security people.

Perhaps the most vulnerable aspect of the RMG industry in Bangladesh is that the average factories suffer from spatial problems. Many RMG entrepreneurs have setup their plants in residential areas across the country, which, in effect, generates twofold problems. First, buildings in residential areas are built for housing purposes and, therefore, do not have adequate spatial facilities to house assembly-line manufacturing plants. As a result, the plant managers --design their plant-layouts in such a - tanner that no free space remains in these factories. But the situation could be different if the same plant were built in an industrial area. And secondly, not only the calm and quiet atmosphere of the residential areas is destroyed, but the normal movement of the residents is also affected before the start and after the closure of office hours. It should be mentioned in this connection that the RMG entrepreneurs do not follow the existing 'Building Code' of the country.

Another issue of prime concern is that majority of the RMG factories have very narrow entry and exit points. As a result, if any accident like earthquake or conflagration etc. Occurs people from inside cannot leave the building so quickly to save their lives and the death toll and volume of losses rise. In the newspapers we see how frequently garment workers die en masse as a result of outbreak of fire. A number of reasons can be attributed to this issue. *First*, as the workers usually do not have any prior preparations and they remain unaware of their roles in situations like outbreak of fire, when fire breaks out, they get panic and in an undisciplined manner

start running to and fro in a bid to save their souls. Eventually the death toll rises. The situation aggravates more due to the narrower shape of the entry and exit doors.

Second, albeit the legal binding for the RMG enterprises to conduct routine fire-fighting practice to face such accidents, almost none of the enterprises exercises this on the plea that this would kill their time and would seriously hamper their productivity.

Third, most of the enterprises do not have good fire-alarm equipments and adequate extinguishers, which, in fact, do not cost them much. Another facet of the problem is that as many RMG plants are built and operated in residential areas with extremely narrow roads, fire brigade personnel cannot reach the spot so quickly to bring the fire under control, not to mention the traditional lack and inadequacy of modern fire fighting equipments with the fire brigade & civil defense department. It has been revealed that in many occasions the heinous factory managers keep the doors and gates of their factories close even during heavy and devastating fire on the ground that their factories may be looted, and hence they let their valuable goods and invaluable lives of the workers burn. It was further found that sometimes the casual security people keep the doors of their factories under lock and key and then leave for distant tea stalls for refreshments. If somehow fire breaks out under this circumstance many lives and assets are burnt before the security people rush to the factory to open the doors. Sometimes in a bid to save their lives from the hands of the angry mob, instead of going to the spot where the accident took place the security people at once start to flee away from the area.

4) Economic Problems:

The economic problems that confront the common women RMG workers can best be described under the following titles.

1) Lack of Control Over Wages:

How much control do these women workers retain over their personal earnings/wages? It is clear that centered around the deference and dependence of women on men the traditional Bangladeshi family system is a setting in which women are likely to defer to men with regard to the control of their wages¹⁴. But whether this normative system actually snatches the controlling power on their own personal earnings from the women workers; or economically they were truly empowered, still remains unexplored. In a study it was revealed that the women from urban-working-class background lived with what may best be described as '*male-dominant budgets*' — financial arrangements in which a male member of the family exercises substantial or complete control over the income of any female member (be she wife, daughter, or sister) of the family¹⁵. The women RMG workers are also no exception to this practice. In fact, the practicing dominant pattern is to hand over their entire earnings to the male household head who maintain complete control over the household expenditure. In many cases, the household head, after receiving the women's pay, would give a small allowance from it for supplemental housekeeping and/or other personal expenses. The opposite scene is rather rare.

II) Lower Wage Rate:

There is no denying the fact that the 'low labor cost' feature made Bangladesh a potential destination for the international RMG producers. But unfortunately the women workers are paid very lesser amount of wages than the male labors for the same volume of work. In addition, wage rates for overtime work are also very minimal for the women. Therefore, due to the prevailing wage rate differentials between men & women RMG workers, the much talked-about dream of 'economic empowerment' of these women is yet to be attained.

III) Loss of Purchasing Power:

From the standpoint of economic contribution, the women RMG workers are important for the economy not only as wage earners, but as consumers too. Any setback of their earning power diminishes their purchase power, which, in turn, weakens the domestic market.

IV) Other Economic Issues:

Given a stagnant wage in RMG sector any increase in non-food item (mainly transportation) expenditure may significantly influence the incidence of poverty. Even if the share of transport expenditure in income does not rise, another indirect effect on the incidence of urban poverty will come from the net loss of time and energy from commuting by foot. A look at the commuting route and distance of garment workers particularly in Dhaka will make this point clear.

5) Political Problems:

The political inhibitors on the path of growth & prosperity of the women RMG workers may be examined from local, national, and international/global perspective.

a) Local Politics:

In Bangladesh the most common practice is that when anybody commits any crime like acid throwing, robbing, kidnapping, assaulting another, then it is the local politicians (if not the Godfathers!) who defend the criminal at first. This, in effect, restricts many potential girls/women to come out of their household boundary to do some income generating activity.

b) National Politics:

Apart from hartal and other all-pervasive political programs, political leaders at the national level have time and again failed to build a real consensus on issues like acid-violence, gang raping, dowry, women/child lifting, ransom collection, fatwa, etc. And how these factors contribute to the sufferings of the women RMG workers across the country would be clear if someone only browses over the national daily and weekly newspapers and magazines.

c) Global Politics:

As has been mentioned in the earlier section of the write-up, the ongoing world eco-political order is not favorable for the Bangladesh economy in general, and for the RMG industry in particular. Hundreds and thousands of women RMG workers have lost their jobs during the last couple of months. In this regard people opine that the situation would have been different had the political leaders and the bureaucrats have more efficiency of bargaining with their respective counterparts on various bi-lateral and multi-lateral issues. It would, therefore, not be irrational if someone identifies the poor efficiency of the government and bureaucracy as an actor of the existing uncertain fate of the women RMG workers of the country.

6) Inadequate Medicare & Childcare Facilities:

For extending medicare facilities to RMG workers at the area of Malibag Chowdhurypara in Dhaka, the BGMEA Medical Center was established at Malibag in 1994. The second BGMEA Medical Center was established on October 02, 1999 at Mirpur — another area where about 450 RMG factories are situated⁶. According to the BGMEA, about 200,000 workers are supposed to get benefit from these centers directly. BGMEA, in collaboration with BRAC, has also undertaken a joint project for annual medical checkup of the RMG workers. But these programs are so inadequate and ill-managed that the RMG workers can not utilize these benefits. In addition, the medical allowances that are offered to the workers are so nominal that it does not serve the purpose at all. Therefore, revision of the existing medical allowance packages becomes imminent. The women workers are also not allowed any sort of maternity benefits.

7) Problems of Family Welfare & Reproductive Health:

It is reported that BGMEA signed a Project Document with the Government of Bangladesh and the UNFPA on October 1998 to provide family welfare and reproductive health education & services to the RMG workers. The objective of this technical assistance project is to increase greater involvement of the garment workers in the reproductive health practices for improving their own health, health of their partners and family members and also to help them prevent themselves from Sexually Transmitted Diseases (STD) like AIDS. Although, according to the BGMEA, initially about 100,000 RMG workers in Dhaka would be directly benefited from the project, this facility is absolutely meager as long as the aggregate number of workers in the industry and the spatial disparity between the enterprises are concerned.

8) Housing Problems:

As most or all of these women are migrated from rural areas to urban job market, they don't possess any house of their own. Due to the meager amount of earnings they cannot afford houses in the posh and secured areas of the city where they work, and, hence, they have to live either in slums or in other makeshift arrangements. And everybody is known of the sorts of civic facilities available in the slum areas. Due to the abnormal crises of water & sanitation facilities, most of the women cannot afford to take a shower prior to their start for office. Some of the women live with their relatives, while some of them live in rented houses with other co-workers. In either of the cases they are not beyond the oppression and suppression of the landowners or of

the male relatives. Due to the absence of housing facilities offered by the employers, no other option remains available before them and they have to tolerate these sorts of tortures. And their agony bounds no limit.

9) Transportation Problems:

For the last couple of decades we have been witnessing the morning streets of Dhaka and other big cities flooded with male and female people moving or standing in groups. They are not mere passersby; rather they are RMG workers — the invaluable wealth of the economy. These people commute everyday from various distant places to their workplaces. Due to the inadequacy of commuter services (bus, taxi, tempo, maxi, etc.) a display of physical fitness and capacity of the passengers becomes imminent. Although *en rout* to their workplaces the male workers can manage to somehow avail a vehicle after a long & tense battle, for the female workers the task becomes tumultuous, if not impossible, not to mention the physical and sexual harassments from the male co-passengers. The irony of fate is that all these tough efforts may go in vain if she ultimately reaches her office only a few minutes after the scheduled time. It has been found that the employers do record the working day of an employee as ABSENT (no work, no pay) if s/he reaches the office only 5 minutes later than the scheduled time.

10) Other Problems:

Apart from the aforesaid problems there are other problems that the women RMG workers of Bangladesh frequently confront with. These problems include, among others, the following:

- Women mostly have limited opportunities to develop technical and managerial skills. For instance, out of 54 Vocational Training Institutes (VTI) and 12 Technical Training Institutes (TTI), there is only 1 VTI for girls in the country⁵
- Discrimination, exploitation and harassment of female workers in the RMG industry is more common than the male workers;
- The labor code have been neglected the interest of women laborers who are discriminated against in hiring policies, wage rates and rules of promotion and among industrial workers women are particularly unorganized and their participation in unions is minimal which easily subject them to oppression, and trade unions also do not concern them with particular needs of women.

Section—III

Policy Suggestions:

From the above discussion it has been clear that despite their significant contribution to the economic development of the country there is no respite in sight of the sufferings of the women RMG workers. It is also apparent that the policy planners of the country did not shed enough light to the issues concerning the problems of these women. The following policy suggestions have been made to avert each of the respective problems discussed above.

1. Programs to initiate social consciousness about the significant and crucial role of the women RMG workers in the development of the country are to be

- devised and implemented in order to change the traditional mindset of the common people so that the general masses take care of these women.
2. (a) For security purpose every RMG unit must build their plants with strict adherence to the existing 'Building Code' of the country; and make the entry and exit points so spacious that at least five people can easily move side-by-side through these doors at a time;
(b) Every enterprise must conduct routine fire-fighting practice at regular intervals;
(c) There must have adequate fire extinguishing equipments and operative fire alarm systems in every RMG factory; and properly trained people in reasonable numbers are to be employed in every factory, who will train the general workers on the usage of these necessary equipments.
(d) For increasing satisfaction level of the women workers the employers must undertake necessary motivational measures;
(e) Prevailing organizational cultures of the RMG enterprises are to be rectified where male workers would cooperate and collaborate with their female counterparts;
(f) At enterprise level necessary arrangements must be made so that departmental action can be taken against anybody for assaulting women workers in any form;
(g) Work schedules are to be so designed that the women workers need not work until an odd time say, midnight, or in the early hours of the day;
(h) Separate toilets, change rooms, etc. in adequate numbers are to be installed exclusively for women; and
(i) Besides male forces women security personnel are to be deployed by the owners at the entrance gate of the factories.
 3. (a) With regard to control over wages or personal earnings, at the family level family heads must allow enough liberty to the female members of the family.
(b) The existing pay policies of the RMG enterprises are to be so revised that the prevailing wage rate disparity between women and men workers can be removed.
 4. (a) At local and national levels the law enforcing agencies are to be made aware that no offender is spared after committing any crime against the women workers; (b) The much-talked-about 'social justice' for women is to be ensured so that the women workers feel them as part of the society; (c) Exemplary punishment is to be given if any local political leader is found to provide shelter to an offender.
(d) At the international level the political leaders and the bureaucrats must give sincere attention to their responsibility and work so that they can ensure a win-win situation for the countrymen.
(e) The overseas missions must work closely with the foreign investors so that the lost opportunities can be regained.
 - 5) BGMEA should take initiatives to install at least one childcare center for every ten RMG units. In addition, for equal economic development, day-care centers

are to be setup in every factory. To this end additional people may need to be recruited as supervisors. And BGMEA is to take initiative to install at least two hospitals in Dhaka with all modern medical facilities.

- 6) Family welfare and reproductive health program of BGMEA is to be substantially strengthened.
- 7) BGMEA should undertake projects to build housing facilities that may be rented to the women workers.
- 8) Every RMG unit must have transportation arrangements for the workers, especially for the women workers.
- 9) **GO-NGO/ Public-Private Collaboration:**

Nari Uddog Kendra (Women Entrepreneur Center), an NGO, has developed a program to provide cheaper rental accommodation to women workers of garment industries in the city of Dhaka where the housing problem confronting the garment workers, particularly the women, is acute. The Kendra has also established a night school for female garments workers²⁰. This sort of avenues is to be explored and exploited accordingly. The Delta-Brac Housing Limited (DBBL) may come-up to build tiny housing projects that will be rented to the garment workers at a subsidized rate.

Section—IV:

Concluding Remarks:

Finally, it should be noted that the government, the RMG owners, the civil society organizations and other stakeholders of the economy must work in close cooperation in order to ensure judicious ramification to the aforesaid problems of the women RMG workers. Because our apprehension is that once a society's institutions start deteriorating the possibility is that these will deteriorate further unless checked by forces outside the system. We are visibly outside the RMG industry, and, therefore, we must act as a pressure group in order to compel the RMG owners and the respective policy planners to take proactive action plan in order to reverse the existing precarious condition of the sector.

Moreover, we must recognize that women's empowerment is not a zero-sum game and that more power to one in the long run inevitably means more power to all. The entire women folk of the country shall be empowered if the women RMG workers are empowered. In this connection we must adopt our strategic vision and we need a critical decade of concerted effort, which then would set the stage for further progress. Very much has been said about women's empowerment and gender equality. Now that strategies for dealing with it are becoming clearer, there is no excuse for inaction. And if only the sheer problems that the women RMG workers in Bangladesh have been facing for long days can be uprooted and a level playing field be ensured for them, then these women would, beyond doubt, bring the country a more strong and prosperous economic backbone, which would certainly be a pivotal requirement for socio-economic advancement of the country especially in the coming years.

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Capital Market of Bangladesh: Its Present Trends and Measures for Development

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Abstract

The Capital market plays an important role in quickening the pace of economic development. The developing economies are looking forward to their capital markets as the engine for future growth as its presence ensures mobilization of funds from surplus units to the ones suffering from deficits. The Capital market is composed of both securities and non-securities market. The capital market of Bangladesh is small, inefficient, and underdeveloped. Of the total financial system, the non-securities part accounts for more than ninety percent of the financial activities in the country. But this bank-based system is virtually on the verge of collapse due to huge non-performing loans and colossal volume of classified and default loans. So, we are concerned with securities segment because the securities market can develop the Capital Market. The research objectives are to explore the present scenario of Bangladesh capital market, to identify the causes of the backwardness of the capital market and to produce some viable recommendation to strengthen the capital market. The numeric data are analyzed with some statistical tools such as simple average, trend analysis, growth rate, etc and some data are graphically represented with bar charts, line charts. The Performance of DSE and CSE are taken from the year 1995 to 2006. The data of 2001 to 2005 of 17 best-performed companies of CSE have been taken for analysis of return from investment. The data of dividend payment has been taken from the year 2001 to 2006 of CSE. The trend of index price of stock exchanges is decreasing. A, B, and Z categories companies are 50.59%, 13.14%, 35.85% respectively. The average dividend yield is 5.926% and the average total gain is 9.146% but the average interest from the fixed deposit of banks is 12.51%, which influence the investors to invest in deposit, instead of investing in securities market. The dividend non-paid companies are 26.56%, which discourages the investor to invest in securities market. The important development policies are introducing various financial instruments, withdrawn conservative monetary policy, awareness of securities market and participation of multinational companies in capital market etc.

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Introduction

The Capital market is one of the driving forces of an economy. Capital market is the institution that provides a channel for the borrowing and lending of long-term funds for more than one year. It is designed to finance long-term investments by businesses, governments, and households. Capital market consists of two segments: securities segment and non-securities segment. The securities segment is concerned with the process by which firm distributes securities to the public through the primary market and then those securities are traded in the secondary markets. The non-securities segments are those where banks and other financial institutions provide loans. The Capital market plays an important role in quickening the pace of economic development. The developing economies are looking forward to their capital markets as the engine for future growth as its presence ensures mobilization of funds from surplus units to the ones suffering from deficits. Business firms (deficit units) need money to pay to the factors of production, i.e., land, labor, capital, and entrepreneurship. Households (surplus units) have residual earnings, i.e., savings after their consumption but usually in less quantum compared to the business firms needs. Capital market is such a financial intermediary that pools the money from a wide number of people and channels it to the ultimate users.

The apex organ of Bangladesh Capital Market is the Securities and Exchange Commission (SEC). It was formed on 8 June, 1993 under the Securities and Exchange Commission Act 1993 as a capital market regulator with a view to ensuring proper issuance of securities, protection of the interest of investors in securities, development of the capital and securities markets, and regulation of the capital and securities markets in Bangladesh. There are two stock exchanges in Bangladesh operating currently: Dhaka Stock Exchange (DSE), and Chittagong Stock Exchange (CSE). The country's capital market is equity –centric. Of the total 298 securities traded on the Dhaka stock exchanges of Bangladesh, 255 are equities, 13 mutual funds 8 are debentures, and 22 are Treasury bond. On May 30, 2006, the no. of shares are 1362.755 million in DSE and the total market capitalization are tk. 214,463 million and On September 30, 2005, the no. of shares are 1269.246 million in CSE and the total market capitalization are tk. 208407.13 million . Investment Corporation of Bangladesh (ICB), Bangladesh Shilpa Bank (BSB), Bangladesh Shilpa Rin Shangstha (BSRS), 29 Merchant Banks are also involved with the capital market of Bangladesh. ICB works as an investment bank that underwrites shares. It also issues mutual funds. The main objectives of the BSB are to finance new industrial plants, to modernize, expand, and replace the existing plants. BSB provides long-term loans both in, local and foreign currencies, underwriting public issues, and provides guarantee of paying loans taken from other sources. Besides it provides short-term bridge financing to industrial organizations. BSRS also provides loans and other facilities to industrial organizations.

Statement of the Problem

The capital market of Bangladesh is small, inefficient, and underdeveloped. Of the total financial system, the non-securities part accounts for more than ninety percent of the financial activities in the country. But this bank-based system is virtually on the verge of collapse due to huge non-performing loans and colossal

volume of classified and default loans. So, we are concerned with securities segment because the securities market can develop the national economy. Out of around 3,000 public limited companies, only 263 have issued securities keeping a large number away from the securities market. Market capitalization, as a percentage of GDP is only 5% in Bangladesh whereas this ratio is 46% in India, 17% in Pakistan, and 324% in Malaysia. The rate of institutional investment is very low in Bangladesh. The ratio is only 20% while most other developing nations experience a ratio of 50%. The capital market has not yet attained the credibility as an appropriate avenue for investment from the side of the general public. The main problems of the capital market of Bangladesh are: serious dearth of risk-free assets in the secondary market to individual buyers, unfair treatment to the investors (mal-trading and manipulation), lack of market information, absence of varied tradable financial instruments, the deplorable standard of research information dissemination and book keeping, unprofessional approaches of brokers to their services and so on and so forth. The research aims at identifying the causes of the backwardness of the capital market and producing some viable recommendation to strengthen the capital market.

Objectives

The main objective of the study is to identify the problems faced by the capital market in Bangladesh and to suggest measures to overcome the problems. However, the study covers the following supporting objectives:

- To explore the present scenario of Bangladesh capital market and its development.
- To identify the causes of the backwardness of the capital market
- To suggests ways of expanding the size and scope of the capital market of Bangladesh in the perspective of standard practices in advanced capital markets of the world at the present day.

Methodology

Sources of data:

Both primary and secondary data were used in the research.

1. **Sources of Primary Data:** Primary data are collected from the interview with the executives of DSE, CSE, BSB, ICB, prospective investors, stockbrokers, and other professionals.

2. **Sources of Secondary Data**

Secondary data were collected from the following sources:

Publications of Securities and Exchange Commission (SEC),
Dhaka Stock Exchange (DSE), Chittagong Stock Exchange
(CSE), Stock Market Reports on Daily Newspapers,
Bangladesh Bank, Bangladesh Bureau of Statistics (BBS), etc.
Bangladesh Economic Review
Annual Reports of selected Companies
Books and Journals
Internet web sites.

- b. **Sampling Design:** The Performance of DSE and CSE are taken from the year 1995 to 2006. The data of 2001 to 2005 of 17 best-performed companies of

CSE have been taken for analysis of return from investment. The data of dividend payment has been taken from the year 2001 to 2006 of CSE.

Analysis of Data:

Both quantitative and qualitative analyses were conducted in the research.

Numeric data are analyzed with some statistical tools such as simple average, trend analysis, growth rate, etc.

Some data are graphically represented with bar charts, line charts, etc.

Qualitative information is presented with logical explanation.

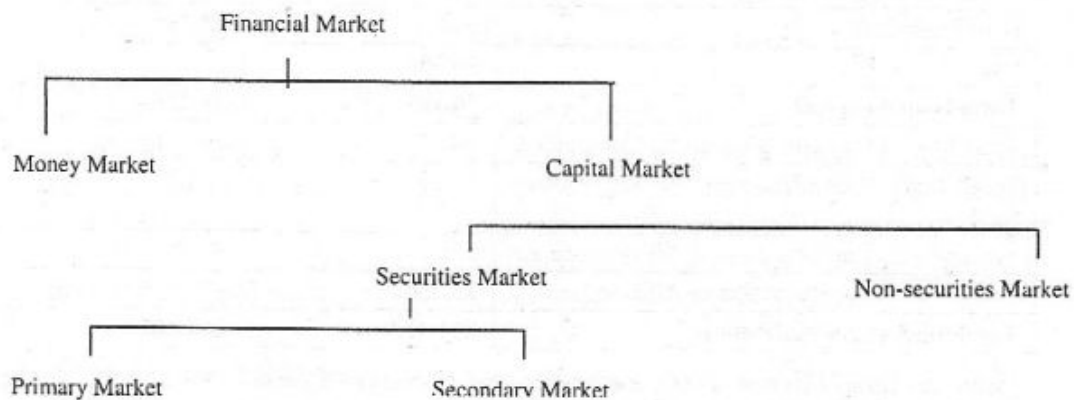
Findings of the Analysis

Findings of the analysis are presented as per the research objectives.

1.0 The Scenario of the Capital Market of Bangladesh

1.1 The Capital Market of Bangladesh

The Capital Market of Bangladesh is divided into different segments and it has different component parts and one controlling body. These complete elaborations will give an idea about the Capital Market of Bangladesh. So, a chart showing the different segments of capital market is presented below.



The above chart shows that capital market is composed of both securities and non-securities market. But we are concerned with the securities market. The securities segment is concerned with the process which firm distributes securities to the public through the primary market and those securities are traded in the secondary market.

The non-securities segment is those where Bank and other financial institutions provide loans. Of the total financial system, the non-securities part accounts for more than ninety percent of the financial activities in the country. But this bank-

based system is virtually on the verge of collapse due to huge non-performing loans and colossal volume of classified and default loans.

Now some important facts regarding capital market with latest available figures are presented below.

Securities Market in Bangladesh

Table- 1: Securities Market in Bangladesh

| | DSE (May 2006) | CSE(September 2005) |
|---|-------------------|---------------------|
| No. of companies(Share) | 255 | 187 |
| No. of mutual fund | 13 | 13 |
| No. of debenture | 8 | 2 |
| No. of treasury bond | 22 | - |
| Total no. of listed securities | 298 | 202 |
| | Figure in '000' | |
| No. of shares of all listed companies | 1,362,755 | 1,107,944 |
| No. of certificates of all mutual fund | 161,250 | 161,250 |
| No. of debentures of all listed debentures | 409 | 53 |
| No. treasury bond | 135 | - |
| Total no. of tradable securities | 1,524,578 | 1,269,244 |
| | Figure in tk. mm. | |
| Issued capital of all companies (equity) | 61,874 | 51,488 |
| Issued capital of all mutual funds | 735 | 735 |
| Issued debentures | 140 | 35.285 |
| Issued bond | 16,358 | - |
| Total Issued capital | 79,107 | 52,258 |
| Total Market Capitalization of All Companies | 197,299 | 206,713 |
| Total Market Capitalization of All Mutual funds | 1,223 | 1,602 |
| Total Market Capitalization of All Debentures | 576 | 92.35 |
| Total Market Capitalization of All Bonds | 15,366 | - |
| Total market capitalization | 214,463 | 208,407 |

(Source: Annual Report 2005, Securities and Exchange Commission and Portfolio, Chittagong Stock Exchange, 2006)

From the above table, we see that in DSE the nos. of listed securities are 298 and the market capitalization is Tk. 214463 million. Among the 298 securities in DSE, 255 companies' share and the nos. of mutual fund, debenture, and treasury bonds are 13, 8, and 22 respectively.

In CSE, the nos. of listed securities are 202 and the market capitalization is tk. 208,407 million. Among the 202 securities in CSE, the nos. of companies' share, mutual fund, and debenture are 187, 13, 2, respectively. Only four types of

securities are traded in the market- shares, bond, mutual fund and Treasury bills.

Now, a brief description about bond market and mutual funds are given to complete the ideas about capital market.

Bond Market

The country's capital market is equity-centric. Of the total 298 securities traded in Dhaka Stock Exchange, only eight are debentures issued by corporate house. The total outstanding amount against the aforesaid debentures was tk. 140 million only as on May 30, 2006. Under financial Institution Development Project an expatriate firm has also been engaged to suggest a draft of comprehensive rules for insurance, trading, payment and settlement of government, municipal and corporate fixed income securities in Bangladesh. Non-bank financial institution issued asset backed zero coupon bond by private placement. The transaction of 5 years and 10 years' government bond is started from January 2005. On May 30, 2006, 22 governmental bond is enlisted in DSE. This bond did not get popularity due to higher interest rate of saving and short term deposit provided by bank, 20% tax on income of government bond deducted at the source, tk100,000 minimum face value of bond, ignorance regarding processing of bond etc. The government reduced the tax deduction on income of bond to 10% in the fiscal year 2005-06.

Mutual fund management:

Ten mutual funds including one managed by AIMS of Bangladesh, a private sector asset management company, were listed in the stock exchanges. Investment Corporation of Bangladesh issued eight and Bangladesh Shilpo Rin Shangstha(BSRS) issued the remaining one mutual fund. ICB asset management company is going to issue another two mutual funds named "ICAB AMCL Islami Mutual Fund" and "Pension Holders Unit Fund" in the market.

1.2 Securities and Exchange Commission of Bangladesh

The Securities and Exchange Commission was established on June 8, 1993 under the Securities and Exchange Commission act 1993 as a capital market regulator with a view to ensuring proper issuance of securities, protection of the interest of investors in securities, development of the capital and securities markets and regulation of the capital and securities markets in Bangladesh.

1.3 Dhaka Stock Exchange

The activities of the Dhaka Stock Exchange (DSE) continued uninterrupted until 1971. The trading suspended during the liberation war in 1971. The trading on DSE, resumed in 1976 with change in economic policy of the government. On August 10, 1978 automated on line screen based trading system began. The Dhaka Stock Exchange is a self-regulated non-profit organization. It has 24 members Council, of which 12 are elected from the exchange members and 12 are nominated from the nonexchange member by the elected exchange member councilors, subject to the approval of SEC. The executive power of DSE is vested in the chief executive officer. The board of directors of DSE appoints the CEO with the approval of SEC.

1.4 Chittagong Stock Exchange

The Chittagong Stock Exchange was established in 1995. It is also a self-regulated non-profit organization and rules regarding formation of the board of directors, size and election of directors are also similar to DSE.

2.0 The Current Features of or Development in Capital Market

2.1 Trading system automation

Introduction of automated trading system replacing the practice and culture of age-old manual cry-out system of trading in the stock markets of Bangladesh was a revolutionary step. This technology has brought the trading floor close to investors. CSE opened up wide avenues of investment through wide area telecommunication network in 1998 connecting the cities of Dhaka, Chittagong and Sylhet. It is truly a giant leap forward in providing the millions of common people a gateway of investment in stocks through the trading network.

DSE introduced TESA (Tandem Electronic Securities Architecture), which has following trading functions:

- i. Market information: supply investors, traders, and advisors et. all with the market information needed to formulate their buy and sell decisions.
- ii. Order management: accept, validate and store orders and quotes from the broker workstations
- iii. Order execution: automatically executes orders when buy and sell price match.
- iv. Trade reporting: Report trade executions to each trade participant, to the settlement system or the depository and to the market.

2.2 Central Depository System

The parliament passed the depository act 1999 providing a legal basis for depositories in Bangladesh. The act gave regulatory responsibilities to the SEC enabling it to make regulations for the operations of Central Depository System. A depository is like a bank for shares instead of money. Instead of holding shares in the form of certificates, investors have accounts in the depository and are able to move securities and settle stock exchange transactions by an electronic updating of their accounts. The core services of a depository are the efficient delivery, settlement, and transfer of securities through a computerized book entry system.

2.3 Internet Trading Systems and Mobile Stock

Internet trading system is introduced for some selected brokers who are provided Internet based trading facilities. This is a geographically neutral system where (meaning) investors from any part of the world who have internet access can use the system for the purpose of trading or to get updated about the market.

Mobile Stock

Information regarding market is available in mobile phone through message.

2.4 Over the Counter market in CSE

From July 4, 2004, CSE stated the operation of over the counter market. The delisted companies from the stock exchanges and unlisted companies' share under Securities and Exchange Commission rules, 2001 are traded in OTC market.

2.5 Trade settlement period

The trade settlement period is changed from 4 days to 3 days, which will increase the transaction and liquidity.

2.6 Multilateral Lending Agencies

Multilateral lending agencies and other development partners took various initiatives to encourage the government to undertake measures and initiatives for capital market development. The Asian Development Bank launched the Capital Market Development Program to streamline both bourses and regulatory functions, along with bringing substantial fiscal policy measure by the government. Both the bourses became automated, a number of necessary rules and guidelines enacted on raising capital, initial public offering and right offers, operation of mutual funds, margin trading, dealership and brokering, insider trading, formation of credit rating and central depository companies, investors protection, dispute resolution, arbitration etc.

2.7 Investors Promotion

Organizing seminars, workshops, and publishing informative newsletters, journals, leaflets are the daily activities of the exchange. Investors in major district towns of the country are the targets of this effort.

2.8 Credit Rating Company

Credit Rating Information and Services Ltd. and Credit Rating Agency of Bangladesh are operating credit rating activities. They follow the code of conduct prescribed by International Organization of Securities Commission.

2.9 Market Surveillance and Compliance

Stock exchanges have vigilance team for operating and monitoring the securities market. Its surveillance and compliance department has been adequately empowered. It has been operating a full-fledged task force for online surveillance for detection of any abnormal price fluctuations or trade discrepancies.

3.0 The Trend of Capital Market

The trend analysis of capital market of Bangladesh will help to highlight the changes in different areas of securities. They can be on the basis of price index, changes in listed number of securities, increase in IPOs and market capitalization. Now, the trend of capital market on the said areas is graphically presented.

3.1 The Trend of Index Price

From Appendix-1, we have drawn the figure -1: the trend of Index price of Stock exchanges.

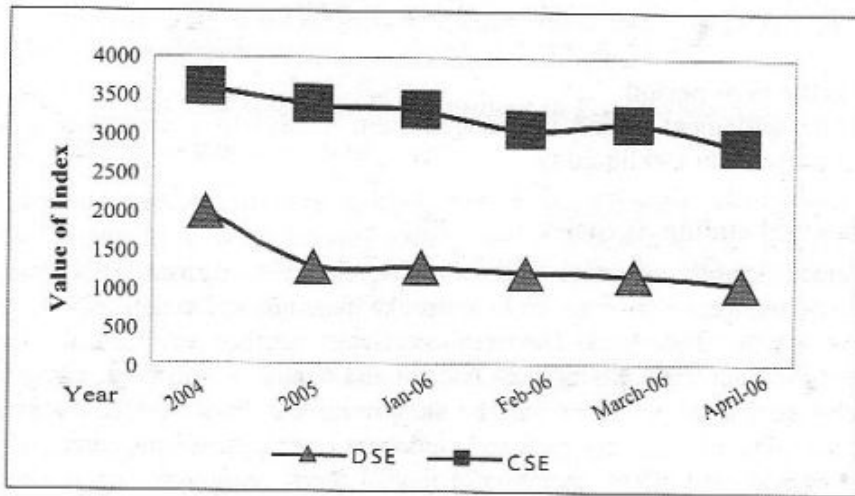


Figure-1: Trend of Index Price of Stock Exchanges

Figure 1 shows that the trend is downward. In 2004, the Index price was 3579.7 in CSE and 1971.31 in DSE and in March 2006 it is 3119 in CSE and 1146.33 in DSE. The downward trend of index price shows the decline situation of Market. So, the market price of shares is decreasing. So, the shareholders are losing. The investors will not invest in the falling markets.

3.2 The Trend of Listed Securities

From the Appendix-1, we have drawn the figure-2: The trend of listed securities.

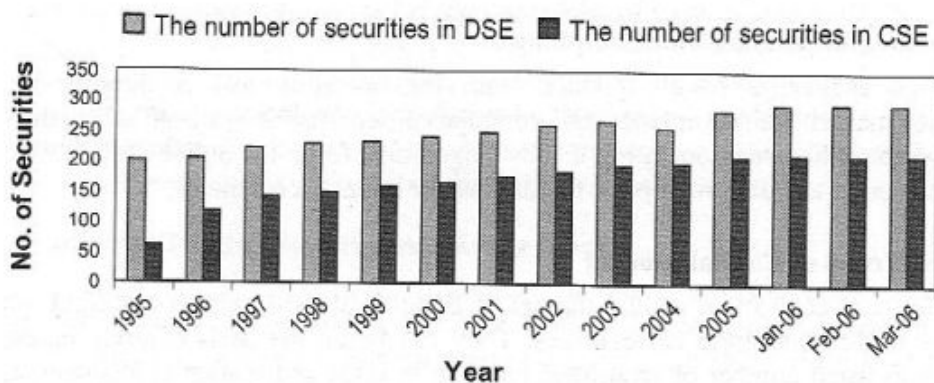


Figure-2: Trend of listed Securities of Stock Exchanges

The number of listed securities is increasing in both stock exchanges but the rate is very low. In 2000, it was 241 in DSE and 165 in CSE and in March 2006, it is 296 in DSE and 213 in CSE. 76

3.3 The Trend of IPO (Initial Public Offering)

From the Appendix-1, we drawn the figure-3: the trend of IPO.

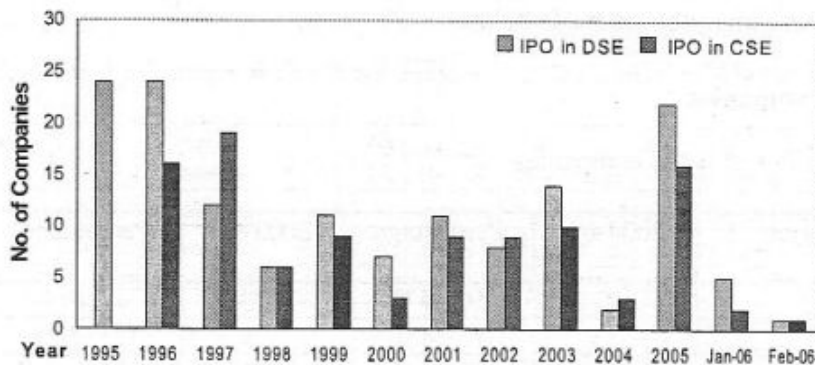


Figure-3: Trend of IPO of Stock Exchanges

It is shown that the highest IPO of DSE is 24 in 1995 and 1996 and of CSE 19 in 1997. The lowest IPO of DSE is 2 in 2004 and of CSE is 3 in 2000 and 2004. The average IPO of DSE and CSE are 13 and 10 respectively.

3.4 The Trend of Issued capital and Market capitalization

From the Appendix -1, we have drawn the figure-4: The trend of issued capital and market capitalization.

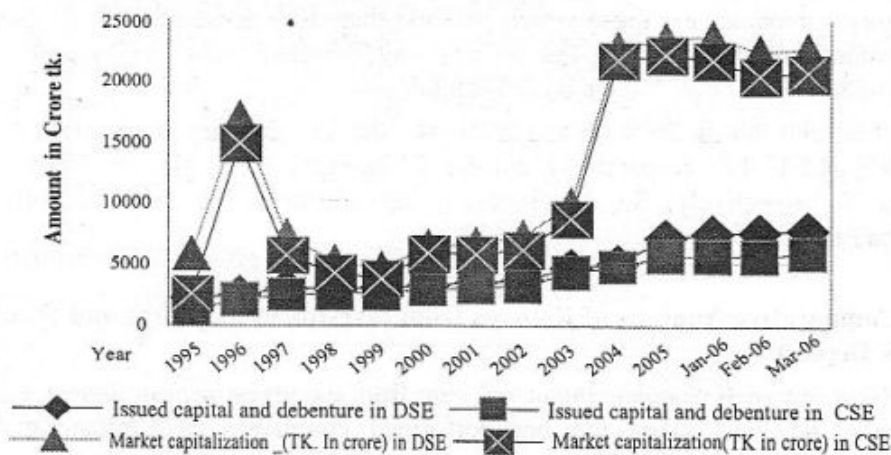


Figure-4: Trend of Issued Capital and Market capitalization of Stock Exchanges

It is shown that the market capitalization and issued capital have the same trend. In 1996, the market capitalization increased abruptly and in 1997 it decreased abruptly also. It continued to decline and in 1999 it was the lowest which was Tk. 4478.12 crore in DSE and Tk. 3654.24 crore in CSE. Then it continued to increase but in 2004, it increased abruptly. But further it continued to decline and finally in March 2006, it is Tk. 22475.7 crore in DSE and Tk. 20512 crore in CSE. Issued Capital was Tk. 1983.98 crore in DSE and Tk. 1036.8 crore in CSE. It is increasing in a slightly growing manner.

4.0 An Analysis of Backwardness of Capital Market in Bangladesh

Ideas about the backwardness of capital market can be obtained if an analysis of types of enlisted companies in Bangladesh and returns from their securities are analyzed. So, these analyses are made below.

4.1 Types of Companies

Table-2: Categories of listed companies

| Categories | 2004-05 | Percentage | 2003-04 | Percentage |
|------------|---------|------------|---------|------------|
| A | 127 | 50.59 % | 123 | 47.49 % |
| B | 33 | 13.14 % | 39 | 15.05 % |
| Z | 90 | 35.85 % | 96 | 37.06 % |
| G | 1 | - | 1 | - |

Source: Annual Report 2005, Securities and Exchange Commission

From the table-2, we can see the real picture of the backwardness of the capital market.

The listed companies have been categorized as A, B, Z and G, based on profit loss, status of annual general meeting and commercial operational status of the companies. 'A' category companies are those which pay 10% or more dividend, 'B' category companies are those which pay less than 10% dividend and 'Z' category companies are those which fail to pay any dividend, hold AGM and whose accumulated loss exceeded the issued capital.

It is seen that in 2004-05 and 2003-04, the 'A' category companies are only 50.59% and 47.49% respectively and the 'Z' category companies are 35.85 % and 37.06 % respectively. So, the investors do not invest in the bad performed companies.

4.2 Comparative Analysis of Returns from investment in Shares and that from Bank Deposits

Now, we shall calculate the actual gain from the investment in Shares. For this analysis, we have taken the best-performed companies of Chittagong Stock Exchange. We have taken 17 companies from CSE-30, among them 14 companies are 'A' category and 3 companies are 'B' category companies. For better result, we have taken the best-performed companies from the listed companies of Chittagong Stock Exchange. Since, these companies are listed in both stock exchanges, the dividend payment is same. So, for analysis we have taken the data from Chittagong Stock Exchange. Companies are categorized in different categories on the basis of their performance. A chart showing the percentage of different categories of companies in Bangladesh is given below.

Rate of return of Share= Dividend yield + Capital gain

$$= \frac{\text{DIV}_1}{P_0} + g$$

Table-3: Percentage of Dividend Yield(DY), Capital Gain(CG) and Total Gain(TG)

| Category | Year Companies | 2001 | | | 2002 | | | 2003 | | | 2004 | | | 2005 | | |
|----------|-----------------------------------|--------------|---------------|--------------|---------------|---------------|--------------|--------------|---------------|--------------|---------------|---------------|---------------|--------------|---------------|---------------|
| | | DY | CG | TG | DY | CG | TG | DY | CG | TG | DY | CG | TG | DY | CG | TG |
| A | Padma Textile Mills Ltd. | 2.63 | -24 | -21.4 | 2.66 | -7.89 | -5.03 | 4.17 | -31.42 | -27.25 | 2.48 | 236.6 | 239.08 | 2.27 | -45.5 | -43.23 |
| A | Beximco Synthetics Ltd. | 3.7 | -21.5 | -17.8 | 4.76 | -22.22 | -17.5 | 7.25 | -34.2 | -26.95 | 6.85 | 111.59 | 118.44 | 0 | -52.91 | -52.91 |
| B | Prime Textile Spinning Mills Ltd. | 11.73 | 9.29 | 21.02 | 8.96 | -21.4 | -12.4 | 9.39 | -20.52 | -11.13 | 8.2 | 14.55 | 22.75 | 10.2 | -19.67 | -9.47 |
| A | ACI Ltd. | 7.5 | -5.58 | 1.94 | 6.74 | 4.32 | 11.1 | 5.64 | 19.6 | 25.24 | 4.3 | 40 | 44.3 | 6.12 | -25.34 | -19.22 |
| A | Beximco Pharmaceuticals Ltd. | 3.08 | -18.2 | -15.1 | 1.2 | -14.16 | -13 | 1.47 | -18.89 | -17.42 | 1.06 | 174.33 | 175.41 | 0.86 | -37.63 | -36.77 |
| A | Agricultural Marketing Co. Ltd. | 6.79 | -11.32 | -4.53 | 6.58 | 3.26 | 9.84 | 5.93 | 18.42 | 24.35 | 4 | 48.2 | 52.2 | 6.29 | -31.11 | -24.82 |
| A | Meghna Cement Mills Ltd. | 6.79 | -12.79 | -6 | 7.81 | -13.04 | -5.23 | 9.42 | 17.03 | 26.45 | 7.27 | 29.56 | 36.83 | 10 | -27.32 | -17.32 |
| B | Confidence Cement Ltd. | 8.15 | -29.63 | -21.5 | 8.33 | -34.78 | -26.5 | 16.88 | -50.41 | -33.53 | 3.13 | 34.45 | 37.58 | 4.42 | -29.38 | -24.96 |
| A | Quasem Dry cells Ltd. | 6.63 | 0.55 | 7.18 | 6.33 | -12.7 | -6.37 | 7.52 | -15.8 | -8.28 | 4.37 | 72.18 | 76.55 | 8.33 | -47.59 | -39.26 |
| A | Eastern Cables Ltd. | 9.95 | 11.7 | 21.65 | 4.88 | 31.34 | 36.2 | 5.52 | -11.7 | -6.18 | 3.99 | 38.39 | 42.38 | 4.82 | -17.16 | -12.34 |
| A | Appex Tannery Ltd. | 7.12 | 12.89 | 20.01 | 7.11 | 25.22 | 32.3 | 7.21 | -21.09 | -13.88 | 3.78 | 90.29 | 94.07 | 6.27 | -65.24 | -58.97 |
| A | BOC Bangladesh Ltd | 4.89 | -21.05 | -16.2 | 9.22 | -20.55 | -11.3 | 6.89 | 33.73 | 40.62 | 3.5 | -1.58 | 1.92 | 4.6 | -23.94 | -19.34 |
| A | Islami Bank Bangladesh Ltd. | 8.53 | 46.57 | 55.1 | 6.5 | 31.28 | 37.8 | 9.25 | -29.75 | -20.5 | 0 | 79.43 | 79.43 | 0 | -7.13 | -7.13 |
| A | Prime Bank Ltd. | 7.42 | 19.85 | 27.27 | 6.5 | -23.98 | -17.5 | 5.02 | 22.59 | 27.61 | 2.25 | 123 | 125.25 | 0 | -23.4 | -23.4 |
| A | Monno Ceramic Industries Ltd. | 8.37 | -29.7 | -21.3 | 5.62 | -11.71 | -6.09 | 4.13 | -9.36 | -5.23 | 4.59 | 35.12 | 39.71 | 7.43 | -38.22 | -30.79 |
| B | Fu-Wang Ceramic Industry Ltd. | 13.09 | -36.88 | -23.8 | 5.25 | -37.64 | -32.4 | 9.69 | 8.39 | 18.08 | 4.72 | 2.66 | 7.38 | 8.25 | -31.36 | -23.11 |
| A | Aramit Ltd. | 6.67 | -9.4 | -2.73 | 6.47 | 6.25 | 12.7 | 5.95 | 8.82 | 14.77 | 4.48 | 29.72 | 34.2 | 5.38 | -9.72 | -4.34 |
| | Average | 7.238 | -7.011 | 0.227 | 6.1835 | -6.965 | -0.78 | 7.137 | -6.739 | 0.398 | 4.0582 | 68.146 | 72.205 | 5.014 | -31.33 | -26.32 |

Source: CSE Bazar Porikroma January, 2006.

CSE-Companies' Profile

| | |
|------------------------|---------------|
| Average Dividend Yield | 5.92% |
| Average Capital Gain | 3.22% |
| Average Total Gain | 9.146% |

Investors expect returns, which are grouped into two types of return- dividend gain and capital gain. From the analysis, we have seen that the average return from the portfolio investment is **9.146%** (in 2001,2002,2003,2004,2005 it is 0.227%, -0.781%, 0.398%, 72.20%, -26.31% respectively). The average dividend gain is 5.926%. But the capital gain is only 3.22% due to fall in the price of shares. Here it is shown that in 2004, it increased abnormally and in 2005, it decreased abnormally.

Now, we shall compare this return with the return from the bank deposit, which is risk free return.

Table-4: Inertest Rate of Fixed Deposits

| Bank Asia | Prime Bank | Sonali Bank | Agrani Bank | Al-Falah | Shah Jalal | EXIM Bank | Eastern Bank | Commerce Bank | Premier Bank | One Bank | Dhaka Bank | South East | Average |
|-----------|------------|-------------|-------------|----------|------------|-----------|--------------|---------------|--------------|----------|------------|------------|---------|
| 12.5% | 12.50% | 12% | 12% | 13% | 13% | 12.6% | 12.5% | 12.5% | 12.5% | 12.5% | 12.5% | 12.5% | 12.51% |

Source: Data collected from individual banks by direct interview

We have seen from the table- that the average return from the fixed deposit of Banks is **12.51%** which is much higher than the return from the portfolio investment of shares which is **9.146%**. So, the investors invest in Banks as deposit instead of investing in capital market.

Moreover, the Banks offer various attractive saving packages. These are special deposit scheme (monthly payment), monthly savings scheme, Saving insurance scheme, Family maintenance deposit, Double benefit deposit scheme, Lakhopati deposit scheme, Non resident foreign currency deposit account, ABIRAM – fixed deposit. Moreover, various non-bank financial institution also offer attractive savings package. On the other hand, only Shares, Debentures, Bonds, Mutual funds are traded in securities market.

4.3 Comparative Statement of Dividend Payment

Table-5: Comparative statement of dividend Payment

| Criteria | 2001 | % | 2002 | % | 2003 | % | 2004 | % | 2005 | % | Total | % |
|--|------|--------|------|--------|------|--------|------|--------|------|--------|-------|--------|
| No. of companies paid dividend | 122 | 74.84% | 143 | 81.71% | 134 | 73.22% | 134 | 68.36% | 138 | 70.05% | 671 | 73.41% |
| No. of Companies did not paid dividend | 41 | 25.15 | 32 | 18.28 | 49 | 26.77 | 62 | 31.63 | 59 | 29.94 | 243 | 26.58% |

Source: CSE Bazar Porikroma , January, 2006

We have taken the data from CSE. Since Bangladesh is a developing country, the majority investors expect regular dividend and regular dividend is the syndrome of healthy condition of the company. But average **26.58%** companies failed to pay the dividend. So, the investors are discouraged to invest in security market.

The scenario of dividend payment is shown below by graphical representation.

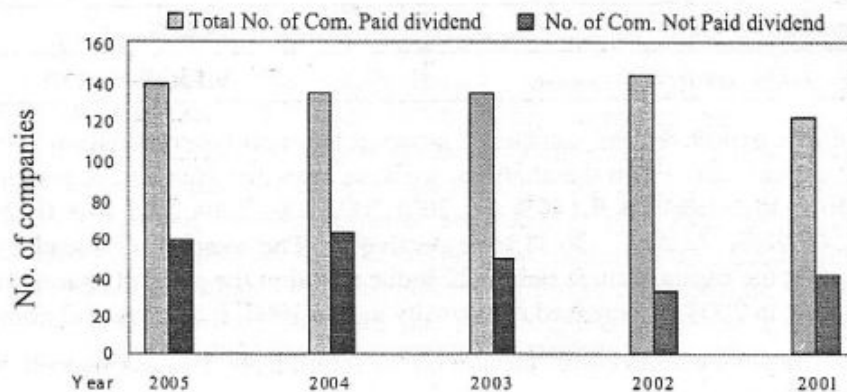


Figure-5: Comparative statement of dividend Paid

From the figure-5, we have seen that in 2002, 32 Companies did not pay the dividend which is 18.28% but in 2005 it is 59 which is 29.94% So, the number of dividend defaulter companies is increasing.

4.4 AGM defaulter Companies

Table-6: AGM defaulter Companies

| No. of Year failed to hold AGM | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Total |
|--------------------------------|----|----|---|---|---|---|---|-------|
| No. Of Companies | 20 | 10 | 6 | 1 | 1 | 2 | 1 | 41 |

Source: Annual Report -2004, Securities and Exchange Commission

We have seen from the table- that the 41 companies failed to conduct the AGM, which is 15% of total companies. The investors lost the faith on those companies.

5.0 Contemporary Issues of Backwardness and Development Policies of Capital Market

5.1 Absence of Various Financial Instruments

- The supply (both quality and quantity) of securities has always been a major constraint of the capital market. Only the Shares, Debentures, Bond, and Mutual funds are traded in Capital market. The futures, Forwards, Swaps, Option, Caps, Floor, Collars, Captions, Swaptions and Compound option can enrich our Capital market. The hybrid securities such as dual currency bond, interest rate-equity, and currency- commodity hybrid will play vital role for development of capital market of Bangladesh.
- The supply of securities can be increased if government enterprises are allowed to operate through stock exchanges. Floatation of government securities can expand the market enormously. Privatization of public enterprises and subsequent issuance of shares and bonds can add a lot to the situation. A sound capital Market requires depth with a wide range of products and instruments to cater to varying risk-return- liquidity preferences of investors. (Govt. bond, asset-bases). Off loading government shares held in the multinational corporations can generate huge inflow of securities in the market.

Besides, the issuance of special types of bond like convertible bonds, zero coupon bonds, and inflation adjusted bonds, revenue bonds can play a vital role in accumulating savings from different investors.

In developed countries, Investment Banks, commercial banks, insurance companies, are major buyers and seller of securities. This institutional buyers or seller's role is insignificant in Bangladesh. Outdated laws and ineffective enforcement of existing laws are largely responsible for the non-participation of these institutions in the securities market. These institutions may be encouraged to take part in the market through making appropriate amendments in the concerned sections of the acts.

- At the initial stage of capital market development, privatization of state – owned enterprises can make a significant contribution. In Malaysia, for example, the Privatization master plan resulted in many government-linked firms being listed with Kuala Lumpur stock exchange. Government –linked firms account for 34 percent of total market capitalization. In Bangladesh also efforts are being made to progressively offload government shares through the stock exchange.

5.2 Conservative Monetary Policy

- Bangladesh Bank has taken the conservative monetary policy for controlling the inflation by the direction of IMF and World Bank Bangladesh bank is reducing money supply by withdrawing the money from the market. Bangladesh bank has increased the interest rate on loan. And the Banks and Non- bank financial institutions are facing liquidity problem. So, they are offering higher interest rate on deposits. As a result, the investors invest in bank instead of securities market. Moreover, the return from the bank is risk free but the return from the securities is risky. Now, A comparative analysis of Issued Capital and Deposit of Bank is shown below.

Table-7: Comparative Statement of Issued Capital and Deposit of Banks

| Year | Issued capital and debenture in CSE (Tk. In crore) | Growth rate of Issued Securities | Bank deposits(tk. In crore) | Growth rate of Bank Deposits |
|----------------|--|----------------------------------|-----------------------------|------------------------------|
| 1998 | 2418.03 | | 52004 | |
| 1999 | 2508.09 | 3.724519547 | 58994 | 13.44127375 |
| 2000 | 2726.6 | 8.712207297 | 70981 | 20.31901549 |
| 2001 | 2965.27 | 8.753392503 | 81650 | 15.03078289 |
| 2002 | 3107.99 | 4.813052437 | 93084 | 14.00367422 |
| 2003 | 4196.76 | 35.03132249 | 107407 | 15.38717717 |
| 2004 | 4697.87 | 11.94040164 | 121576 | 13.19187762 |
| 2005 | 5551.93 | 18.17972826 | 141587 | 16.45966309 |
| Average | | 13.02208917 | | 15.40478061 |

Source: Finance Ministry, *Bangladesh Economic Review*, 2006,

From the above analysis of the table-7, we have seen that the average growth rate of Bank Deposits (**15.40%**) is higher than the growth rate of issued capital of CSE (**13.022%**). It is shown that the people invest in deposits more than in securities market. So, Government should change the conservative monetary policy.

5.3 Awareness of Securities Market

- The majority people of Bangladesh do not have the knowledge about securities market. They do not know the rules and regulations of investment in capital market. Two stock exchanges are located in Dhaka and Chittagong. So, the people of other areas of the country deprived of the facilities of trading in stock exchanges.

The communication system should be developed so that the people of every corner of the country can invest in security market. The awareness has to develop through seminar, publicity in media etc. The knowledge of securities market should be taught in secondary and higher secondary level of education.

5.4 Participation of Multinational Companies in Capital Market

- The Multinational companies are doing business in Bangladesh without enlisting in securities market. It is not possible in developed countries. The MNCs are profitable companies. But they have no accountability and they are transferring profit to their own countries from Bangladesh. If they enlist on capital market, our nationals can get the share of profit. Very few MNCs are enlisted in securities market like Bata which enriched our securities market. Grameen Phone, Banglalink, Unilever etc. are successfully operating in our country. But after telling them several times by the Finance Minister, they did not enlist in securities market. Government should take the strong step to make them involved in security market. From this, our capital market will get the life.

5.5 Setting up of Investment Bank

The SEC has issued licenses to 27 institutions to act in the capital market. Of these, 19 institutions are Merchant Banker & Portfolio Manager while 7 are Issue Managers and 1 (one) acts as Issue Manager and Underwriter. Among them, Investment Corporation of Bangladesh (ICB), Bangladesh Shilpa Rin Sangstha (BSRS), Bangladesh Shilpa Bank (BSB) play vital role. Among the functions of Investment Bank providing equity support by way of participation in the equity company in the form of underwriting and bridge finance to public limited companies is important.

ICB assists in public issues. ICB assisted companies are shown below.

Table –8: No. of ICB assisted Companies in Public Issue

| | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 | Total |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| No. Of Companies | 2 | 4 | 1 | 2 | 3 | 2 | 4 | 2 | 7 | 8 | 35 |

Source: Annual Report of ICB, 2005

These investment banks are not sufficient. More investment Banks need to be set up. Government needs to give encouragement to set up more brokerage firm and consultancy agencies.

6.0 Problems and Suggestions of Capital Markets

- Inadequate disclosure requirements and mechanisms of companies, weak regulatory framework based on outdated laws, non-holding of annual general meeting, irregular payment or non payment of dividends, erratic publication of financial statements, delay in refund of excess application money and inappropriate monitoring mechanisms are some of the many impediments heavily affecting the natural growth of the capital market. In fact professional honesty, accountability, transparency, ethical value and norms, practice of corporate culture and factors alike are completely missing from the frame.
- Some members of the stock exchanges also serve as director of listed companies. This lead to the change of inside trading especially in such a poorly regulated market.
- Stock markets efficiency depend on the availability of reliable and unbiased information about the capital issues and companies. Though existing provisions ensure disclosure of adequate information through prospectus, but several defects are noticed in practice. The investors must have access to all information that might help the right investment decision. SEC can institute either a set up or encourage the formation of investors' associations under its umbrella.
- A healthy capital market requires engagement of competent professionals by a wide range of market actors. Among the positions which require the services of people with adequate knowledge of the principles of corporate governance as well as security laws and regulations are the members of company boards, company secretaries, officers of the share department of the companies, authorized representatives of the brokers. SEC has constituted a steering committee for preparing suggestions to set up a capital market-training institute.
- The dormant members of Stock exchange should be served very strictly. Such members should be compelled to either trade or give up the membership.
- Credit rating enables the investors to judge the validity of the company for investment. Bangladesh capital market can accommodate some credit rating agencies.
- Inside trading is concerned with the manipulation of price by the management or by those close to the management on the basis of unpublished information of the listed companies. Sometimes, such insiders create an atmosphere in the kerb-market as to the prospects of some companies or otherwise either based on unpublished data or based on their intuition. It is most unfair practice and is prohibited by the regulations of the stock exchange. To minimize the chance of insider trading legal provision should be made so that no stock exchange member would be allowed to become director of any listed company.

- Foreigners were allowed to buy up to one third of IPO with one year lock-in period. This provision was abolished with result that not only the foreigners unlocked their share but active post in the manipulation purchase and sale of shares and securities.
- Introduction of insurance scheme to protect members, liabilities and to deal with problems such as loss of share certificates and fraud. These measures will strengthen the confidence of the investors in the market.
- SEC needs to be more active and effective in its supervisory function and need to be prompt in taking penal action against rule breakers. In this connection it may be pointed out that the restriction as to issue of shares at a premium needs to be reintroduced after review and analysis of the situation.

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Consumers' Eagerness to Pay for Uninterrupted Power Supply – A case study of Sylhet City Corporation

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Abstract

This study shows the economic cost of inconvenience in consumers' level caused by increasing amount of power outage in Sylhet City Corporation using contingent valuation method. The study shows an average estimated Eagerness to Pay (ETP) of Tk.235 per meter per month. Aggregating the overall ETP estimate across the whole population the economic inconvenience cost of load shedding sums to Tk. 12.15 million per month. Furthermore, the use of a binary logistic model shows that respondents eagerness to pay increases with duration of outages in terms of number of hours per day and number of days per week. Other variables that explain variation in stated ETP are notice, electronic equipments used in day to day life and rate of television viewing.

Key words: Power, Seize, Plant, Installation, ETP (Eagerness to pay).

Introduction

In Sylhet City Corporation, insufficient electricity supply is perhaps the greatest problem faced by residents. Candles and lanterns have replaced electric bulbs now a days in the day-to-day life of the residents due to acute power outage during the peak hours. Power outage, particularly during the peak hours, has become a regular feature in the city corporation area which has now been reeling under at least 45 megawatts of load shedding daily. On an average a City consumer experiences power failure about three hours per day. Bangladesh Power Development Board (PDB) is the public authority responsible to supply electricity in Sylhet. The PDB failed to provide adequate and reliable electricity to consumers in Sylhet City Corporation Area. The inefficiency of PDB imposes a huge cost to the economy.

The objective of this paper is to estimate the economic cost of inconvenience in consumer sector caused by increasing amount of power outage in Sylhet City Corporation using contingent valuation method. This survey was carried out during peak summer season March to July' 2006 approximately four hundred upper-middle income group. Sylhet City Corporation residents have been asked about their eagerness to pay (ETP) to avoid power outage in the form of dichotomous choice question. The study shows an average estimated ETP of Tk.235 per meter per month which is 20 percent of average monthly electricity bill per meter and 0.58 percent of average monthly consumers

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income. Aggregating the overall ETP estimate across the whole population (8 percent of Sylhet City Corporation consumers), the economic inconvenience cost of load shedding sums to Tk.12.15 million per month. Moreover, a binary logistic model is used to determine the factors that influence consumers' eagerness to pay for uninterrupted power supply. The regression results show that respondent's eagerness to pay increases with duration of outages in terms of number of hours per day. Other variables that explain variation in stated ETP are nature of power outage without any notice, inconvenience in service due to power seize (dependency on electronic equipments in day-to day life) and rate of television viewing. Section 2 demonstrates literature review on power outage cost. Section 3 presents methodology of survey. And section 4 the basic ETP results have been presented. A discussion on the estimation results are depicted in section 5 and finally the conclusion in section 6.

Literature Review:

Both market and non-market based valuation techniques have been applied to measure power outage cost in household sector in different countries. Market based valuation techniques take into consideration all the expenses households make to avoid inconveniences caused by power outage. Wacker et al. (1985) and Doane et al. (1988) have applied market based valuation techniques by estimating averting cost incurred by households in mitigating inconveniences. However, market based approach only includes market transactions and fails to capture non-market welfare losses associated with disruption of day to day household work or study or entertainment.

Since most of the inconveniences caused by inadequate electricity supply in household sector are not traded in the market, non-market valuation technique is most useful method to measure total welfare loss. CVM is one of the most popular survey-based non market valuation techniques, which is commonly used for placing monetary values on environmental goods and services not bought and sold in marketplace (Mitchell and Carson, 1989; Arrow et. al., 1993; Bateman and Willis, 1999). Existing literature shows widespread use of contingent valuation method in measuring inconvenience cost or welfare loss in household sector due to power outage (e.g. Beenstock et al., 1998; Doane et al., 1988b; Layton and Moeltner, 2004; and Svenska Elverksföreningen, 1994). In general, "the aim of the CVM is to elicit valuations which are close to those that would be revealed if an actual market existed. The hypothetical market – the questioner, questionnaire and respondent – must therefore be as close as possible to a real market" Pearce and Turner (1990, 148).

In contingent valuation approach, households are directly asked to trade off money amount in order to avoid power outage in open ended or closed ended format. (Woo et al., 1991; Beenstock et al., 1998). Iyanda (1982) adopted the self-assessment methodology to estimate the impact of power shortages on the household sector. He focused on high-income area of Lagos Island, Ikoyi, Victoria Island, Yaba and Surulere areas of Lagos state in Nigeria. He estimated an average electricity outage cost of N1.19 per hour for each household. Layton and Moeltner (2005) used repeated dichotomous choice questions to elicit the cost of power outages to residential customers where each respondent was presented with a series of hypothetical outage

scenarios, differing in length and time of occurrence. Carlsson and Martinsson (2005) studied welfare implications of power outages on Swedish households by conducting a stated preference study. Using a choice experiment survey the study indicated that the marginal ETP increases with the duration of the outages, and is higher if the outages occur during weekends and during winter months.

The theoretical model of this study is based on standard microeconomic principles and previous research. It is assumed that respondents act as Bayesians while responding to a ETP scenario based on information provided during the survey (Viscusi, et. al. 1987; Smith, 1992). When answering a survey questionnaire in a contingent valuation method, respondent compares expected utility from current standard of product and expected utility from improved (or changed) standard of product after the program is implemented. Theoretically, compensating variation or ETP for a program is known as the amount of payment by consumer such that utility after provision is the same as in the base case (Ahmed et. al, 2004). The higher the expected utility of respondents from the offered product quality, the greater the respondent is expected to be willing to pay for offered product, *ceteris paribus* (Johansson, 1995).

Let consumers' baseline utility function be denoted by U^0 in the following form:

$$U^0 = v^0(E^0, I, S, e_0) \quad (1)$$

Where E^0 is a vector that refers to the feature of existing electricity service, 'I' denote monthly consumer income and other socio-economic characteristics of the respondent /consumer are denoted by vector S. U^1 denotes expected utility from the changed status of the electricity service after implementation of the hypothetical improved power plant.

$$U^1 = v^1(E^1, I-M, S, e_1) \quad (2)$$

[e_0 and e_1 in equation 1 and 2 are the error terms distributed normally with mean zero and variance 1]. 'M' is the expenditure per year that consumer agrees to make for installation and maintenance of improved power plant to receive uninterrupted power supply. Consumers' decision of paying money for power plant depends on the utility loss from existing state of power supply and variation in income level for attaining improved power service. Respondent/consumer will agree to pay for hypothetical power plant if and only if:

$$v^1(E^1, I-M, S, e_1) \geq v^0(E^0, I, S, e_0).$$

Eagerness to pay is an amount that compensates utility loss due to reduction in income by improvement in electricity service and leaves consumer on the same indifference curve. Thus, ETP for improved electricity service is given by the amount M which will satisfy the following equality:

$$v^1(E^1, I-M, S, e_1) = v^0(E^0, I, S, e_0).$$

Eagerness to pay, technically called equivalent variation, can be written as a function of several exogenous variables. Existing literature have considered varied impact of outage characteristics on respondents' eagerness to pay. Power outages have been characterized along a number of dimensions, including duration, rate, timing, prior notice time and interruption depth. Each of these characteristics has been proven to have substantial impact on outage costs incurred by a customer. According to empirical study on power outage cost, total outage costs have been found to be positively related to outage rate. Moreover, outage costs vary with the power interruptions timing. The effect of evening outages emerges as insignificant compared to afternoon and morning interruptions. Again, outage costs and associated ETP values increase with the duration of an interruption. ETP values vary with some consumer characteristics like income, consumer household size and the number of earning persons in the house apart from other causes like missing TV watching, business enterprises run from home, day time home staying persons. In addition to the above factors, this study shows to test the hypothesis that high electricity demand leads to high cost of power outage (higher ETP). Electricity power bill per month will be used as a proxy for electricity consumption/demand. Since electricity bill and consumer income are highly positively correlated (Table-1), monthly consumer income is dropped from the model.

Table 1: Pearson Correlation Coefficients for Electricity Bill and Monthly Consumer Income.

| | monthly income of Consumer | electric bill |
|----------------------------|----------------------------|---------------|
| monthly income of consumer | 1 | |
| electric bill | 0.397(**) | 1 |

** Correlation is significant at the 0.05 level (2-tailed).

The functional form of the model to be estimated can be written in the following form:

$$S = f(\text{BID}, \text{F_SIZE}, \text{E_BILL}, \text{TVWATCH}, \text{W_NUMBER}, \text{D_OUTAGE}, \text{P_NOTICE}) \quad (3)$$

The binary variable S is the indicator for whether or not a consumer accepts the bid level

(S=1; if meter accepts offered bid;

S=0 otherwise) where,

(i) BID = Offered Bid Level

(ii) F_SIZE = Number of family members

(iii) E_BILL = Monthly electricity bill in thousand Taka

(iv) TV_WATCH = Respondent's rate of television watching

(v) W_NUMBER = Number of Days in a week

(vi) D_OUTAGE = Duration of daily outage measured through number of hours per day

vii) P_NOTICE = No prior notice system

Methodology of the Study

Four hundred interviews have been conducted during March to July 2006 using a fully structured questionnaire consisting of approximately 50 questions. The interviewers were undergraduate students. Simple random sampling method was used. Interviews were conducted in residential area, shopping malls, various vehicle parking slots, and restaurants. The target population of this study includes city residents belonging to middle class (monthly income above Tk. 10,000) to upper middle class (monthly income above Tk. 50,000) group.

The Questionnaire used in the survey includes four sections. In the first section respondents were asked about their Personal information (age, occupation, educational background, family size etc). Second section comprises of questions related to nature of power disturbance (hours of power cut per day, different day segments-morning, evening, night, late night, number of days in a week, season of the year, etc). Section three covers questions on types of measures taken by the consumers possession (ownership of IPS, generator, UPS, etc). In section four, respondents were offered a hypothetical high capacity power supply plant in future and ask their eagerness to pay to finance such a project.

The hypothetical power supply plant has been offered in the following form:

“To improve the current interrupted area of electricity supply in Sylhet City Corporation, Government is thinking of installing a new, high capacity power production plant in collaboration with foreigners. If successfully installed, then this power plant will be able to meet electricity demand of Sylhet City Corporation consumers for next twenty years.”.

After introducing the hypothetical heavy capacity power supply plant, respondents were asked to ‘eagerness to pay’ (ETP) questions. First, respondents were asked whether or not they are willing to pay *in principle* an extra amount with their electricity bill every month for such a project. The next question was a dichotomous choice question whether consumers are willing to pay a specific bid amount in addition to their electricity bill per month. Fourteen different bid levels were used: 10, 20, 50, 80, 100, 120, 180, 200, 250, 300, 350, 400, 450, and 500 Taka per month.

The characteristics of our sample show that approximately 40% of the respondents are female. The average age of the respondents is about 40 years. The average monthly income of respondents lies within the range of Tk.25,000 to Tk.50,000. An average meter consists of five family members, of which one work. Of the four hundred respondents interviewed, majorities (50%) of consumer heads are businessman, 25% are engaged in private sector job (e.g. NGO, bank, telecom, medical representative etc.), and rest is in government sector (7%), professional (10%) and housewife/unemployed/retired (8%). All most all the respondents indicated that they suffer from power seize everyday. Over 40% of the respondents indicated that power seize occurs during fixed hours of the day while rest of the respondents indicated power seize does not occur during specific time of the day. Average duration of power seize is three hours per day with a minimum ten minutes to maximum three hours. Power seize is most common during evening (6:00pm to 10:00pm) and most frequent during peak summer (March to July).

Due to power seize, most of the problems emerges like in house high temperature (90%), failing to watch TV programmes (65%), disturbances in children study (60%), disruption in day to day activities (55%)*. In reply to a question regarding how tolerable the inconvenience caused by power seizes is, more than 70% of the respondents indicated the inconvenience as 'absolutely intolerable', while around 15% of the respondent said the inconvenience in only 'intolerable' and the rest is indifferent. More than half of the sample believes high demand for electricity is the cause of power seize problem, whereas the rest believes poor management of Bangladesh Power Development Board (PDB) authority and illegal electricity connections are major causes of the suffering. All most all the respondents indicated that it is the responsibility of both Government and Bangladesh Power Development Board (PDB) to solve the problem and to ensure uninterrupted power supply.

ETP Results

After explaining the 'hypothetical high capacity power supply plant installation project', consumers were first asked how effective do they think the power project would be in resolving the power seize problem in Sylhet City Corporation. Over 75% of the respondents indicated that they believe the proposed project will be very effective. Whereas the rest of the sample confused about the effectiveness of proposed power project.

A majority of respondents (66%) replied positive to the first ETP question. 131 respondents (33% of the sample) refused to pay in principle. Respondents who were not willing to pay were subsequently asked reason for not paying. A majority (35%) of those who said 'no' to first ETP question refused to pay because they think it is Government's responsibility to spend money for carrying out cost of improved power supply project. Other reasons for not paying were that the respondents believe their money will not be spent properly (25%) followed by reasons like 'I do not think the proposed project will be successful in effectively resolving the power crisis (17%)', 12% denied paying because of insufficient income and the rest mentioned that they have other expenditures which are perhaps more important than solving power problem. Respondents who denied paying in principle were further asked whether they will be willing to pay if a foreign company comes, owns, and maintains the power plant. 23% (n=30) of the 131 respondents (who declined paying in principle) replied positive to this question. More than one third (40%) of the respondent who initially denied paying because of confusion showed willingness to pay under foreign management. Most heard reason for paying under foreign management is 'our money will be used successfully (70%)' followed by reasons like 'the project will effectively solve power shortage problem (17%)' and 'there will not be any illegal connections (10%)'.

In total 263 valid observations have been obtained for the second ETP question. A (parametric) logistic probability model is used to estimate mean ETP values based on binary CV response data (Hanemann, 1984). The logistic (lin-log) regression estimation result is presented in Table-2. Mean ETP for the proposed power supply plant project is Tk. 235.5 which is 20 percent of respondent's average electricity bill per month and 0.67% of average monthly consumers' income. Cumulating the mean eagerness to pay for improved electricity supply across the whole population, total economic inconvenience cost of power seizes in consumer

sector sums up to Tk. 12.15 million per month. Hence, our target number of consumer for this study equals to 73162.

Table 2: Mean ETP values based on linear-logistic model

| | Logistic probability model |
|------------------------------|----------------------------|
| Mean ETP (Taka/person/visit) | 235.5 |
| Standard error | 64.74 |
| N | 263 |

The formula to calculate mean and median ETP based on linear-logistic regression is: $E(ETP) = -a/b$, where a is the estimated constant and b the estimated slope for the bid level. The standard error of mean ETP is calculated as follows:

$$s = \sqrt{\text{var}(-a/b)} = \left[\frac{1}{b^2} \left(\text{var}(a) + \left(\frac{a}{b}\right)^2 \text{var}(b) - 2\left(\frac{a}{b}\right) \text{cov}(a, b) \right) \right]^{1/2}$$

where a is again the estimated constant (intercept) and b the slope of the bid level.

Factors affecting ETP

Stated ETP amounts of respondents who were willing to pay for proposed improved power plant project ($n=263$) are checked for determining factors. Stepwise binary logistic regression approach is applied to estimate the effects of explanatory variables on binary discrete choice of accepting the offered bid amount along with other explanatory variables stated in equation 3. In the following paragraphs, results from binary regression model have been summarized. Table-3 summarizes result of the estimated regression model.

Table 3: Estimated linear-logistic ETP models ('yes' replies to DC ETP question is response variable)

| Explanatory variables | Variable Description | B | S.E. | Exp(B) |
|-----------------------|---|-----------|--------------------------|--------|
| BID | Bid Level | -0.009*** | 0.002 | 0.970 |
| WEEK_T | Number of days in a week | 0.190** | 0.091 | 1.200 |
| PO_HOUR | Number of hours in a day | 0.313** | 0.120 | 1.391 |
| E_BILL | Electricity bill per month (in thousand Taka) | 0.612* | 0.341 | 1.908 |
| WARN | Power outage without specific time | 0.856** | 0.422 | 2.301 |
| TV_WATCH | Rate of television viewing | 0.272* | 0.166 | 1.300 |
| CONSTANT | Constant | 0.093 | 0.812 | 1.097 |
| -2 Log Likelihood | | | 144.40 | |
| Chi-square | | | 69.025 (df=6, $p<0.01$) | |
| % correct predicted | | | 79.5 | |
| Nagelkerke R-square | | | 0.422 | |
| N | | | 263 | |

$p < 0.10$; ** $p < 0.05$; *** $p < 0.01$

The estimated model turned out to be significant at less than one percent level (Table 3) which implies that the model is significantly different from the one with constant only. The model has a predictive ability of 80%. All the explanatory variables (except family size) included in the model appear to be statistically significant with theoretically expected sign in the estimated model. The presented bid amounts are statistically significant and show the expected sign (the higher the bid, the lower the probability that respondent is willing to pay, *ceteris paribus*). As expected, monthly electricity bill paid by consumer which is an indicator of amount of electricity consumption per month shows a significant positive impact on stated ETP (the higher the electricity consumption the higher the probability that respondent will accept the bid amount, *ceteris paribus*). The high electricity consumption is an indicator of consumers' dependency on electronic items in day to day life. More a consumer is dependent on electronic items (like, air conditioning, rice cooker, electric oven, micro oven etc.) in everyday life, greater is the utility loss due to power seizes and hence, consumer is willing to trade off greater money income to avoid interruption in daily life.

Two variables, duration of seizes in a day and number of days in a week, that are used as indicators of extent of the problem, have both turned out to be statistically significant with expected positive sign. Duration of power seize, measured by average number of hours of power cut per day, as expected has significant positive impact on respondents' eagerness to pay. For longer duration of power seize, eagerness to pay increases. Moreover, rate in power seize in terms of number of days in a week has positive impact on respondent's ETP. As expected, the effect of warning has significant positive impact on seize cost. Consumers who know in advance the time of power seize are willing to pay less to solve seize problem that consumers who are uncertain about the timing. Rate of television viewing, as expected has positive impact on respondents' ETP. The higher the rate, the higher is the ETP. Respondent's eagerness to pay varies positively with rate of television viewing. As reflected by the insignificant coefficient for family size, a bigger, or smaller family size does not cause any sizeable costs to consumer. This result is inconsistent with existing literature.

Table 4: Correlation Coefficients for electricity bill, number of family members, and rate of television viewing

| | Electricity bill | Number of family members | Rate of television viewing |
|----------------------------|------------------|--------------------------|----------------------------|
| Electricity bill | 1 | | |
| Number of family members | .076 | 1 | |
| Rate of television viewing | .083 | .046 | 1 |

Conclusion

The objective of the study was to estimate the welfare loss of city consumers due to power seize in a poor developing country. The study shows an average estimated ETP of Tk.235 per consumer per month, which is 20% of average monthly electricity bill per consumer. The study further shows to test in a poor developing country context the consistency of the explanatory factors of power seize cost identified in existing literature. The analysis of a dichotomous choice model showed that the explanatory variables that have been tested in developed country, are quite capable in showing and in explaining the attitudes of consumers in a developing country. In the estimated model, the presented bid amounts, extent of power seize and cause & nature of power seizes are statistically significant and show theoretically expected sign. The results of the study provide scientific evidence of the fact that consumers residing in Sylhet City Corporation are willing to pay extra amount in addition to their electricity bill per month for improved power plant project, which will ensure uninterrupted power supply. Hence, the research results provide useful ingredients for relevant authority to carry out a cost benefit analysis for implementation of 'Power Supply Project' in Sylhet City Corporation area.

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Marketing of Furniture Products: A Case Study on Mitsumaru Furniture Ltd.

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Abstract

Decisions in formulating the marketing policy for branded goods to be sold in a competitive market form the background of this study. There are a large variety of furniture goods that are now marketed in our country. Mitsumaru Furniture, which appeared in the furniture's market of Bangladesh in the recent past, was chosen for the purpose of the study. The study reveals that Mitsumaru products are consumed all over the country. Mitsumaru tries to maintain the quality of products to cope with the existing competition and sets price using going-rate-pricing method. It suggests that there should be a separate pricing department for pricing products. It also suggests certain modifications to be brought about in promotional policy by advertising, employing more salespeople, supporting charitable projects, participating in community service events etc. Increase in the number of distributors and Integrated Marketing Communication all over the country is also considered as a suggestion.

Key Terms: Marketing Strategy, Product Mix, Pricing policy, Distribution Strategy, Integrated Marketing Communication, Furniture Product.

Introduction

In the furniture market of Bangladesh, some fast changing phenomena are taking place. Among the changes, introduction of the highly technical products of international standard, qualitative difference, and fashioning are prominent. In recent years, the change in the quality of products is more intense. Competition among the industries is also increasing at a faster rate. The consequences of these changes imply that the market for furniture products in Bangladesh is gaining momentum increasingly. Furniture market is one of the least research areas in Bangladesh. Systematic studies are also lacking. The present paper on Mitsumaru Furniture Ltd. as a case is modest attempt to fill this gap.

The respective factory of Mitsumaru Furniture Ltd. is located at Dhamrhai, Saver, Dhaka. The head office of the furniture division is located at 8, Mirpur Road, Kalyanpur, Dhaka-1207. At the first time during 2002 this company imported finishing goods from Mitsumaru industries SDN BHD 4A, Complex PKNS, 40000 Shah Alam Selangor, Darul Ehsan, Malaysia and sold in the Bangladeshi market. When they got good support and demand from this market, they went in joint-venture with this company and they just imported the raw materials from them and produced finished goods in their own factory and sold in the market. Mitsumaru is

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one of the high quality steel furniture (C.R. PIPE), epoxy Electro deposition (E.D), power coating paint (salt spray tested), excellent finishing, strong and safe, elegant looking and modern design, comfortable, durable, functional, easy to dismantle and re-installation furniture manufacturing industries in Bangladesh. Bed and sofa are the first products of Mitsumaru. At present Mitsumaru is proud to have a number of 22 various products. Now they have three showrooms in Dhaka City. Moreover they have forty-two dealers who cover all around Bangladesh. Mitsumaru participates in a lot of national and international trade fairs in home and abroad every now and then. With a well-planned and far-seeing strategy, the company has built up an enviable reputation and carved a place of pride in the business sector in Bangladesh.

At present the prime strategy of Mitsumaru for generating growth is to employ paramount concern to provide result oriented answers to a customer's specific needs through supplying products which would contribute to success and in consequence to the growth of the company. Its growth is also partly generated by thinking which is always ahead of its time, devising ways and means of remaining competitive in the market tomorrow, the day after and beyond.

Objective of the Study

Mitsumaru is considered as an emerging challenge for other furniture companies and to some extent, has already gained the market follower position. However, the task in connection with this study is to assess the marketing policies of Mitsumaru. As such, the basic objectives of the study are to- (a) analyse the marketing policies and (b) identify the gaps regarding marketing policies of Mitsumaru.

To attain the objectives, the author has confined his study to raw materials, product, price, promotion, distribution policies, marketing policy and consumers' opinion about the company. Relevant data and information were collected from previous records and responsible personnel concerned about the company.

Methodology of the Study

Keeping in mind the limitations and the marketing strategy project work, the author gives emphasis on the strategic part that should be very conclusive but descriptive. The method of collecting secondary data was very simple. The strategy process was started after getting the secondary data. Two major tools were used for collecting primary data such as personal interview and direct observation. One type of questionnaire was to gather information from management personnel of the company.

Finding of the Study

Marketing Policy & Practice

Product Policy

A product is anything that maximizes utility of the consumers. With respect to product, policy consists of following features of a product: (1) product variety (2) quality (3) design (4) brand name (5) packaging (6) sizes (7) warranties and (9) return (Kotler, 1999).

Product Mix A product mix or product assortment is the set of all products and items that a particular seller offers to buyers. Mitsumaru basic product mix consists of: Mitsumaru Bed, Mitsumaru Sofa, Mitsumaru Office Chair, Mitsumaru Dining Chair, Mitsumaru Rocky Chair, Mitsumaru Reading Chair, Mitsumaru Reception Chair, Mitsumaru Tea Table, Mitsumaru Dining Table, Mitsumaru Computer Table, Mitsumaru Reading Table, Mitsumaru Dressing Table, and Mitsumaru Wear-drop.

Product Line Length and Product-Mix Width Any company's product mix is described as having a certain width, length, depth and consistency. The product-mix width refers to how many different product lines company carries. Mitsumaru has a product mix width of six lines. Product-mix width and product line lengths of Mitsumaru are shown in Table- 1.

Table-1

Showing Product-Mix and Product-line length of MITSUMARU

| Product-Mix, Width | | | | | | |
|---------------------|-------------------|-----------|-----------------|----------------|-------------|----------------|
| Product Line Length | Bed | Sofa | Chair | Table | Wear drop | Dressing Table |
| | Single-3'x 7' | Single | Office chair | Reading table | Size- Small | Size-Small |
| | Semi-Double-4'x7' | Double | Dining Chair | Computer Table | Size-Large | Size-Large |
| | Double-5'x7' | Triple | Reception Chair | Dining Table | | |
| | Family-6'x7' | | Reading Chair | Tea Table | | |
| | | | Rocky Chair | | | |
| | | | T.V. Chair | | | |
| Total | 04 | 03 | 06 | 04 | 02 | 02 |

Product Line Strategy A different executive usually manages each product line. Product-line managers need to know the sales and profits for each item in their line in order to determine which item to build, maintain, harvest or divest. They also need to understand each product's market profile. It is necessary for a product line manager to know the percentage of total sales and profits contributed by each item in the line. If these items were suddenly hurt by a competitor, the sales and profitability of the product could collapse. A high concentration of sales in a few

items means time vulnerability. As such they must be carefully monitored. An issue facing product-line managers is optimal product-line length. The objectives of the company influence product-line length. The length of product mix refers to the total number of items in its product mix. As evident from the table, it is twenty-one.

Quality Maintenance and Quality Control In developing a product a company has to choose a quality level that will support intended position of the product in the target market. From marketing point of view, quality should be measured in terms of buyer's perception of quality. More elaborately, for instance, Mitsumaru furniture Ltd.'s Managing Director (MD) and other key personnel select a few numbers of furniture among a large number of furniture. Then Company undertakes a market survey on consumers of different classes to have clear conception on different sizes and colors. Finally, the company chooses the best on the survey result and applies that to the product. Mitsumaru use salt spray test, finishing test and strong and safe test for their furniture products. Mitsumaru furniture Ltd. usually gives quality at the first preference when they manufacture products and to maintain the quality they make several tests in their testing department before their products are marketed.

Packaging Policy Packaging is all the activities of designing and producing the container for a product. Packages might include up to three levels of material- Primary package, Secondary package, and Shipping package. Various factors have contributed to the growing use of packaging as a marketing tool- Self-service, consumer affluence, company and brand image, and innovation opportunity. The company in such a way that attracts attention of the buyers, describes product features, arouses consumers' confidence and Increases Company's brand image does the package design. The company also considers how the package would look in the display. Usually the company takes the services of advertising agency in designing the package of products. The cost of the packaging is generally 15% of production cost. After designing the company makes some test such as engineering tests, visual tests, dealer tests and consumer tests to make the package effective. On both the primary and secondary packets, the company imprints the brand name, product name, model no, quantity and quality of the product.

New Product Development Policy Before introducing a product in the product line Mitsumaru gives emphasis on market demand, availability and quality of raw materials and speciality of raw materials. The company does not have any separate budget for new product development. It is included in the marketing cost of the company.

Pricing Policy

Pricing policy is the course of action or guiding philosophy that helps a business firm make pricing decision smoothly and perfectly. It guides the company to achieve its goals set by the firm. It is an important element of the entire marketing strategies of a firm. A firm can easily manipulate the demand in the target market by handling its price carefully.

Pricing Objectives The objectives of pricing policy must be consistent with the company's overall mission and purpose. The clearer a firm's objectives are the

easier it is to set price. A company can pursue any of six major objectives through its pricing - survival, maximum current profit, maximum current revenue, maximum sales growth, maximum market skimming, and product-quality leadership. Mitsumaru pursues three objectives - survival, maximum current profit, and maximum sales growth through its pricing.

Survival: Company pursues survival as its major objective if it is plagued with intense competition and changing consumer wants.

Maximum current profit: It estimates the demand and cost associated with alternative prices, and chooses the price that produces maximum current profit, cash flow, and rate of return on investment. Mitsumaru sets a price that can generate maximum current profit for the company, which is clearly observable from its sales.

Maximum sales growth: Mitsumaru sets a lower price for its products than the market leader in the pursuit of maximum sales growth. The company wants to maximize unit sales and perceives that a higher sales volume will lower unit costs and higher long-run profit.

Pricing Method There are a number of price-setting approaches: markup pricing, target-return pricing, buyer based pricing, going rate pricing, and sealed bid pricing. Of these pricing approaches, Mitsumaru adopts going-rate-pricing method for its products as a follower. In going-rate pricing, the firm bases its price largely on competitors' prices with less attention paid to its own cost or demand. The firm might set the same, more, or less price than its major competitor(s). Adopting going-rate pricing, Mitsumaru has gained sales volume respectively, which is really a milestone for such a newly established firm. The firm follows same pricing method for all the products of its product line.

Price Setter In Mitsumaru, the Managing director sets price. He watches the prices of other competitors closely and sets price having discussion with the marketing managers. The other parties who may exert influence on price including sales managers, production managers and accountants are all directly connected with the Managing Director.

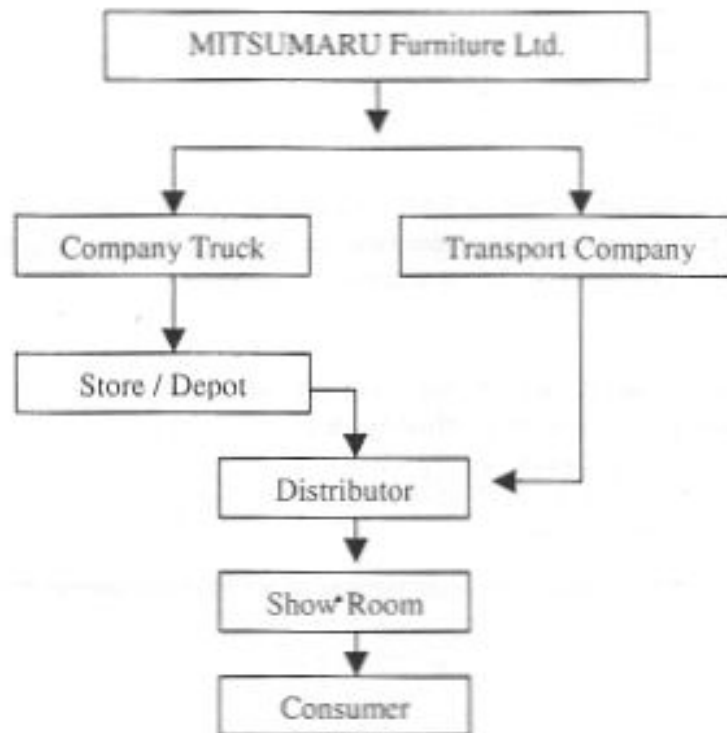
Distribution Policy

Decisions involving distribution are among the most important decisions that the management takes. Mitsumaru provides significant effort in planning an effective marketing channel as it is a major deciding point to develop an overall marketing strategy.

Distribution System At present Mitsumaru has 42 distributors all over the country. Distributors are selected district wise i.e., one distributor serving one district. But in large districts, for instance Dhaka and Sylhet more than one distributor are employed. At present, there are two distributors in Dhaka and Sylhet City. The company, viewing product advertising on several media, attracts some distributors. Some distributors are selected through personal contact. Mitsumaru has a number of sales forces that collect orders from the customers. On the other hand, the distributors have their own mechanism to collect orders. According to market

demand items are forwarded to the customers through distributors. Goods are supplied all over the country at a uniform price. Mitsumaru should increase the geographical distance of various sales areas and distribution channels used by the competitors. Distribution System of Mitsumaru is shown in Figure-1.

Figure-1: Distribution pattern of Mitsumaru Furniture Ltd. all over Bangladesh.



Transportation Mitsumaru is involved in both direct and indirect marketing (marketing intermediaries). In case of direct marketing, company uses its own trucks to send products to the distributors. Again, the company uses transport companies on behalf of the original company to send its products to the distributors. Distributors through their self-vehicles send products to the consumer charging some extra fare. Consumers find the products readily available at their doorstep and purchase according to their necessity.

After studying the company's distribution system it has been identified that one of the company's strategies related to distribution is to make the products available all over the country and inform the buyers/consumers through extensive campaign. Company never goes for advertising until product is widely distributed and is made readily available.

Competition

At present the market of Mitsumaru Furniture Ltd. products is very competitive. Mitsumaru Furniture Ltd. is trying to capture the market by its technological development and quality production. The following are the main competitors of Mitsumaru Furniture Ltd.

1. Navana Furniture Ltd.
2. Hatil Furniture Ltd.
3. Akter Furniture Ltd.
4. Partex Furniture Ltd.
5. Fources Furniture Ltd.
6. Otobi Furniture Ltd.

However, the Mitsumaru Furniture Ltd. considers all these companies as their competitors but it pays a special consideration to Fources Furniture Ltd. which imports the same materials from Malaysia and produces the same design.

Promotional Policy

Promotion mix is composed of the tools of communication- advertising, personal selling, sales promotion, and publicity. But Mitsumaru does not utilize all the tools to promote its products easily. Till the time of writing this paper, Mitsumaru is involved in some kind of advertising. It follows personal selling, sales promotion and publicity effectively.

Advertising Mitsumaru spends the least portion of its total promotion budget for advertising. When we look at the company, we can easily realize that the firm could not successfully anticipate the effectiveness of advertising and thereby spent respectively on advertisement. Mitsumaru gives its first preference to television. About 75 percent of total advertisement costs were incurred for advertisement in television. Besides TV advertisement, it uses Newspaper, Magazine, Leaflet, and festoon etc. Mitsumaru in measuring its advertising effectiveness uses both pretest and post-test methods. In pre-test method the company usually tests its advertisements by the employees of its marketing department. The company also measures the after the effect of advertisement on the basis of sales. Mitsumaru should use their Research and Development (R & D) for seeking out ways to increase the effectiveness of advertisement.

Personal Selling Mitsumaru Furniture Ltd. gives its first preference on personal selling and spends more money than in any other form of promotion. Sales persons collect the data on demand about the products throughout Bangladesh by which forecasted demand is derived. Sales people maintain a good relationship with the dealers, distributors and customers. Mitsumaru Furniture Ltd. has 15 sales people, who are engaged in and responsible for distributing the goods among the dealers, distributors and customers. Each sales representative is assigned in an exclusive territory to represent the company's full line of products.

Sales Promotion Sales promotion is another essential step in marketing campaign. Advertisement offers a reason to buy, where as sales promotion offers an incentive to buy. Sales promotion includes tools for consumer promotion, trade

promotion and business and sales force promotion. Mitsumaru Furniture Ltd. offers trade promotion and consumer promotion. As consumer promotion, it offers product premium of maximum sixty percent on furniture. As trade promotion, it offers prices off, free goods, gifts to the dealers, distributors, and consumers. The firm offers traveler budget to the other country to dealers and distributors who maximize selling target in the year.

Public Relation Publicity is a tool of promotional mix in the format of news release, press conferences and feature articles. Publicity refers to those activities as to promote a company or its products by planting news about it in the media not paid for by the sponsor. So Mitsumaru Furniture Ltd. is concerned, the firm does not maintain a department for public relations and as a result there is no organized activities of public relation.

Direct or On Line Marketing Mitsumaru Furniture Ltd. has not maintained on line marketing. Sometime distributors send their order-sheet through on line.

Limitation of the Study

This study faced a number of problem and complexity during the operation that ultimately limited its purposes thoroughly. The limitation of the study was as follow:

- ◆ The time frame for this study was one of the major limitations. This kind of studies essentially needs a secondary data collecting team for the survey. Moreover such time frame doesn't allow the collection of all necessary data from all the respondents.
- ◆ Mitsumaru furniture Ltd.'s responsible people didn't reveal some of their internal facts and presented some unclear data, so this study was developed only on the basis of secondary data.
- ◆ At these types of marketing studies research is done by a group, so it becomes too hard for me to collect necessary information and prepare a standard report.
- ◆ Without enough funds, these types of marketing studies research can not reach up to the desired standard.

Conclusion and Recommendations

Distribution policy of Mitsumaru is effective, no doubt, and consumers find the products readily available at theirs door step when products are advertised first on several media. Since Mitsumaru is customer-oriented, consumer-buying patterns should determine its channels. Distributors should be increased all over the country so that Mitsumaru product can reach to the nearest point of the end users. From 2002 Mitsumaru is serving the country by creating and fulfilling the demands for furniture products but for the last few years it has been facing intense competition with the foreign made products and country-made products of some multi-national company. Side by side the mismanagement problem of technological obsolescence is becoming obvious to the company. In order to improve the marketing effectiveness, we recommend the following:

Mitsumaru Furniture Ltd. should increase its public relations, which can be achieved by supporting charitable projects, participating in community service events etc. Although the product line existing with Mitsumaru is strong, it should expand its product line with one or more product(s). In addition to this, Mitsumaru should take an initiative to export products. However, the launching step in product line will lessen the amount of risk of the company in future.

Almost 70% raw materials of Mitsumaru Chemicals are imported and the company has to pay a large amount of foreign currency. Mitsumaru should use their Research and Development (R & D) for seeking out ways to increase the use of locally available raw materials. For new product development Mitsumaru takes longer time than any other company. As a result, other companies enter the market with that type of product Mitsumaru was going to introduce and acquire the market.

Mitsumaru should establish more efficient and effective sales force because sales people represent their organization to the outside world. Consequently, attitudes about a company and its products often are based on the impressions left by the sales people. Mitsumaru therefore should train their sales force. At present its existing sales force consists of only 15 sales representatives all around Bangladesh, which should immediately be increased.

To increase sales, it would be a good strategy for Mitsumaru to improve its advertisement and package effectiveness by not changing its price. Up to 2005 Mitsumaru was in good position. At present though the condition is comparatively better; the company should cut-down unnecessary costs and stop unprofitable sectors.

Now as different types of available iron furniture in our country market are shown by advertisement, they should increase awareness in people's mind that it's a kind's of steel (C .R. Pipe) product.

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The Human Resource Management System: A Theoretical Appraisal

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Abstract

Approaching the new century, human resource management systems (HRMS) capitalize on the synergy between the two precious assets, human resources and information technology. This study examines the content and context of HRMS. The field of HRMS is very young, evolving and a computer based systems. it has introduced new approach for decision-making where HR executives apply sophisticated quantitative techniques using the data processing facilities of computers for executive evaluation of decision situations. Now a days HR executives are becoming familiar with HRMS and frequently applying it with confidence because it enables them to add value to the organization in new and creative ways. This paper attempts to focus on the conceptual views of HRMS. in addition, more emphasis on support for decision-making, timeliness, comprehensiveness, and accuracy can also enhance systems effectiveness.

Key-words: Human resource Management (HRM), Human resource Management systems (HRMS), Human resource (HR), Electronic data processing (EDP), Management information system (MIS), and Decision support system (DSS).

1.0 Introduction

In an era striving for excellence, human resources become a crucial source of competitiveness. The business community also realizes that after people, information is its most important asset. During the past decade, information technology has greatly impacted the way businesses are managed. Information technology helps companies create and sustain advantages. Human Resources (HR) and information technology are the two elements that many firms are learning to use as strategic weapons to compete. To capitalize on the synergy between these two assets, human resource management systems (HRMS) is an emerging area that may lead human resource management into a new era. In a 1991 report on HRMS, Richards-Carpenter (1991) noted that "If the personnel function is to take the next big step in its development, it will have to integrate with information technology". So that now and in the future, excellence in HR will be defined through the strategic use of information

HRMS are designed to support the planning, administration, decision-making, and control activities of human resources management. HRMSs have enormous potential to make HR more competitive and thus enable human resource departments to become strategic partners in business organizations. HRMS should help reengineer human resources processes to maximize their effectiveness and

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evolve from capturing information to managing change. The benefits of FIRMS are yet to be fully exploited because many personnel specialists are using the computer as no more than an electronic filing cabinet or for routine operational tasks.

This study is prompted by (a) the critical role HRMS should play in strategic human resource management, (b) the desire to promote human resource management systems to a decision support level, and (c) the intention to simplify the application of this strategic tool.

2.0 Background

The HRMS is used to acquire, store, manipulate, analyze, retrieve, and distribute pertinent information regarding an organization's human resources. Its development has been evolutionary. Before the 1960s, computer systems had a very limited purpose in human resource management and were used only to monitor employee records and payroll activities. During the 1970s, in the USA, most organizations of more than a few thousand employees developed some form of personnel data system (DeSanctis, 1986).

Decreasing computer costs also helped encourage establishment of the systems. By the 1980s, 40% of U.S. corporations had HRMS (Richards-Carpenter, 1982). More recently, HRMS is being advocated to support decision-making processes in order to gain sustained competitive advantages.

The breadth and depth of computerization in human resource management varies depending on its developmental stage. To simplify the terminology, in this work HRMS represents computerized personnel information that helps facilitate human resource management (HRM), ranging from simple record-keeping to sophisticated decision support systems. Benefits of employee involvement through company-wide communication channels and employee development via self-paced, computer-based training will not be covered. Emphasis will be given to the contents of HRMS and the context of HRMS.

3.0 Human Resource Management System

HRMS is used to acquire, store, manipulate, analyze retrieve and distribute pertinent information regarding an organization's human resources. HRMS allows managers to be more than just administrators of human resource data. Here computers are used in many aspects of human resource management. Since good human resource decisions depend on good human resource information. An HRMS provides various human resource information so that employees may make use of it to be more effective and productive in their work.

"A Human Resource Management System (HRMS) is a software application that combines many human resources functions, including benefits administration, payroll, recruiting and training, and performance analysis and review into one package."

A human resource management system (HRMS) is made up of numerous elements. Each element must function properly if the system is going to benefit the

organization. Basically, a system is a set of activities that takes inputs (an application for employment in the finance department, for example), transforms them into useful items (a hiring approval from the personnel department), and then outputs the new items to where they can be used. Most systems also have some form of control mechanism that enables supervisors to manage the operation of the system.

Human Resource Management Systems (HRMS), Human Resource Information Systems (HRIS), or also called HR modules, shape an intersection in between human resource management and information technology. It merges HRM as a discipline and in particular its basic HR activities and processes with the information technology field, whereas the planning and programming of data processing systems evolved into standardized routines and packages of enterprise resource planning (ERP) software. On the whole, these ERP systems have their origin on software that integrates information from different applications into one universal database. The linkage of its financial and human resource modules through one database is the most important distinction to the individually and proprietary developed predecessors, which makes this software application both rigid and flexible

4.0 Methodology

Secondary data as well as desk research method was used for the purpose of the study. Secondary data and information were collected from the existing literature in the field of human resource management system in desk research, the supporting and relevant research materials were evaluated in order to present the fact in a logical format. It covered research articles, papers, textbooks, publications, web sites, and various published and unpublished research materials on the subject.

5.0 Results and Discussion

5.1 Contents of HRMS

The study found that HRMS functions have interact-relationship with human resources management functions such as human resource planning, staffing, training and career development, performance management, and compensation management. The study also found HRMS in a three level continuum, namely electronic data processing (EDP), management information system (MIS), and decision support system (DSS). For easy reference, a comparison of these three levels of HRMS is presented in Table-1. Combinations of these systems can occur within a single firm.

Table-1

| Comparisons of the Three Levels of HRMS | | | |
|---|---|---|---|
| Dimension | EDP | MIS | DSS |
| Target Users | Basic level operators | Middle managers | Top managers and executives |
| Focus | Data, files, storage, transaction processing, and reports | Information retrieval, Plan and analyze data against expected values, Integration | “What if” analysis through use of models, generation of decision alternatives |
| Characteristics | Basic personnel information | Inquiry capability, report-generation capability | Interactive for users |
| Examples | Payroll | Turnover reports, age and gender distribution, EEO compliance report | Human resource planning, compensation simulation |

Most HRMSs are organized by modules, which help users to deal with HR data more effectively. Users can generate calculations or reports that enhance administrative procedures and decisions in one or more functional areas. Therefore, a modular approach is adopted here to map the major contents of HRMS and their relationship with HRM. A list of HRMS modules may help novices in system implementation and experienced users to refine and advance existing systems. A matrix of 15 cells is presented in Table-2, which describes three levels of HRMS (EDP, MIS, DSS) and five human resource management functions (human resource planning, staffing, training and career development, performance management, and compensation management). Table 2 is not an exhaustive list of HRMS modules; rather it is a matrix to provide a general description of HRMS. It should also be noted that some modules might not be confined to a certain function. A function such as performance appraisal can be a performance index as well as an indicator for human resource planning or training. The depth of application also varies with the business environment. For example, applicant tracking can be an automated applicant administration system at the data processing level; it can also be performed at the decision support level as a recruiting strategy. Modules are placed into the cells where they are most likely to be used. The major purpose of the matrix

is to provide a general frame of reference, which companies can look to in the initial stages of development. The matrix can be modified to suit individual company needs.

Table-2

| HRMS Modules by Level and by Function | | | |
|--|--|--|---|
| Function\ Level | EDP | MIS | DSS |
| Human resource planning | Skills inventory | Turnover analysis, Organizational charting | Succession planning, Work force dynamics analysis |
| Staffing | Basic employee information, Applicant tracking | Recruitment analysis, Selection analysis, Position analysis, Manpower structure analysis | Staffing simulation |
| Training and career development | Employee training data, Training courses, Career profile | Training needs analysis, Training cost-benefit analysis, Promotion analysis | Career management simulation, Training evaluation and decisions |
| Performance management | Performance data | Performance appraisal analysis, Attitude survey, Attendance management analysis, Productivity analysis | Performance management simulation |
| Compensation management | Payroll, Health insurance, Routine reports (e.g. come tax) | Personnel cost analysis, Compensation structure analysis | Compensation management simulation |

5.2 Context of HRMS

Implementation of HRMS is an organizational change. For any change, resistance is expected: To ensure successful HRMS implementation, context issues need to be assessed. Six influencing factors are identified from the literature. For implementing HRMS in the organization first influencing factor is system acceptance. For system acceptance support comes from top management. Here top management support and commitment is crucial to the success of FIRMS.

The second source of impact is the support of information system (IS) department. In the evolution of FIRMS, the IS department plays a major role in facilitating the computerization of human resource information. HRMS requires the participation of IS department, particularly in the planning and developmental stages.

The third variable that may affect the implementation of HRMS is the involvement of human resource leaders. As HR computer use increased, more and more firms formally housed the HR computer systems within the HR department. Here personnel department is in the best position to obtain and keep an organization's management commitment to an HRMS. HR department should be responsible for advocating the project, providing justification for the FIRMS, and for resources acquisition. Here it has been found that in corporations, the higher the positions in the human resources department, the more negative they become toward the FIRMS. Because an HRMS may foster increased information sharing. Since information is power, the HRMS has the potential to change the power dynamics.

The fourth element is the support of HR staff. Resistance to change and computer phobia are impediments to HRMS implementation. The user participation is a critical factor to successful change. Since clerical staff have considerable responsibility in system operations, their support is crucial.

The fifth influence is the level of computer knowledge of the HR staff. Lack of computer knowledge has been attributed to slowness in applying information technology to human resources departments.

The sixth context variable is HRIM training. Computer skills training for relevant employees help achieve optimal HRMS effectiveness. For implementing HRMS in the organization one of the potential problem is a lack of employee technical training and experience in information management. For a successful HRMS, appropriate training should go to all HR staff, line managers, as well as other employees.

The literature indicates that successful HRMS implementation relies on the support of top management, the support of the IS department, the involvement of human resource leaders, the support of human resource staff, the computer knowledge of HR staff, and HRMS training. These six context variables are later termed organizational support. The degree of organizational support will also be investigated in this study.

5.3 Making an HRMS Work

Ensuring that an HRMS works for an organization involves two key issues: (1) training users and (2) tying strategies and decisions. Just as it is the role of a human resource department to provide training to members of an organization in certain areas, the department also must make sure that its employees and other users are properly trained in the use of the HRMS. Training often includes introducing users to new terms and familiarizing them with the capabilities of the system. Commercial systems developers often provide training to organizations. If the system is developed in-house, then the training function may fall to the department that created the system.

The second step in making an HRMS work is tying strategies and decisions. Even if users know how to use the system, it will not serve the organization if they cannot perceive any benefits from its use. As a result, a firm should make sure that the system serves necessary functions and provides information that will aid decision makers in achieving organization goals and strategies. If management feels that the HRMS is not being used effectively, an HRMS audit can be conducted. This entails examining company-specific reasons for having an HRMS, for gathering the data included, for the procedures used to access the data for the reports it provides, and many other functional characteristics. Misuse, under use, and potential uses all are uncovered.

5.4 Benefits of HRMS

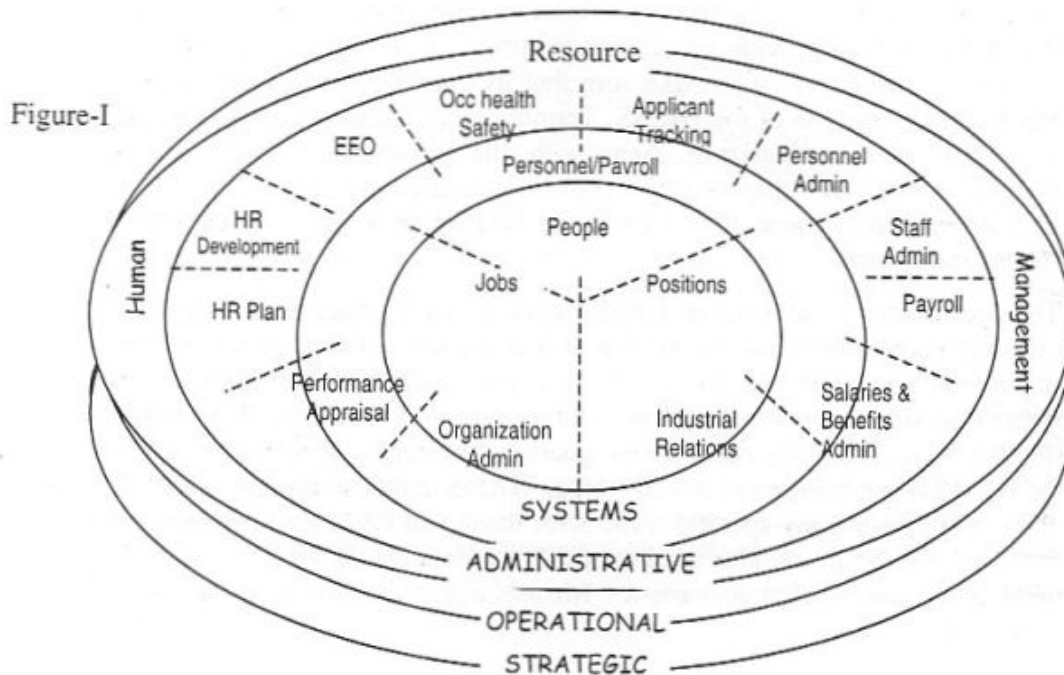
Modern human resource management systems are comprehensive, accurate and accessible systems for recording and processing employee and work data relevant to HRM, HR and organizational planning. Specific, benefits of such systems include:

- ◆ Improved planning and program development using decision support software.
- ◆ Faster information processing and improved response times
- ◆ Decreased administrative and HR 'costs.
- ◆ Accuracy of information.
- ◆ Enhanced communication at all levels.

Not all systems fulfill all these requirements, nor is such a complete system suitable for all organizations. Essentially, however, all HRMS contain information on:

- ◆ Employees
- ◆ Jobs and work conditions
- ◆ Positions
- ◆ HR events (e.g. recruitment, training and development, compensation, performance appraisals, and terminations).

Figure—1 illustrates some components of HRMS, their interrelationships and the range of applications for which they can be used.



Source: Baeid, M., Compton, R., Nankervis, A., (2002) Strategic human resource management, Australia: Thomson Learning.

As information technology systems become more sophisticated and user-friendly, data on the strategic, operational and administrative features of HRM can be more effectively integrated, and made more accessible, to the whole HR "community" (i.e. HR specialists, senior, middle and line managers). At once, HRMS can then be both more strategic and more relevant to the operational and administrative needs of line managers who are charged with the full range functions.

Older forms of HRMS were essentially 'databases' in which information on such HR aspects as the financial investment in training could be correlated by employee gender, or the number of sick days taken could be tied to specific age groups or job clusters. Newer forms of HRMS allow such correlations, but also assist 'synthesis, analysis and consolidation of such data an invaluable tool for strategic HR planning. As one author reflects, increasingly HRMS are becoming'... databases on which decision support systems can be established.

5.5 Privacy and the HRMS

A prime reason an organization would install an HRMS is to make it easier to find information. This ease of accessing information also has a downside: it is easier for unauthorized individuals to obtain private information (both company and personnel information) or for system users to accidentally disclose private information. Some laws exist that provide penalties for illegally obtaining certain

kinds of employee information, but this doesn't always stop it from happening. An employee whose employer has accidentally divulged her performance appraisal history (when only her salary history was supposed to be released) to a bank loan division will not be any less upset if it was an accident. Organizations should make every attempt to provide safeguards against revealing private information-whether illegally or accidentally obtained. Protections such as system passwords, restricting access to confidential information on a need-to-know basis, and physically locking up files at the end of each day is just the first step in protecting the organization's reputation, its competitive position, and its legal liability. Other issues that need to be considered include carefully defining and limiting user authorization, verifying that a user is actually the person authorized to use the system, encoding the data if it is transmitted and also when it is stored, and audit trails which provide a clear picture of who accessed what and when. By incorporating some or all of these ideas, the HRMS system should be secure.

6.0 Conclusion

Jenkins and Lloyd (1985) have stated that 'This is an information society in which 60% of the work force is occupied with the creation, processing, and distribution of information'. The notion of information technology as a strategic advantage is becoming increasingly popular. Although the computerization of personnel information has been introduced to the business community for a few decades, nearly three-quarters of personnel departments did not consider that their business processes had changed. The changes that had occurred seemed to be a simplification of existing procedures, rather than a large-scale process redesign.

In addition to the above discussion of research findings, the following implications may also be drawn. First, HRMS helps maximize the effects of strategic human resource management. HRMS fosters various long-term-oriented practices such as human resource planning, career management and succession planning, and places them under constant scrutiny. With proper maintenance, HRMS is capable of providing updated and objective information for better decision-making.

Second, support of top management is critical to HRMS implementation. In addition to verbal support, top management demonstrated their confidence in HRMS by personally utilizing the system. Their frequent personal HRMS usage may result in sufficient resources and an increased pressure for HRMS success. Budget support for system development, for training and cooperation of IS department and line managers may be forthcoming. The positive outcome has been revealed in the high support of the IS department as rated by human resource personnel. A common department-centric phenomenon has not been found in IS department and HR department interactions.

Third, the human resource department has to play a greater number of roles in maximizing the HRMS contribution. At least four roles could be more actively performed. The human resource department should be an active learner of HRMS. Greater HRMS expertise is required. HR leaders need to learn how to interpret

trends of the external environment so as to feed the information into HRMS for appropriate decision-making. HR middle managers need to learn to maximize the application of the system for effective management. HR staffs need to continuously upgrade their knowledge and skills to competently serve internal customers. The human resource department should be an active practitioner of HRMS. They should utilize the system themselves to improve the performance of human resource management. By extensively utilizing the system, they will be able to continuously improve it. The human resource department should be an active resources acquirer. HRMS requires a wide range of resources including the intangible support of top management, IS department, other departments, HR staff, and the tangible budget. Without these resources, HRMS implementation may be hampered. The human resource department should also be an active advocator of HRMS. Contributions of HRMS will be maximized when the database is comprehensive and regularly updated, various information systems can be hooked up, and the utilization is company-wide. Therefore, the benefits of HRMS to line managers, to relevant personnel and even to all company employees need to be more aggressively advocated, so that data collection, information updating and system integration may be supported by relevant departments. In general, the human resource management department has to initiate and maintain an organizational management commitment to an HRMS.

As we approach the twenty-first century with an ever-increasing amount of information at our disposal, an effective HRMS can help us to capitalize on the synergy of our two most precious assets — human resources and information technology. Those companies that make the best use of these systems have the best chances to sustain a competitive advantage.

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Women and Development: Bangladesh Perspective

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Abstract

In Bangladesh, women constitute almost half of the total population. They play a vital role in the development programs. But their status does not reflect their actual contribution. Two of the main focuses of the present study are gender discrimination and female education. The study is based on secondary data. The data and evidences reflect that the widespread gender discrimination and deprivation of women in social decision-making process are the major drawbacks in our economic development. To ensure the socioeconomic and political enhancement GOB and NGOs should take necessary steps and let a real reward for women. The study also focuses that women should be given the freedom and right to enter into working arena to step up economically and thus overcoming discrimination. They must also be educated to live as a separate human entity.

1. Introduction

There is a growing recognition of the important role that women play in the development process. Women are crucial to the success of family planning programs, bear much of the responsibility for food production and account for an increasing share of wage labor in developing countries including Bangladesh.

Although women play a very important role in development, their status in the Third World Countries like Bangladesh does not reflect their contribution. Enhancing this status would go a long way toward overcoming population and food production problem and would help boost economic growth. The key to enhancing status is to ensure women a greater influence on social, economic, political and decision making process particularly in the areas that affect them most directly. Accomplishing this goal will require the collective action of women from the grass root to the national and international levels as well as overcoming gender stereotypes and discrimination and to provide education to all categories of women.

The broad objectives of the present study are — to know about the scenario of gender discrimination and women abuses in Bangladesh and to have a glance over the status of female education in Bangladesh.

2. Methodology

In this paper two of the main factors of women development in Bangladesh, namely gender discrimination and female education are discussed. The study is based on secondary data. To collect data various influencing factors are identified from reviewing literature based on the history and changing aspects of the country. Various websites, articles, working papers and related journals are used to have a proper idea about the relevant topic.

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3. Discussion and Findings

3.1 Gender Discrimination in Bangladesh

Generally, gender discrimination means inequality between men and women but in the broad sense, gender discrimination includes social, economic, religious, and cultural harassment of women. In explaining women abuse, the article - 1 of the United Nations definition (1993), asserts that women abuse means to harass sexually, hit physically and discriminate socially, which includes threat to women in expressing opinion, interrupting in personal freedom and social deprivation.¹

3.1.1 Different Types of Women Abuses & Causes

To any successful population policy, women are the constituent part. Despite useful contributions, women face formidable social, political and economic barriers. There are cultural, political, social, economic and religious factors for gender discrimination. According to the Annual Report 2001 of the Ministry of Women and Child Affairs of Bangladesh, the following abuses are markedly increasing:

| | | |
|-----------------------------|---|--------------------|
| ➤ Suicide | — | 30% |
| ➤ Rape | — | 28% |
| ➤ Physical torture | — | 26% |
| ➤ Acid throwing | — | 1.5% |
| ➤ Women and child abduction | — | 3.1% |
| ➤ Torture for dowry | — | 9.5%. ² |

In a recent research of NGO Coalition of Beijing Plus Five it is reported that 15% of the sexually tortured females are of 10 years old, 25% are of 10 to 15 years old. In case of female murder, most of the victims are housewives, and husbands killed 35% of them for dowry. A large number of married women, are physically tortured, victims of acid throwing and of taboos. For most of the Bangladeshi women, their own houses are dangerous. Among the abducted women, 15% are students. Housewives commit about 82% of the total suicides.³ Besides, many wives, killed in the husbands' houses are also termed as having committed suicide by the killers. Most of the recent tragic cases of suicide were committed to get rid of the nuisance street vulgarism. Simi Banu — a student and a supporting hand of her family, killed herself in being teased by the loiterers.⁴ Romana from Savar, a victim of eve-teasing, complained at the local thana and her school committee but no one paid any attention to it. As a result, the girl was further severely teased and committed suicide.

Women lives in third world countries like Bangladesh are immeasurably difficult. Often female children are valued less than male offspring, resulting in higher infant and child mortality rates. In extreme cases the undervaluing leads to female infanticide. Those female who do survive, face lives characterized by poor nutrition and health, multiple pregnancies, hard physical labor, discrimination and perhaps violence. The forms of discrimination vary tremendously among region, ethnic groups and age levels in the developing world, where women are inferior and discrimination tends to start at birth.

The incident of killing new-borne female baby is largely a rural phenomenon. A brute of Vandaria, Pirojpur, killed his two newborn female babies. Mohammad Anwar Hossain, a poor businessman committed this incident after his wife gave birth to twin daughters when they already had two more daughters.⁶ However, in urban areas, easier access to modern medical technology enables women to go for taking pre-steps. Through amniocentesis, women may be aware of a fetus and undergo sex-selective abortions.

According to sociologists, and other experts, another problem is cultural and economical. In Bangladesh, a young woman is regarded as a temporary member of her family and a drain on its wealth. Two types are common in arranged marriages — bride wealth, in which the bride's family essentially gives her to the highest bidder and dowry, in which the bride's family pays exorbitant amounts to the husband's family.

In Bangladesh, almost one in every five girls born dies before age five. The high death rates of female children are due to they are fed less, pulled out of school earlier, forced into hard labor sooner and given less medical care than boys. According to numerous studies, girls are found handicapped not only by the perception that they are temporary members of a family but also by the belief that males are the chief bread winners and therefore more deserving of scarce measure. Boys are generally breast fed longer. In many cultures, women and girls eat leftovers after the men and boys have finished their meals.

Women are often hospitalized only when they reach a critical stage of illness. It is one reason why so many mothers die in childbirth. Female children, on the other hand, often are not hospitalized at all. For most girls, however, the biggest barrier and the one that locks generation's women into a cycle of discrimination is lack of education. In the rural areas of Bangladesh, girls are withdrawn from school years before boys, so that they can remain at home and lug water, work in the fields, raise younger siblings and help with other domestic chores. It was found in one survey that a young girl in rural Bangladesh spends 30% of her waking hours doing household work, 29% gathering fuel and 20 % fetching water.⁷

In Muslim majority countries like Bangladesh, religious concern about interaction with male, adds further restriction to female's mobility. Frequently, girls are taken out of school when they reach puberty to limit their contact with male. There also exists a strong impetus for early marriages. In Bangladesh, according to the United Nations, 73% girls are married by age 15 and 21% have had at least one child.⁸

Because of their secondary status, women have few outlets for relaxation and recreation. In Bangladesh like other South Asian Countries, women have few property or inheritance rights and the major part of husband's belonging usually goes to sons and occasionally daughters and a widow must rely on her children. In our country as a part of subcontinent, a women's identity is so intertwined and subservient to her husband that if she outlives him, her years as a widow are spent as a virtual nonentity. In some areas of the country, women are forced to marry their dead husband's brother to ensure that property remains in the same family. Conducting a random survey by the UNICEF over 90 societies of the globe revealed that, four reasons are mostly responsible for discrimination. These are:

- i. Economic inequality
- ii. Male dominance in decision making
- iii. Limitations of women in exercising ability beyond family periphery
- iv. Social and cultural barriers, religious restrictions liable for women's nonparticipation in the activities.

It may be mentioned here that, in Bangladesh prisoned women are so ill-treated and misbehaved that there could be no second example of such discrimination found. A blazing example is 'Shema Chowdhury'- a garments worker died in the jail suffering four months imprisonment out of no fault in 1997. Yasmin, a 11 years old girl also lost her life in the same way due to callousness of Bangladeshi police. Gradually, it is becoming almost a daily occurrence.⁹

According to a recent report of Bangladesh Human Right Implementation Organization during the last three months, 247 women were abused in the following sectors:¹⁰

Table 1: Sector wise Women Abuses

| Sectors | No. Of women |
|--|--------------|
| Murdered for Dowry | 45 |
| Murdered by maid servant | 10 |
| Killed by acid throwing | 4 |
| Trafficking women | 35 |
| Raped women | 27 |
| Killed after rape | 30 |
| Raped by police/administrative persons | 4 |
| Suicide after rape | 4 |
| Tortured maid-servant | 4 |
| Tortured for dowry | 12 |
| Acid abused | 53 |
| Victims of taboos | 13 |

Source: The Prothom Alo, 21 April, 2004.

3.2 Female Education in Bangladesh

The principal aim of education is to 'Liberalize' the mind and give vent to the creative faculties of a person. It is education that makes a man perfect. Women constitute nearly half of our total population. No society can make real progress keeping half of the population in dark. Besides, every woman is a potential mother, so women must be educated to have more and more worthy citizens.

The economic and social benefit of educating girls is substantial, paradoxically; both parents and society invest less in educating girls compared boys in most

developing countries. A wealth of research in the past twenty years has established that improving female education is crucial for development. Research has convincingly shown that women education contributes to smaller families. Educated parents have healthier children and the influence of mother's education on the children's health is far more. Moreover, participation of the educated women in the labor market and the ensuring incremental income growth is an important means of alleviating poverty. Women's education and literacy rate tend to reduce the mortality rates of children. It works especially through the importance that mothers typically attach to the welfare of the children and the educated mothers are empowered to influence family decisions. Similarly, women empowerment appears to have a strong influence in reducing the much observed gender bias in survival (particularly against young girls).

There are some determinants about female literacy position in the society. Education level is one of them. But unfortunately, the educational status of Bangladeshi women is very low. Gender discrimination exists here in family, society and country level. In a patriarchal society like Bangladesh, female education is not emphasized as male education. However, there has been significant progress during the last 25 years in female-education. Bangladesh is one of the signatory of EFA (Education for All) program held at Jostien in Thailand in 1990 and a national plan is in progress, based on the EFA. The overall literacy rate in Bangladesh can be shown from the given table –

Table 2: Adult Literacy Rate from 1974-98 on the basis of Sex and Region

| Year | Adult Literacy Rate | | | | | |
|------|---------------------|--------|-------|--------|-------|--------|
| | National | | Urban | | Rural | |
| | Male | Female | Male | Female | Male | Female |
| 1974 | 37.2 | 13.2 | 62.5 | 33.1 | 34.6 | 12.1 |
| 1981 | 39.7 | 18.0 | 58.0 | 34.1 | 35.4 | 15.3 |
| 1991 | 44.3 | 25.8 | 62.6 | 44.0 | 38.7 | 21.5 |
| 1998 | 59.4 | 42.5 | 77.1 | 59.7 | 57.3 | 37.8 |

Source: Census, 1991, 1981 and 1974, BBS 1998.

It is found from table 2 that in both rural & urban areas, male and female literacy rate have been increased.

The drop out rate in secondary school level is shown in table 3. Female drop-out rate is higher than that of male. It increases gradually with higher classes. The drop out rate is the highest in class-X. From a recent survey, the dropout rate from class-IX and X is 19% out of which, female rate is 20.5% and male rate is 17.6%. From table 3, the proportion of drop out rate decreases from 180 in 1980 to 118 in 1996. It reflects an increasing rate in female enrollment in primary and secondary education.

Table 3: The Accumulated Dropout of Boys & Girls in Primary and Secondary Level; 1980-96

| Year | Proportion of Boys & Girls |
|------|----------------------------|
| 1980 | 180 |
| 1985 | 162 |
| 1995 | 141 |
| 1996 | 118 |

Source: Bangladesh Educational Statistics, 1997, BAN Base Education Ministry.

In female education, drop out from secondary school is of hawocking nature. Early marriage, divorce, social insecurity etc. hamper girls to lead a normal life. Besides, parents are more interested to invest behind male-child. Meanwhile, massive plans have been launched to reduce the drop out rate. In addition, various social awareness programs are taken to motivate parent's attitude in the positive way. The scholarship program in Bangladesh has succeeded in almost doubling female secondary school enrollment. It has increased female attendance in primary schools, higher labor force participation, later age of marriage and lower fertility rates etc.

3.2.1 The Literacy Rate at a Glance

In our country educational expenditure for female is only 31% while the rest 69% is spent for male education. It's a prominent reason of women's lagging behind in educational sector. The rate of those who can sign & read somehow is only 34.8% (Male & Female) in Bangladesh.¹²

Table 4: The Literacy Rate at a glance

| Occupation | Female (%) | Male (%) |
|---|------------|----------|
| Literacy Rate | 24.2 | 45.5 |
| Primary School Enrollment | 73.4 | 80.7 |
| Drop out from Primary School | 17.6 | 15.3 |
| Students of Secondary Level | 29.4 | 70.6 |
| Students of Graduation Level | 9.0 | 76.3 |
| Women in Technological and Vocational Education | 5% | |
| Women in Agriculture & Other Employment Based Education | 14% | |
| Women in Medical Science | 29% | |
| Women in Engineering University | 23.7 | |
| Women in University Level | 23.5 | |

Source: Bangladesh Women Development Association, September, 1998.

3.2.2 Gradual Development of Female Education

The gradual development of female education and literacy rate at national level from 1961 to 1998 are shown by the following table:

Table 5: Literacy Rate (National Level) with Gender (in case of Age Level 5+) from 1961 to 1998

| Year | Female (%) | Male (%) |
|------|------------|----------|
| 1961 | 10.7 | 31.4 |
| 1974 | 14.8 | 32.9 |
| 1981 | 16.0 | 31.0 |
| 1991 | 34.4 | 48.0 |
| 1998 | 58.7 | 59.2 |

Source: Census, 1991, 1981, 1974, 1961, BBS 1998

From the table, male literacy rate is found increasing from 31.4% in 1961 to 59.2 % in 1998 whereas that of female from 10.7% in 1961 to 58.7% in 1998.

The number of women studying for higher education is remarkably increasing and in all level they are achieving success. In case of higher studies, the scenario is quite frustrating. On an average only 19% women are taking higher studies, among which-

- 12% in Agriculture University
- 11% in Engineering University &
- 31% in Graduation level.¹³

3.2.3 Hurdles for Women in Participating Educational Programs

From various surveys it is found that mainly three inter-related reasons are the constraints to female education. These are —

- Socio economic limitations derived from patriarchal gender discrimination.
- Poverty.
- Lack of infrastructural facilities.

The poor parents with large families feel that they cannot afford to send all their children to school, especially girls. Girls are often seen as household help. Parents bear not only the direct costs as school' fees, books and clothing but also the opportunity costs because they lose their children's time for household chores. To parents, investing in girls' education may seem less attractive than in boy's education. Thus, uneducated girls cannot compete with boys for wages when they grow up. Women end up earning less, making boys a better educational investment in the parents' eyes. Besides, in rural areas there are insufficient provisions for female education and facilities.

3.2.4 The Impact of Female Education

There are plenty of evidences to show that eight or more years of education for women results in fewer births, because it encourages later marriages and broadens a woman's outlook. With education and economic opportunities, women begin to define themselves as citizens, not just family members.

Human development of South Asia 1988 published a report on the necessity of education in women participation in socio-economic development. They emphasized that-

- Education increases the facilities of economic, social and political rights.
- Education provides a woman to regulate her own life.
- To educate women is a fundamental human right.
- Education means knowledge, efficiency and income.
- The social merits of female education are reduction of infant and maternal mortality rate, improved health and social status, reduction in fertility rate etc.
- Education facilitates women to contribute more in wage economy.
- It minimizes gender discrimination.
- It leads to fewer births and control population growth.
- It results healthier babies and well-educated generation in future.
- Education enhances participation in social and political affairs.

As a whole female education provides with worthy citizens to the society.

4. Analysis and Prediction

From the above discussion of gender discrimination and female education it can be seen that though various measures are taken to improve female education, drop-out is increasing from school level due to early marriage and maternal health. Despite various problems and obstacles, it is noticed that women have been occupying their position in the society in different professions and in challenging activities.

The empowerment of women is one of the central issues in the process of development for many countries in the world today. Besides, women's education and gender discrimination discussed in the present study, the factors involved include, women's ownership pattern, their employment opportunities and the workings of the labor market, other areas of economic, political and social action.

Amartya Sen emphasized the role of a person as an agent and argued for focusing on women's agency in removing the inequalities that depress the well-being of women. He also analyzed the empirical work in recent years which brought out very clearly how the relative respect and regard for women's well-being is strongly influenced by such variables as women's ability to earn an independent income, to find employment outside the home, to have ownership rights and to have literacy and be educated participants in decisions within and outside the family.¹⁴

The economic participation of women is important both on its own (with associated reduction of gender bias in the treatment of women in family decisions) and have a major influence for social change in general. The remarkable successes of the Grameen Bank, BRAC etc. are good examples of this. For his revolutionary contribution in promoting the socio-economic status of poor women in Bangladesh, the founder of Grameen Bank, Dr. Muhammad Yunus and his institution are awarded the Nobel Prize in Peace on the 13 October, 2006. By involving women in social and economic activities, the socio-economic status of women in rural Bangladesh has been changed at a greater extent which is the precondition of development of a country.

5. Conclusion and Recommendation

Although many laws and policies are adopted, persecution of women has not reduced up to the mark because these laws are not practiced properly in any level of the society. So long the broad mass is deprived of 'basic needs' of life, desired development may be difficult to achieve. Both government and non-government organizations have to work side by side on this issue to provide literacy as well as awareness. The criminals liable for abusing women must be publicly punished to protect repeating such crimes. Only government machinery cannot stop such heinous crimes, the society must be motivated to stop the brutality. Electronic media may be a cause for such de-gradation of moral values because the society is not educated enough to take up good sides. Poverty should be gradually eliminated so that ways of living may be easily available.

In the conventional education-system there should be some additional clauses about human behaviour. Awareness of gender discrimination, political accountability, taking reformation steps and co-operation among all groups and levels of people is must for improving the status of women and thereby the prospects for humanity. It also requires a complete reorientation of development efforts toward establishing an environment in which women and men can work side by side for the welfare of society. Women should be treated as human being not merely as the opposite gender. Whatever law may be practiced, social awareness and legal protection is the true sense of terms must be introduced and implemented. On the whole, to establish the fundamental rights of women, age-old mentality should be discarded.

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The Managerial Effectiveness of RAKUB on loan Recovery & Disbursement: A Case Study of Rajshahi Branch

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Abstract

The main focus of this paper is to examine the managerial effectiveness of the Rajshahi Branch of RAKUB on loan recovery and disbursement. The study covers the five- year-long period from 2000 to 2005. Both primary and secondary data were utilized extensively as per requirements of the study. Primary data were collected by using questionnaires prepared in the light of the objectives of the study and secondary data were collected from the annual report of RAKUB, BKB, BB, various journals and other published and unpublished materials related to the study. Tabular presentation, simple statistical and econometric tools are used to process, analyze and interpret the data. The study revealed that the demand for agricultural credit is very high on the other hand; the recovery rate is very low. The study found that the reasons behind the low rate of recovery were random and haphazard disbursement of credit, mismanagement, improper planning and coordination, administrative complexities, politicization, nepotisms, redtapism and so on. The study also revealed that the farmers were becoming able to utilize their loan effectively and efficiently in case of supervised credit. The study recommended that the bank should emphasize on supervised micro-credit programs and formulate up-to-date principles and policies for enhancing its managerial effectiveness and socio-economic development of this area.

Key words: RAKUB, BKB, BRDB, BSRS, BSBL, MBO, MIS, CC, IO.

1. Introduction

Bangladesh is an agricultural country. About 80 percent of the total population is directly or indirectly dependent on farm business, livestock, fisheries, small and cottage industries, etc. The consolidated contribution of agriculture to GDP is 21.77 percent (Bangladesh Economic Review 2006). Most of the farmers follow traditional method of cultivation and can no longer support the demand for increasing population in Bangladesh.

In Bangladesh the principal agricultural inputs are labor and land and alternative employment opportunities for agricultural workers are very limited. In addition to supply of food, the agricultural sector of Bangladesh is the principal source of labor, capital, and raw materials for the industrial sector of the economy. To modernize agriculture and to increase its productivity, the use of various inputs such as HYV seeds, balanced dose of fertilizers, pesticides, irrigation, drainage, etc is indispensable.

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To purchase inputs the majority of farmers need additional funds. Since independence, the government of Bangladesh has put much emphasis on agricultural sector. As a result, different financial institutions have started giving agricultural credit to farmers. Among the institutional sources the BKB, RAKUB, nationalized commercial banks; BRDB, BSBL, Grameen Bank, etc. are playing an important role in providing financial support to the farmers for increasing farm productivity as well as increasing business work.

With rather insignificant institutional arrangements for the poorest section of rural people who have the potential of being engaged in different farm and off-farm activities, their credit requirements have been historically met by non-institutional sources with the interest rate ranging between 60 to 250 percent per annum. As a matter of fact, there is no reliable estimate of the total agricultural credit need for the country as a whole. A large number of farmers usually borrow money from the non-institutional sources such as local money lender (Mohazon), neighbors, businessmen, etc. with higher interest rate along with unjustified payment deal.

Rajshahi Krishi Unnayan Bank (RAKUB), a leading specialized bank in Bangladesh was established in 1986 with the ordinance number 58 of the President and started its functioning from 15 March, 1987. It is the only bank whose Head office is situated outside the capital. RAKUB is the largest source of agricultural credit in Rajshahi division. Besides supplying agricultural credit, the bank extends its credit facilities for employment and income generating agro-based industrial and commercial activities, diversified off-farm rural economic activities and poverty alleviating program. Apart from these, the bank performs other banking functions like a commercial bank. RAKUB has been playing an active role in rural economy serving the purpose of achieving the cherished goal of national economic development through agricultural development.

2. Objectives of the Study

The study seeks to examine and evaluate the managerial effectiveness of RAKUB on loan disbursement and recovery of Rajshahi Branch. To achieve this main objective, the study seeks to realize the following:

- i) To comprehend practical condition of the organization.
- ii) To justify a comparative position on success and failure of loan disbursement and recovery.
- iii) To identify the problems and give some recommendations thereof.

3. Methodology of the Study

The working area of RAKUB, Rajshahi Branch covered four unions under Rajshahi City Corporation. 506 villages of these unions were covered under the activities of RAKUB. The study covers the five- year-long period commencing in June 2000. Both primary and secondary data were utilized extensively as per requirements of the study. Primary data were collected by using questionnaires prepared in the light of the objectives of the study and secondary data were

collected from the audited annual reports of RAKUB, Circular letters and journals, other published and unpublished materials, and website of RAKUB. Tabular and graphical presentation, simple statistical and econometric tools are used to process, analyze and interpret the data into meaningful information.

4.0 Results and Discussion

Banking business primarily involves in the mobilization of deposit from the public and lending the same to them as an intermediary and thereby making profit out of it. Therefore, the entire function of a bank can be summed up as “the banks borrow to lend”.

4.1 Principles and policies of loan disbursement:

4.1.1 Purpose of loan disbursement:

Bangladesh is predominantly an agricultural country with 92.8% rural area and 93.7% rural people. Again 85% of the total population are maintaining their livelihood by agricultural activities which are the main vocation and source of income of these rural people. Though agriculture is the nerve of our country's economy, it is beset with impediments keeping it in a poverty level of equilibrium trap with comparatively low productivity and vast distinguished unemployment. For improving the present stagnant situation in our agriculture, RAKUB, as an instrument of agricultural development, has been playing a very important role in utilizing the deposits received from both rural and urban areas and other allocation received from different sources by providing credit to different fields of agriculture. The fields in which agricultural credit and other assisting services are extended by RAKUB are crops, fruit cultivation, vegetables, forest, fisheries, poultry, dairy, livestock, horticulture, sericulture, beef-fattening, goat rendering and so on. The ultimate purposes of loan disbursement are agricultural development, poverty alleviation, employment generation, expansion of investment facilities, upgradation of living standard, profit generation and so forth.

4.1.2 Selection of loanee:

Some important aspects are considered for loan disbursement by bank. These are as follows:

- i) Loanee must be Bangladeshi
- ii) They must be matured and sound minded
- iii) They should have ability to proper use of loan and paying capacity
- iv) They will not be loan defaulter
- v) For Ltd. Co. & cooperative society, it must be registered
- vi) In the process of selecting loanee, bank considers 4 P's:
* Person * Purpose * Profitability *Property or security

4.1.3 Mechanism of loan disbursement:

To sanction a loan to the customer, RAKUB follows certain procedure. The basic procedures followed by the RAKUB are as follows:

- i) The borrower has to apply for loan by filling up a specific application form.
- ii) Inquiry about the proposal. Here two things are essential, to know about the project and the party.
- iii) Approval of branch office
- iv) Approval of Head office
- v) Issue sanction letter to the branch office.
- vi) After the sanction advice, the branch office collects necessary documents.
- vii) Finally, the bank disburses the loan to the borrowers.

For withdrawing the loan amount, customer creates a current account and the loan amount is transferred to that account. In this way, the procedure of giving advances and loan is completed.

4.1.4 Head-wise loan disbursement:

RAKUB sanctions loan for both farm and off-farm activities. There are eight major heads of loan. The major heads are as under:

Crops, Fisheries, Livestock, Irrigation & Farm Machinery, Agro-based Industries, Cash credit (CC), Poverty alleviation and others.

There are 250 sub-heads under these eight major heads.

Table 1: Statistics for the last five years loan disbursement over major heads:

(Taka in thousand)

| Head | 2004-2005 | | 2003-2004 | | 2002-2003 | | 2001-2002 | | 2000-2001 | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|
| | Target | Achievement | Target | Achievement | Target | Achievement | Target | Achievement | Target | Achievement |
| Crops | 3500 | 4773 | 50 | 4421 | 6000 | 3730 | 2820 | 2838 | 2500 | 2466 |
| Fisheries | 300 | 305 | 220 | 220 | 2000 | 0 | 50 | 32 | 40 | 22 |
| Livestock | 4000 | 8879 | 8000 | 3703 | 3600 | 3981 | 300 | 303 | 270 | 220 |
| Irrigation & Farm Machinery | 100 | 1200 | 100 | 66 | 600 | 58 | 100 | 49 | 80 | 58 |
| Agro-based Industries | 38500 | 440 | 800 | 594 | 1000 | 187 | 300 | 109 | 400 | 165 |
| CC | 11500 | 13100 | 1000 | 1298 | 2500 | 675 | 400 | 601 | 300 | 344 |
| Poverty alleviation | 1000 | 4900 | 700 | 805 | 200 | 0 | 280 | 165 | 270 | 218 |
| Others | 47000 | 5678 | 3500 | 3975 | 7000 | 4908 | 450 | 694 | 340 | 582 |
| Total | 63600 | 63827 | 15320 | 15082 | 20100 | 13439 | 4700 | 4790 | 4200 | 4075 |

Source: Loan and advance department, RAKUB, Rajshahi Branch.

4.2 Principles and policies of loan recovery

Loan recovery is the process of recovering the disbursed loan from the loanee. It is a very important part of fund management. RAKUB recovers loan under the following two bases-

- a. Unclassified loan, and
- b. Classified loan.

a. Unclassified loan:

When half or more than half of the total loan is repaid within the stipulated time by the borrowers, it is called unclassified loan. The duration of time in which the loan will be treated as unclassified is less than 12 months from sanctioning.

b. Classified loan:

When more than half of the total loan or total is unpaid/due over the due date then it is called classified loan. Classified loans can be categorized as substandard, doubtful and bad.

Table 2: Statistics for the last five years loan recovery;

(Taka in thousand)

| Year | Recovery of unclassified loan | | | Recovery of classified loan | | | Total recovery | | |
|---------|-------------------------------|----------|-------|-----------------------------|----------|-------|----------------|----------|-------|
| | Principal | Interest | Total | Principal | Interest | Total | Principal | Interest | Total |
| 2000-01 | 8138 | 2061 | 10199 | 2858 | 1794 | 4652 | 10996 | 3855 | 14851 |
| 2001-02 | 8646 | 3563 | 12209 | 4160 | 1566 | 5726 | 12806 | 5129 | 17935 |
| 2002-03 | 9103 | 3569 | 12672 | 3228 | 2206 | 5434 | 12331 | 5775 | 18106 |
| 2003-04 | 7903 | 4651 | 12554 | 4536 | 2398 | 6934 | 12439 | 7049 | 19468 |
| 2004-05 | 8702 | 3301 | 12003 | 3646 | 2360 | 6006 | 12348 | 5661 | 18009 |

Source: Loan and advance department, RAKUB, Rajshahi Branch.

4.2.1 Loan recovery procedure:

The important task of RAKUB is to recover the outstanding loans. The main responsibility of branch manager and field supervisor is to recover the outstanding loans. The branch manager gets sound planning and directions from the concerned authority and makes policy to recover the loan. Thus the recovery of all loans is to be realized timely. The loan recovery procedure is divided into several steps. These are as follows:

4.2.1.1 Preparation of Schedules:

RAKUB prepares different schedules to recover the outstanding loan. These are as follows:

- i) Schedule to pay off crops loan which are fixed according to Bangladesh Bank (BB) and its rules and regulations.
- ii) Different schedules to pay loan for various objectives.
- iii) For project loan, Schedule to loan are to be adjusted, when commercial production are started.
- iv) For working capital loans, loan to be paid in due time.

4.2.1.2 Statement of loan:

The statement of loan plays a vital role for loan recovery. It is an initial instrument for office and field. Name and address of borrowers are presented in this statement. This statement is prepared at the beginning of financial year. Mentioning that, the statement of loan is also helpful for loan disbursement.

4.2.1.3 Installment:

Loan recovery is done through installment system. Installment systems are as follows:

- Weekly
- Fortnightly
- Monthly

4.2.1.4 Default loan:

Loan default is a common phenomenon in Bangladesh. When a loanee didn't payback his loan in due time is known as a defaulter. The loanee becomes defaulter due to various causes. The main causes are as follows:

- i) Natural calamity sometimes destroys the crops, for this reason the loanee becomes unable to pay in due time.
- ii) RAKUB cannot take proper step against the influential loanee.
- iii) The loanee didn't use the loan properly.
- iv) The loanee didn't pay loan in due time intentionally.

4.2.1.5 RAKUB'S steps against defaulters

When a loanee defaults to pay loan, RAKUB issues various notices which are:

- i) **Issue of demand notice:** Demand notice is issued one month after the due date of outstanding loan or installment.
- ii) **Legal notice:** If the borrower fails to repay their respective loans and interest after maturity, even after receiving the demand notice with acknowledgement by post the bank sent legal notice to him.
- iii) **Special Notice:** Beside the two notices shown above, a special notice signed by DC, TNO is sent to the respective borrower to keep mental pressure on him for repaying the loan.
- iv) **Field recovery:** RAKUB often recovers the loan through Investigation officer (IO). IO receives the loan by visiting the spot and source of the borrower.
- v) **Personal communication:** If the borrower fails to repay his loan installment, the loan office communicates with the respective person of that area to give mental pressure to the borrower so that he can repay his respective loan.
- vi) **Loan recovery camp:** RAKUB set- up camp in various areas for the recovery of its loan. In this issue, the respective manager and other officers were present in the camp and communicated with the borrowers. They gave them moral persuasions and tried to encourage them, so that they would repay their loan.

- vii) **Case filing:** When legal action for recovering loan becomes unsuccessful, a case is filed against the borrower.
- viii) **Interest exemption:** When the loan amount becomes more than double of the principal and which is not possible to recover with the help of legal action, then loan can be recovered by exempting interest.

4.3 Evaluation of Managerial Effectiveness:

The managerial effectiveness of RAKUB, Rajshahi Branch is judged as under:

4.3.1 Statistical & Econometric Analysis:

The comparative position of loan recovery and disbursement is judged statistically & econometrically using correlation coefficient and Classical Linear Regression Model (CLRM) and then hypothesize them to draw inference.

Table 3: Data of loan disbursement and recovery (Actual) for the last five years are shown below:

| Financial Year | Actual disbursement | Actual recovery (classified & unclassified) |
|----------------|---------------------|---|
| 2000-01 | 13684 | 14851 |
| 2001-02 | 13832 | 17935 |
| 2002-03 | 13439 | 18106 |
| 2003-04 | 15082 | 19468 |
| 2004-05 | 63827 | 18009 |

Source: Loan and advance department, RAKUB, Rajshahi Branch.

4.3.1.1 Correlation coefficient (ρ_{xy}) = 0.13

The value of $\rho_{xy} = 0.13$ indicates that there is a very negligible positive correlation between actual loan recovery and disbursement.

4.3.1.2 Regression analysis:

Regression is the main tool of econometrics. In our study, let actual recovery be denoted by Y be dependent variable and actual disbursement denoted by X be independent variable.

I.e. Recovery (Y) = f (disbursement (X))

Therefore, the possible regression line is shown below:

$$\hat{Y} = \hat{\alpha} + \hat{\beta}X$$

Where,

\hat{Y} = Dependent variable

X = Independent variable

$\hat{\alpha}$ = Intercept of the regression line

$\hat{\beta}$ = Slope of the regression line

The estimated regression line is-

$$\hat{Y} = 17442 + 0.0097X$$

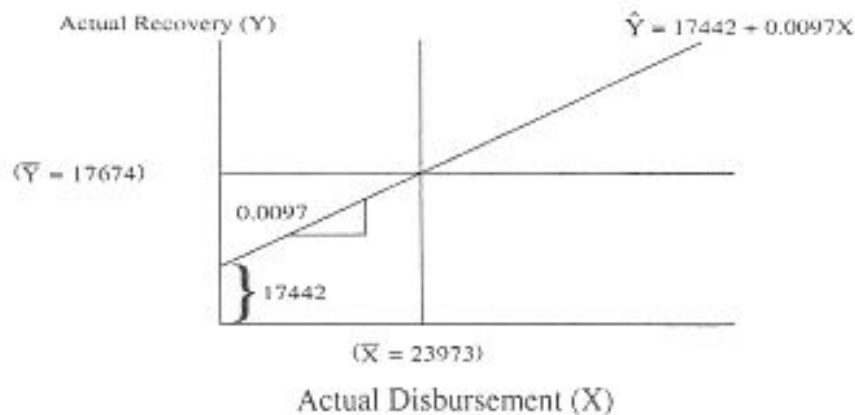


Fig: Graphical representation of regression function.

Reporting the overall results of regression analysis:

| | |
|--|-----------------------------------|
| $\hat{Y} = 17442 + 0.0097X$ | |
| $\text{Var}(\hat{\alpha}) = 115544378$ | $\text{Var}(\hat{\beta}) = 0.367$ |
| $\text{Se}(\hat{\alpha}) = 10749.16$ | $\text{Se}(\hat{\beta}) = 0.61$ |
| $r^2 = 0.0169$ | $n = 5$ |
| $\rho_{xy} = 0.13$ | $df = 3$ |

Interpretation of regression result:

The value of $\hat{\alpha} = 17442$, which is the intercept of the line, shows that if disbursement were zero, the recovery would be about Tk. 17442 thousand. This is a mechanical interpretation of the intercept, which has no economic meaning.

The value of $\hat{\beta} = 0.0097$, which measures the slope of the line, shows that if disbursement goes up by Tk. 1 the recovery goes up by about Tk. 0.0097.

The value of coefficient of determination, $r^2 = 0.0169$, means that about 1.7% of the variation in recovery is explained by disbursement.

The value of correlation coefficient $\rho = 0.13$, indicates that two variables actual recovery and disbursement are very poorly positively correlated.

4.3.1.3 Hypothesis Testing:

Estimation is half the battle. Hypothesis testing is the other half.

$H_0: \beta = 0$ (There is no relationship between actual loan recovery and disbursement).

$H_1: \beta \neq 0$ (There is a relationship between actual loan recovery and disbursement).

Decision rule: Reject H_0 if calculated t value > t tabulated value.

$$\begin{aligned} \text{Test statistic: } t &= \frac{\hat{\beta} - \beta}{\text{Se}(\hat{\beta})} \\ &= 0.0159 \end{aligned}$$

As the tabulated value is greater than calculated value, we do not reject H_0 . A statistic is said to be statistically significant if the value of test statistic lies in critical region. Therefore, our finding is not statistically significant.

5. Suggestions and Recommendations:

Bangladesh is an agro-based developing country. RAKUB plays a vital role in agricultural sector in the northwest region of Bangladesh. If Rajshahi Branch of RAKUB takes the following proposed measures, it may overcome those limitations.

- i) In the age of modern technology, the bank should be computerized to ease the accounting process and increase customer services.
- ii) Training makes a man perfect. The staff should be given training about their respective business at regular basis.
- iii) The bank should be more attentive in recovering the classified and unclassified loan.
- iv) Intensive and continuous monitoring and supervision of loans means the mechanism or process through which the bank ensures the disbursement of credit to the genuine borrowers, productive utilization of credit and thus raising the economic condition of the borrowers, thereby enables the borrowers to repay the loans timely.
- v) Selection of borrowers is very important for loan recovery. Selection of good borrower and good project for loan leads to good recovery.
- vi) Preparation of rules of law for loan recovery, so that the borrowers can be bound to pay the loan timely.
- vii) Appointment of large number of field workers, so that they can pressurize the loanee for payment. As a result, loan recovery will be more intensive.
- viii) Sanctioning different notices timely. As a result, the loan recovery will be easy.
- ix) Management by Objectives (MBO) and Management Information System (MIS) should be followed
- x) Reduce the cost of fund
- xi) The bank should emphasize productive sectors instead of unproductive sectors for sanctioning credit.
- xii) Provision for consumption loan along with agricultural loan
- xiii) Introduction of preferential interest rate system for non-defaulters
- xiv) Last but not the least; the branch should strictly follow the various programs adopted by RAKUB, BKB, and BB.

6. Conclusion

Loan default is a regular phenomenon in our country. The RAKUB, Rajshahi Branch is not the exception in this respect. Indiscriminate disbursement of loan is one of the main causes of loan default. Moreover, at the time of national election, the political leaders declare that they would exempt the principal amount of loan along with interest and withdraw the certificate cases if they were empowered. As a result, the borrowers think that their loan would be exempted. In this way loan becomes default. Apart from these impediments, the overall loan disbursement and recovery position of the branch is not satisfactory and it reveals that the farmers are becoming able to utilize their loan effectively and efficiently in case of supervised credit. Besides, considering all the findings of the study, it is evident that loan disbursement & recovery should act special attention with highest precautions. The performance of loan recovery and disbursement determines the position of the managerial effectiveness and the bank should initiate various steps for its betterment. In a nutshell, it can be summed up that the managerial effectiveness of the RAKUB, Rajshahi Branch on loan disbursement and recovery is not satisfactory and the bank should formulate proper strategies for enhancing its managerial effectiveness and socio-economic development of this area.

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The Disruption in Internet Connectivity

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Abstract

There are many factors for which the disruption in Internet Connectivity occurs. BGP Misconfiguration is one of the factors. This paper analyzes how to find out the BGP misconfiguration and the cause of their occurrence, the frequency of misconfiguration, the impact of misconfiguration on global connectivity and routing load and what is the possible solution to reduce the frequency. Analyzing the routing table entries for a period of time it was found that about 200-1200 prefixes (0.2-1.0% of the BGP table size) suffer from Misconfiguration each day. The Misconfiguration increases the update load on routers.

1. Introduction

The Border Gateway Protocol is being used in the Internet's inter-domain routing protocol. It is very crucial for the overall reliability of the Internet. Faults in BGP implementations or mistakes in the way it is used have been known to disrupt large regions of the Internet. Recent studies have examined several kinds of BGP problems, including excessive churn due to implementation deficiencies [1], delayed convergence [2], persistent oscillations due to policy interactions [3,4] and instability caused by the propagation of worms [5]. There is another source of unreliability: the misconfiguration of routers that speak BGP. From the study of reliable system it is found that because of human operator error 20-70% of system failures occur [6,7,8,9]. As any system becomes more reliable the human factor becomes increasingly important for overall reliability. Misconfiguration occurs due to: the accidental injection of routes into global BGP tables and due to the accidental export of routes in violation of an ISP's policy. These two causes were selected because they propagate across the backbone. The analysis was done on globally visible misconfiguration because they have got high potentiality to cause wider disruption. The injection of routes is known as origin misconfiguration error and this error is caused by failure in summarizing an address space, announcing part of someone else's address space which is known as hijacking, and propagation of prefixes which are supposed to stay inside a private network.

2. Background

BGP is a path vector routing protocol runs between autonomous systems (ASes) in the Internet. A BGP route announcement consists of a network prefix and a list of ASes: (P; [AS_k AS_{k-1} _ _ _ AS₀]). P is the block of IP addresses being announced; the list of ASes, called the *AS-Path*, is the ordered list of ASes traffic to P would traverse. The last AS in the list, AS₀, is the origin AS, or simply the origin,

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of the announcement. Each AS exports the routes to its neighbors after adding itself in the front of the received AS-path.

3. Misconfiguration

Misconfigurations are defined [10] to be configuration errors that result in the unintended production or suppression of BGP routing announcements. Origin misconfiguration can be done in three ways: Self de-aggregation (here origin de-aggregates to its own prefix), by related origin (here an existing prefix or its subset is announced by a new origin which is related to old origin) and by foreign origin (a prefix or its subset is advertised by a different origin and the two origins do not have any relationship). An AS accidentally injects a prefix into the global BGP tables. Examples of origin misconfiguration include i) failure to summarize an address space, leading to the injection of one or many more specific prefixes into the global BGP tables ii) *hijacks* – announcing part of someone else’s address space; and iii) propagating prefixes meant to stay inside a private network.

The following table shows the classification of origin misconfigurations [10]:

| | Old Route | New Route |
|---------------------|------------------|--|
| Self de-aggregation | a.b.0.0/16 X Y Z | a.b.c.0/24 X Y Z |
| Related origin | a.b.0.0/16 X Y Z | a.b.0.0/16 X Y a.b.0.0/16 X Y Z O a.b.c.0/24 X Y a.b.c.0/24 X Y Z O |
| Foreign origin | a.b.0.0/16 X Y Z | a.b.0.0/16 X Y O a.b.c.0/24 X Y O e.f.g.h/i X Y O |

Table 1: Classification of origin misconfigurations.

For the detection of export misconfiguration we need to know the relationship between ASes. Using Gao’s algorithm the relationship can be found. An export misconfiguration (or a route leak, in operations parlance) is an inadvertent export of a route to a BGP peer in violation of the exporter’s policy. Export policies arise from the commercial relationships between ASes. An example of an export misconfiguration is an AS exporting a route received from one provider to another, and as a result providing transit between its two providers. If we knew the relationships between ASes, detecting export misconfigurations would be straightforward. But AS relationships are closely guarded secrets that complicate identifying these errors. Gao infers these relationships from the BGP tables based on the following observations [11]. First, all valid AS-paths are *valley free*. Treating the provider to customer direction as downward, and siblings and peers at the same level, the *valley free* property means that a route that starts going downwards never goes up again. Second, an AS-path can have at most one peer-to-peer edge, which occurs at the highest point in the path. Third, ASes with more neighbors are more likely to be providers. Based on the relationships inferred by Gao’s algorithm with historical BGP data as input, AS paths with short-lived subpaths that violate the valley free condition or contain multiple peering edges as probable export

misconfiguration are identified. Note that AS paths observed during failures should still conform to the intended policy. Inferring AS relationships is not a perfect art, and as a result the analysis can miss misconfigurations or identify legitimate AS paths as misconfigurations. The former leads us to underestimate real misconfigurations.

4. Adverse Impacts of Misconfigurations

The adverse impacts of misconfiguration are:

Routing load – Misconfigurations increase routing load by generating unnecessary BGP updates. Many BGP speaking routers are already heavily loaded due to the rapid growth of the Internet [12]; any unnecessary load is a cause of concern in the operations community.

Connectivity disruption – Misconfigurations can disrupt connectivity, either partially (from some parts of the Internet) or globally (from everywhere).

Policy violation – By definition, misconfigurations violate the intended policy of the AS. For example, prefixes can be incorrectly leaked to the entire Internet, routes announced in error can be chosen over intended ones, and transit can be inadvertently provided to other ASes.

5. Causes of Misconfiguration

We need to understand why misconfigurations occur before we can prevent them. The aim is to be able to prevent all types of misconfigurations. Note that not all of the causes are mutually exclusive. To categorize the causes the standard classification of human errors into *slips* and *mistakes* [13] are used. *Slips* refer to errors in the execution of an otherwise correct plan. Examples include typos and forgetting a configuration command. *Mistakes* refer to errors in which the execution went as planned, but the plan itself was incorrect. Examples include implementation logic bugs and poor operational practices. It is not always possible to distinguish between a slip and a mistake; when in doubt we classify the cause as a slip assuming that the operators constructed the right mental plan for the configuration change.

5.1 Origin Misconfiguration

The causes for misconfigurations are:

Initialization Bugs: while a router is being rebooted or the filters are being updated, the more-specific prefixes present in the router's table can be leaked (pending new filters taking effect), only to be withdrawn when the reboot or update is complete. On deeper investigation it was discovered that these occurrences are the result of a software bug in the routers.

Reliance on upstream filtering: Some ASes were found to announce routes based on the assumption that they would be filtered by their upstream provider, and thus would not be globally visible.

Old configuration: A surprising cause for misconfiguration that also led to connectivity problems came to light. In some instances of this problem, operators

changed the configuration on their routers correctly, but did not commit changes to stable storage. This is a separate command on most routers, but unlike text editors, there is no warning about unsaved work. When the router rebooted the next time, the old configuration came back into effect. The router then started announcing old routes.

Redistribution: Redistribution lets an operator specify which routes learned from other routing protocols, such as OSPF, should be advertised to BGP peers. There are multiple ways of achieving this; based on the responses, it was not always possible to tell which configuration style or feature went wrong. If redistribution is not done correctly, it can lead to a large number of faulty prefix advertisements.

The following table shows the results for origin Misconfigurations [10]:

| Type | Prefixes | Classified | Misconfigurations of the classified | Non-misconfigurations |
|---------------------|----------|------------|-------------------------------------|-----------------------|
| Self de-aggregation | 8424 | 5598 | 5519 | 79 |
| Related Origin | 2341 | 1153 | 1068 | 85 |
| Foreign origin | 1951 | 642 | 535 | 107 |
| Total | 12716 | 7393 | 7122 | 271 |

Table 2: Result for origin misconfigurations. The classified column lists the number of classified prefixes, the misconfiguration column shows the number of misconfiguration and the *non-misconfigurations* column specifies the number that were not misconfigurations.

Communities: Attaching the wrong community attribute to prefixes was another major cause of origin misconfigurations. BGP communities are used by ASes to color their routes to express policies such as “don’t propagate further,” or “export only to your immediate peers” [14]. When incorrect communities attributes are attached to routes, prefixes get propagated beyond where they were intended, or worse, do not get propagated at all.

Hijacks. Occasionally, an unrelated AS announces address space owned by another AS. Although the potential to do this is a major security flaw, the more common cause of this is a typo, when the misconfigured AS owns prefixes that are similar (small edit distance [15]) to the hijacked prefix.

Incorrect summary. By applying an incorrect summary mask an AS can announce an address block that is larger or smaller than the intended block. For instance, 255.255.0.0 is the right prefix mask for 192.168.0.0/16, but using 255.255.255.0 yields 192.168.0.0/24, and using 255.0.0.0 yields 192.0.0.0/8. Fortunately, none of these events caused connectivity problems, sometimes as a result of the longest matching prefix rule. There were many incidents of small ASes announcing /8s (mostly, 6[1234].0.0.0/8) that have not been allocated to any organization as a single block.

5.2 Non-misconfiguration

Failures: Some ASes use configurations in which an announcement with a different origin or a more-specific prefix takes place during failures. The most common instance of this is multi-homing with backup for an organization that does not have its own AS number, and is thus advertised by its second provider's AS number for the duration of the failure. In some instances, even organizations with their own AS numbers were found to have backup arrangements by which their backup provider would advertise their address space on failures using a (normally less preferred) static route. A small fraction of self de-aggregation incidents are also the result of failures; when a primary link fails, announcements for more-specifics go out through the (low capacity) secondary link to maintain connectivity for the important subnets within the organization. Sometimes, failures also revealed a previously hidden origin that was announcing the address space persistently, but none of our BGP peers were choosing the route offered by it.

Testing: The second leading cause of intentional short-lived routes that were not misconfigurations was testing. Operators often test their present or future configuration on the Internet by directly applying the planned configuration changes or simulating a link failure, checking the results with route servers before returning to the base configuration. In several instances, testing was done to discover the filtering properties of the upstream providers (instead of asking them).

Migration: When moving physically to a new location, to a new provider, or to a new address space, operators migrate their networks in a way that ensures connectivity at least to the important hosts. As a result, there are windows of time during the migration phase when short-lived announcements are generated; for instance, when moving a subnet at a time.

Load balancing. Operators were also found to generate short-lived announcements in an attempt to load-balance their traffic between more than one links to the Internet. Often, this is done in an iterative fashion; by changing the size of the subset address space announced out via a particular link, observing the traffic ratios and so on. Also, when faced with a sudden shift in traffic patterns, BGP becomes a convenient tool to manage the incoming traffic.

The miscellaneous category mainly includes denial-of-service attack mitigation, and troubleshooting of routing problems.

6. Discussion

To reduce the errors user interface can be designed so that operators can get rid of the CLIs (Command Line Interfaces). The interface should take high-level languages i.e. the interface will let operators express their policy directly in a high-level form and then they can convert them to the lower level configuration. Addition of transactional semantics for configuration commands will decrease the error. Routers have got their own configuration file, ISPs have got their NMSs(Network Management Systems) and allocations and policies are maintained by IRRs (Internet Routing Registries). These databases should be derived from one another, which will decrease the error.

7. Conclusion

The goal of this study is to describe what BGP misconfiguration is. With a further deep analysis it will be easier to define a way to remove the misconfigurations and this study is a step towards reliable Internet Routing. In Bangladesh most of the ISPs do not have their own AS number. So there is always the chance of BGP woes in Bangladesh. In one phenomenon it was seen that all the ISPs are mostly out of Internet as one ISP becomes the transit of others through its tiny VSAT link. Several times a part of the Internet becomes invisible because of BGP misconfiguration.

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Life Cycle Assessment of Jute Sacks

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Abstract

In this study, an attempt has been taken to assess life cycle of jute Sack. In order to these cost of cultivation, impact during cultivation, chemical pollution from used chemicals, fertilizers and pesticides and air pollution were considered. From the analysis, global warming potential, ozone depletion and health toxicity potential were calculated based on experts' opinion. From analysis, it was found that 4.56 million people are involved considering 4-member family in the process.

Introduction

A life cycle assessment (LCA) is an evaluation of the environmental effects associated with any given activity from initial point of raw material from the earth until the point at which all residuals are returned to the earth. This evaluation includes all sides' streams releases to the air, water and soil from the production of raw materials processing of the product, the use of product and its final disposal. Life cycle assessments can be used for a number of purposes. The steps involved in LCAs for the motivation are product process improvement, cost reduction, decision making, proactive environmental concerns, customer requirement, ISO standard, determination liabilities, regulatory concerns, marketing, eco-labeling, product comparison, optimization, reducing toxic waste and waste stream management (Benerjee, 2000). Life cycle has been to be used to evaluate a city's future waste management options. It covers the environmental and resource impacts of alternatives disposal processes as well as those other processes, which are affected by disposal strategies. In Japan, environmentally conscious manufacturing, equipment, materials disposition recycling are considered by Japanese Government for electronics industries (<http://www.mcc.com/env.roadmap/roadmap.act.html>). Life cycle assessment was conducted for railways Department b railway technical research institute to measure the environmental damage by railway (<http://www.rtri.or.jp>). From the above analysis it was clear that LCAs were an obvious extension and become vital to support the developing of eco-labelling schemes. In order for eco-label to be granted to chosen products, the awarding authorities need to be evaluating the manufacturing process involved.

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In this paper, evaluation as product use from jute and its economical potentials has been presented. This paper will through an idea to decision makers about the jute as process and its environmental and social consequences.

Methodology

LCA uses system approach to identify the environmental consequence of various industrial alternatives. To express the cradle-to-grave inputs and outputs, life cycle assessment generally uses three independent stages. Those are (i) Life cycle inventory assessment, (ii) Impact assessment and (iii) Improvement assessment (Banerjee, 2000).

- A. **Inventory assessment:** The inventory analysis component is a technical data based process of quantifying energy and raw material requirement, atmospheric emissions, water borne diseases, solid waste and other releases etc. It is an entire life cycle of a product, package, process, material or activities. The possible applications for life cycle inventories are (i) To support broad environmental assessment (ii) To establish baseline information (iii) To rank the relative contribution of individual process (iv) To identify the data gap (v) To support policy (vi) To support product certification and (vi) To provide education for use in decision making.
- B. **Impact assessment:** The impact analysis is component is a technical quantitative or qualitative process to characterize and assess the effects of the resources requirements and environmental loading identified in the inventory stages.
- C. **Improvement analysis:** The improvement analysis component of the LCA is a systematic evaluation of the needs and opportunities to reduce the environmental burden associated with energy and raw material use and waste emissions through the life cycle of a product. The analysis may include both quantitative and qualitative measure of improvement.

Among the companies that are incorporating LCA into their decision-making procedure are MOTOROLA. They have developed a matrix based stream lined life cycle assessment procedure for developing design stage. Another study conducted on polyester garment indicated that 86% of the energy consumed during the life cycle of the garment associated with hot water cleaning and machine drying. It was found that the energy demand associated with cleaning could be reduced by 90% if the garment fabric could be redesigned. In this study an assessment was conducted on jute stick so that it can be make beneficiary for our people and create new job opportunity (Allapat and Dikshit, 1999). In this paper lifecycle of jute Sack is presented. This is a case study of Adomzi area.

LCA is a cradle-to-grave assessment technique. LCA methodology is consistent with the criteria described in ISO-14042. Two types of data are collected: (i) Life Cycle Inventory (LCI) data that represent the industrial system's resource and energy inputs, environmental releases, wastes, and product and (ii) environmental characterization data that can be used to determine the degree to which these input and output streams are affecting the environment. These data are then used to calculate the indicator result from each input category. The calculation of indicator results involves the following procedure:-

- (a) LCI results are converted to common equivalent units using “stressor characterization factor (SCFs)”. These SCFs are based on the relative potency of various environmental releases contributing to the same environmental mechanisms.
- (b) For each identified stressor –effect network, environmental characterization factor (ECF) are identified. These factors integrate fate and transport data with severity duration and reversibility of the measured effect.
- (c) Once the results are fully characterized for each unit process, indicator results are aggregated across all unit processes within the system.

In the case of emissions and wastes, SCFs are Ozone Depleting Potential (ODP), Global Warming Potential (GWP), and Acidification Potential (AP) etc. For resource depletion and ecosystem disruption calculation, generally Resource Depletion Factor (RDF) is used as environmental characterization factor. The calculation of indicator values is expressed by the following equation:-

$$\text{Indicator Result (IR}_i\text{)} = \text{Stress Value (SV)} * \text{Stressor Char. Factor (SCF)} * \text{Environmental Char. Factor (ECF)}$$

$$\text{Cumulative Indicator Result} = \sum_i^n \text{IR}_i \text{..across..unit..process..(n)}$$

Source: Hertwich et al, 2001 and ISO, 2000

Result and Discussion

Life cycle analysis of jute Sack was conducted based on data available in Office. Cost estimation and environmental impact assessment are main elements of LCA. Identification of pollution sources, different sources of cost, materials used etc should be presented for influence diagram of LCA. Table 1 shows the cost estimation of process. It presented a comparison study between year 2002 and 2004.

Cost Estimation

- (a) Cost of cultivation

Table 1 Cost estimation of cultivation in year 2002 and 2004.

| Cost of cultivation | Year 2002 | Year 2004 |
|-----------------------|-----------|-----------|
| A1 | 8560.00 | 10218 |
| A2 | 8710.00 | 10218 |
| Yield | 30.7 | 31.1 |
| Value of main product | 146292.00 | 2786903 |
| Value of by product | 1712 | 1984 |
| Seed cost | 17.31 | 16.00 |
| Fertilizer cost | 12.7 | 22.00 |
| Manure cost | 30.00 | 34.7 |
| Human cost | 2777 | 2900 |
| Animal cost | 496.00 | 516 |

- (b) Environmental impact during cultivation
Use of chemical endosulfan is 150-525ml/ha whereas metasystox 200ml/ha. These chemicals cause oral, dermal effects on fish, bees and birds.
- (c) Cost of chemicals
Methane production rate is 1-2 m³/kg of solid waste (Alam, 1996). According to EPA (2000), average 1.428kg methane per kg of jute fibre change BOD, COD, TDS and TVS and total available nitrogen in sedimentation tank. The results of change of BOD, COD, TDS etc are shown in the following table 2

Table 2 Concentration of different parameters of water sample

| Parameters | Initial Concentration mg/l | Final concentration mg/l |
|------------|-------------------------------|-----------------------------|
| BOD | 55 | 595 |
| COD | 135 | 1385 |
| TDS | 110 | 305 |
| TVS | 30 | 195 |
| TAN | 82 | 429 |

TAN= total ammonium nitrogen

The results of change of above parameters are (i) Discolor of water (ii) Sludge from jute plants is 3t/ha. and (iii) Jute removes about 1.2 tons of CO₂ for each ton of fibre production (Alam, 1996)

Assuming 80% of dry stick is burnt by fuel and remaining 20% left on ground.
Tons of CO₂ per ton of jute fibre = $1.2[1-0.15*0.8] = 1.06$ tons.

Function of different units of Sack manufacturing are (i) Softening: Pass through the heavy roller, (ii) Piling: - Conditioned for 24hrs (iii) Carding stage: - Hard roots are cut out (iv) Drawing: - The width of silver is reduced to three stages (v) Spining: - Yarn is produced (vi) Winding: - Spools are formed and (vii) Dressing, Calendaring, Cutting, Sowing and Baling.

Total cost of manufacturing = Tk. 42000 (Alam, 1996)

Environmental Impact during Jute Sack Manufacturing

(a) Energy and water consumption

(b) Air pollution

| | |
|----------|----------------------------|
| Batching | 10 mg/m ³ dust |
| Spinning | 7 mg/m ³ dust |
| Weaving | 1-2 mg/m ³ dust |

(c) Noise pollution

| | |
|----------|--------|
| Batching | 30dBA |
| Spinning | 80dBA |
| Weaving | 90 dBA |

(d) Water Pollution

| | |
|----|------------|
| Hg | 0.04 mg/kg |
| Pb | 125 mg/kg |
| Cd | 0.02 mg/kg |
| Cr | 35 mg/kg |
| Cu | 1770 mg/kg |
| Zn | 1030 mg/kg |

Post Sack manufacturing phase

Generally jute bags are traded in bales. The following environmental impact occurs during use and disposal of jute sack:-

- ❖ Batch oil, Lubricating quality, Low viscosity, Odor, Light color and Specific gravity of 0.85-0.88

Different Environmental Impact Categories were identified in this studied by experts opinions (36 EPA experts who are belong to University Teachers, Consultants, NGOs' Director). Those are Global Warming (GW), Ozone Deletion (OD) and Human Toxicity (HT).

Category Indicator Values= (SV or LCI)* SCF

| | | | | | | |
|-----------------------------|----|------|-----------------|-----------------------------------|-------|-----------------|
| Category Indicator Values = | GW | 1 | CO ₂ | Dust | X | CO ₂ |
| 2100kg | | . | 1400 | | | |
| 0.5kg | | OD | | 1.1 | 0.6 | Dust |
| 0.3 kg | | HT | | 14000 | 12000 | X |
| | | = GW | | 2800kg-CO ₂ equivalent | | |
| | | OD | | 0.73 kg | | |
| | | HT | | 10600 kg | | |

$$\begin{aligned}
 \text{Indicator Result IR} &= \text{Category Indicator Values} * \text{ECF} \\
 &= \text{GW} \cdot 2800\text{kg-CO}_2\text{equivalent} * \text{GW} \\
 \text{OD} \quad \text{HT} & \\
 800 \quad 0.4 & \quad \text{OD} \quad 0.73 \text{ kg} \quad 0.2 \\
 & \quad \text{HT} \quad 10600 \text{ kg} \\
 &= 560 + 584 + 4240 \\
 &= 5384
 \end{aligned}$$

An arrow indicates the direction of causation between a causal variable and an effected variable. A plus sign near the head of an arrow indicates that a rise in the causal variable value heads to a rise in the effected variable value.

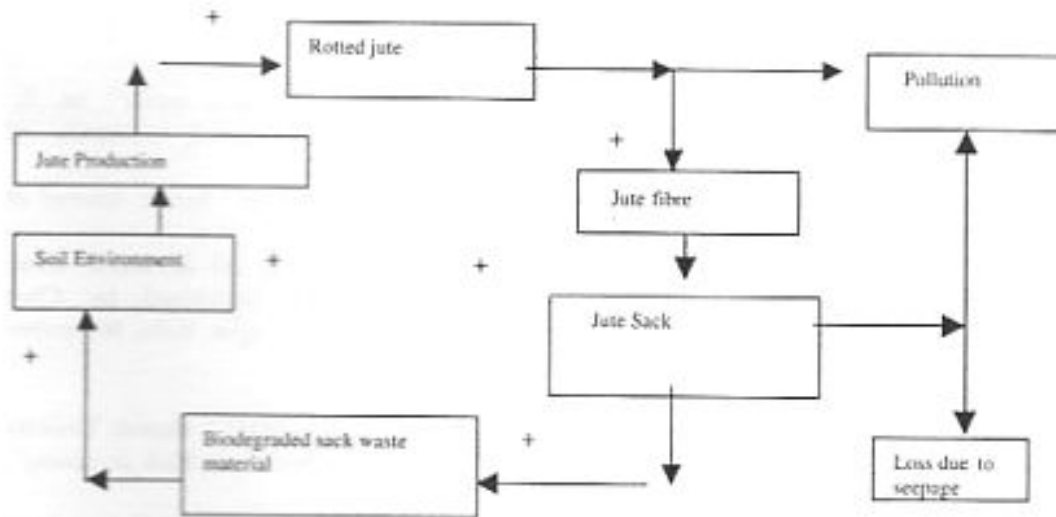


Figure 1: Life cycle influence line for Jute Sack

Social benefits

Our estimation only concentrated on employment. From the data available from the Jute mill, it is clear those 4 million families, 0.25 million people are engaged in production.

Production of raw Jute = 7.675 million bales = 7.675×180 million kg = 1,318.5 million kg

Per hector production = 1,910.96 kg

Total man hour required for production = 1517.71 for cultivation

No of person employed in cultivation = $(1381.5) / (1910.96) * (1517.71) / (8 * 120) = 1.14$ million (Considering 8hr/day as a working hour and 120 days required for cultivation)

Considering 4 member family = 4.56 million people.

Conclusion

Jute is causing environmental pollution. It is clear from the analysis that discolors of water, about 1.2 tons of CO₂ for each ton of fibre production are the major matter of concern. Methane generated from jute fibre change BOD, COD, TDS and TVS and total available nitrogen in sedimentation tank. Use of chemical endosulfan and metasytox causes oral, dermal effect on fish, bee and birds. Different Environmental Impact Categories were identified in this studied by experts opinions. Those are Global Warming (GW), Ozone Deletion (OD) and Human Toxicity (HT). From these index values, indicator result (IR) value was found to be 5284. This indicates a matter of concern according to EPA. Although the whole process has positive social impact. Considering 4 member family, it was found that 4.56 million people are being benefited from the process.

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