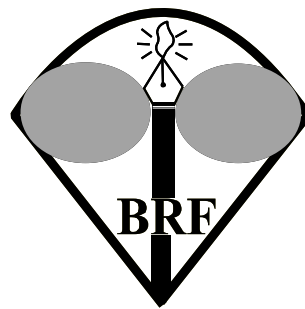


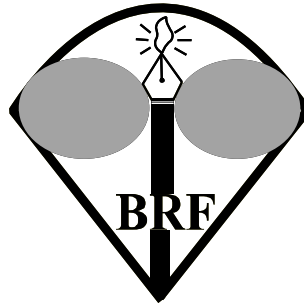
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Power, Colonization and Racism in Nadine Gordimer's *July's People*

Md. Abdul Karim Ruman*

Abstract

Nadine Gordimer's July's People represents the inversion of the colonial and subsequently the racial power-play in South African context whose history till 1990s was a chronicle of racism, violence, bloodshed, slavery, oppression and exploitation of the black natives by the white English colonizers. By putting the text into the colonial and racial context, this essay explores how all such inversion and reversal of power-play have affected the Smales family, the white refugee in the black community of July, their servant. It also suggests Hegelian dialectical collapsing of the white's prior position of master and July's prior position of slave; and thus metaphorically foreshadows the re-making of history or decolonization in South Africa.

Keywords: Power, colonization, racism, apartheid, South Africa.

Using Historical materials, Michel Foucault argues that the forms of power that are at play have undergone a transformation over the past few centuries. Being written in the realistic context of 1970s, Nadine Gordimer's *July's People* is a novel visioning the inversion of the colonial and subsequently racial power-play in South Africa whose history since the advent of colonization till 1990s had been nothing but a chronicle of racism, violence, bloodshed, slavery, oppression and exploitation of the South African blacks by the white English colonizers in general. In this narrative, the blacks become revolutionary and the whites are placed aside. Thus, the whole scenario turns into a subverted topsy turvy situation: now the blacks become powerful whereas the whites powerless; slaves replace masters' position and vice versa; the blacks are in relaxed mood, while the whites are struggling for existence; the blacks become oppressor, while the whites oppressed. In this essay, I would explore how all such inversion or reversal of the colonial and the racial power-play affect the refugee Smales in the county of July's people and thus metaphorically foreshadow the re-making of history or decolonization. My hypothesis is that the Smales' displacement to July's village and their subsequent reliance on him as their translator and protector dramatize an inversion of power that suggests Hegelian dialectical collapsing of the Smales' prior position of dominance and July's prior position of subordination; i.e., master-slave relationship.

As the plot unfolds, we come to know that the Smales were the members of a suburban, upper middle class white family living in South African turmoil. Recently the racial war in the form of decolonization has forced them to flee from their home. When the rebel black armies in Soweto and other areas of South Africa revolted against the government and the white minority through attacking the radio and television stations and burning their homes, the Smales needed to get out quickly.

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Their servant July with whom they always treated well and had a very uncommon relationship offered to guide the victim family to his remote village. The Smales, having no other options, accepted July's offer and ran in haste and confusion to the dearth village. They knew little of the drastic adjustments they would have to make in order to survive in July's rustic village. This essay reflects how this adjustment soon threatens their relationship with one another on the one hand and their family's structure on the other. It also explores the true horror and terror these people experience, especially the dethroned Smales in the deteriorating context. In fact, conflicts arise mostly with Maureen when she realizes that her role is changing due to the inversion of the colonial and racial power-play.

Ironically, at the social level the present relationship of the Smales family (especially Maureen and Bam) with their servant July implies the relationship of dependence, defiance, communication and miscommunication. It also dramatizes the broader political, economic and sexual power dynamics underscoring the white's racial rule of 'apartheid' and the black's resistance to it. In other words, the 'master/slave' relationship translates or maps onto comparable relationships of power. I would relate their relationship with the historical moment of revolutionary transition in which Gordimer has written; and thereby analyze her novel from dialectical materialistic perspective. Again, from Marxist point of view, a culture or race is determined to be 'powerful' in terms of money. And the more materials it possesses, very often the more it exploits that race/culture whose possession of money/material is less than itself. Thus, the economic distinction creates the class division and the inevitable power-struggle arises. In this context, the whites are greatly shocked at the adverse situation where they have lost their powerful position as colonizers, and are trying to adjust with this inversion of power-play. In fact, here the power relations of society are revealed as hollow.

Now as the balance of power shifts, the former masters and the former servant must re-think the structure of their new relationship and the Smales must be confronted with their most basic assumptions about the way that the blacks and the whites should interact. In this regard, Gordimer employs a paradoxical mingling of 'continuity' and 'change' in order to introduce the Smales' unsettling immersion into a foreign class structure. The setting changes: an abrupt transition between "the knock on the door" (Gordimer: 1) and the non-equator that follows ("no door") not only foregrounds the correspondence between the place and the formation of identity, but also introduces the inversion of power that characterizes the Smales' new dependence on July. In other words, whereas the "master bedrooms" of Johannesburg provide a setting in which the Smales exercise authority over July, their displacement to his village suddenly invests July a degree of power over them like Hegelian 'Dialectical Materialism'. And yet July's broken English in the first line of the fiction "You like to have some cup of tea?" (Gordimer: 1) underscores the language barriers that somewhat limit his recourse to the power.

Again, among the many implications of the master-slave dialectic, there is the idea of having reciprocity or mutual dependence between the master and the slave; rather than a blanket opposition of dominance to subordination. The slave ironically shares with the master's power, because the master defines himself only in opposition to the slave. According to Hegelian dialect, the 'thesis' of the Smales and the 'antithesis' of July are merged into a 'synthesis' in which both fashions depend upon each other for the formation and legitimization of identity. The master-servant relationship and its complicated systems of dependency and complicity thus function perhaps as a metonymy for the broader power struggles that can be 'displaced' or mapped onto other contexts- namely the relationship between the colonizer and the colonized, the white and the black etc.

The impact of power-reversal and consequently the material deprivation and difficulty of adjusting to dependency on their former servant July leads to Bam and Maureen's losing their self-image as independent, gracious, powerful and liberal citizens. First, Bam and Maureen lose a sense of each other as husband and wife; then they lose their sense of personal identity. Bam changes from the active and powerful personality to the passive and defeated one. Similarly Maureen, after several unsuccessful attempts to create a sense of place for herself in the African village, opts for a radical rejection of her current position through her dash for the "helicopter" (symbol of revolution and escape), leaving her family behind and forgetting her responsibilities to them. Besides, regarding displacement of power, Bam feels disoriented and disturbed. But as a practical man he tries to cope with the situation more than others of his family. In contrast, Maureen, the most miserable victim of disorientation, can never leave her racial trait that resides inside herself. However, feeling alienated and uprooted, both always feel a sense of escape from this degrading and inverted status.

Thus, Bam and Maureen react to their situation in extreme ways, some similar and some dissimilar. The most radical adjustment in which the couple has the greatest trouble in accepting—is their newfound subservience to July. He has become their host, their savior, and their keeper. When July realizes the power he now holds, he takes advantages of the situation. Whether it is done intentionally or unintentionally, it is hard to decipher. Bam and Maureen are extremely frustrated over their loss of superiority and control, and their true racist views are uncovered and made far more obvious than when they were living in the city. Despite the fact that the Smales are the most intellectual people in the black community in which they now reside, they remain subservient to the villagers and have almost no influence over them.

Now I would focus on the universal phenomenon that power corrupts and shifts, and thus affects human psychology. In this regard, it is used both as a means of oppression and resistance/vengeance. Here, it is apparent in July who uses and abuses power in different circumstances. It is as if the inversion of power and strength were emerged as a blessing (for him) from God as a reward of the black's having been oppressed, degraded and subordinated by the whites for hundreds of years. Therefore, several objects in the novel can be invested with symbolic power. For instance, Gordimer presents Bam's gun and the yellow bakkie (and its keys) as objects that represent power in the narrative. At the beginning of the plot the Smales family owns these objects; and as the plot develops, their grasp on these objects of power becomes more fragile; and July and other blacks assume the ownership of those. So the transfer of ownership, like the parallel transfer that occurs in Johannesburg, is uncomfortable for the whites involved. July also experiences a sort of discomfort as he gains power in the form of the keys.

The characters in the novel are continually forced to negotiate with one another about the new circumstances, and Gordimer makes use of the awkward communication between the whites and the blacks that results from a new power-structure and the language barrier between them to illustrate the discomfort of that negotiation. In Gordimer's words: "There was the moment to ask him [July] for the keys. But it was let pass" (Gordimer). Again, the inversion of power-play is evident from July's assertion of self-power regarding the bakkie:

If they catch you, without a license...
He laughed....Who's going to catch me? The white policeman is run away
when the black soldiers come that time. Sometime they take him. I don't

know...No one there can ask me where is my license. Even my pass, no one can ask me any more. It's finished. (Gordimer: 59)

After July laughs and talks about how he is not to blame for vehicular violation as there is no longer any white system of authority to stop him, the conversation becomes extremely difficult. July does not come right out and tell Bam and Maureen that he can do what he pleases, whatever they might say. July masks his revolt against the Smales' (by this time non-existent) authority by talking around it. He acts as though there were an understanding they have reached together, that he is only acting as if he had taken control of the bakkie; but that it, in fact, still belongs to them.

Thus, the key symbolizes the inversion of the power relationship between the blacks and the whites. It must also suggest that the key is just to enter into something and to initiate the new power-structure, but a long way is still remaining to pass. He makes clear that he is in possession of the power now, or at least capable of being in possession of something which amounts to the same thing. The keys and the car are July's if he wants them to be, though he returns them at the end of this exchange. The scene in which he returns those, Gordimer depicts it in such a way that July seems to lend the car to the Smales for the time being.

Meanwhile, there is a look back in anger when Bam discovers that July has taken the bakkie without his permission. Bam reacts like a typical alpha male: "Bam got up and had the menacing aspect of maleness a man has before the superego has gained control of his body..." (Gordimer: 39). But nothing comes from Bam's attempt to be the big man; he comes to realize the futility of any violent action in his current situation. Deprived of his last and most potent means of male authority, Bam drifts into a maternal role: not loving one, but detached one. For instance, in his final scene Bam appears to serve food to the children wordlessly. The silence with which he performs this motherly duty creates a sense of detached resignation, almost as if Bam were mourning for his manhood. On the other hand, Maureen renounces virtually all her motherly responsibilities, experiences an "explosion of roles" (Gordimer: 117) and cannot adapt like the other members of her family with the environment and starts losing her mind. Thus, being unable to make sense of her life or fit into the village (e.g., the "gumba-gumba" gathering took no more notice of her than of the dogs and children), she gradually loses her rational faculty and becomes disoriented. And when the helicopter arrives, she is certain that she is tired, filthy and helpless. She runs after it in the absence of any meaningful identity.

The visit to the Chief of July's community is another significant event in the narrative. July lets Bam drive this time, which is an unusual and rather important change. Bam thinks that the Chief is going to expel him and his family from the black community in which they have found refuge, but decides against telling his wife or family about it in order to keep them calm. July introduces Bam to the Chief saying: "Chief, this is the master" (Gordimer: 111), an expression which the Smales absolutely hate. This is another reference to the sudden shift in power and change in the relationship between the Smales and July that have occurred because of the trip to the Chief. The meeting is in fact over the gun, which is still another possession of the white family signifying power that is soon to be lost by it and gained by the blacks.

A few days later, Bam's gun is stolen from its hiding place in the hut. Bam is completely caught off guard because he feels that no one in the village knows where it was, which reiterates his ignorance towards the fact that in the village there is no privacy. Maureen becomes angry and leaves her husband in the hut to go and inquire about the theft. She finds July near the bakkie and argues with him that Daniel must

have taken it. July claims to know nothing about the gun or Daniel's whereabouts, but finally breaks down and tells Maureen that Daniel left to join the black army a few days earlier. The last of their possessions has been stripped and the Smales wonder if this feeling of worthlessness and inferiority is something that July, his people, and the entire black race have been experiencing all along. Maureen, unlike her husband Bam, is unable to control her feelings and emotions in reaction to the situation. By the end of the novel, all authority and power, symbolized by the bakkie and the gun, have been transferred to July's people. So Bam weeps openly in front of his children. And, he and Maureen interact "as divorced people might" (Gordimer: 140). Their relationship becomes one composed of indeterminate pronoun: "Her. Not 'Maureen'. Not 'His wife'" (Gordimer: 105). Maureen goes to July and demands that he return the weapon. This time she approaches him as one conscious of a shared past that can never be reclaimed. Maureen accuses July of stealing rubbish from her home too. All he can manage in response is, "You" before slipping into the eloquence of his native tongue: "I must know who is stealing your things...You make too much trouble for me. Here in my home too...Trouble, trouble from you. I don't want it any more. You see?" (Gordimer: 151). Clingman aptly characterizes July's furious venting as an aching gun barrage of words. July's weapon hits its mark. Maureen understands the meaning although she knows no word. Similarly, how powerless now Smales are, is evident from July's statement (at the beginning) to his people: "They can't do anything. Nothing to us any more" (Gordimer: 21). In reality, the Smales have limits as though they were criminals locked in prison and being punished. They are bound to the village by the restrictions of the events surrounding them; e.g., the bombings, the riots, and the fires. Likewise, July is also disgusted and bored with Smales towards the end. It is apparent as he protests against Maureen's suspicion of his counter-revolutionary (or neo-imperialist) people about the missing of the gun, which was, in fact, the emblem of colonial rule and power.

Again, whereas earlier in the novel Maureen's English "broke the cadences" (Gordimer: 20) of July's language, here the tables of linguistic power are turned. July's native cadences surrounded Maureen, leaving her for the most part powerless. Gordimer nonetheless empowers July with a language of revolutionary mobilization: "his face flickering powerfully" (Gordimer: 152). The passage itself functions as the root of the power-play inversion between the Smales and July. Besides, whereas earlier July had been content to communicate with the Smales by a minimal series of monosyllabic English answers, here he reclaims the agency of native language in order to assert his authority over them.

To conclude by restating Foucault, power circulates within institutional context and here it is South Africa. And when power is inverted, it greatly affects the psychology of those who exercised or manipulated it before; and often we cannot but sympathize with them. On the other hand, those who achieve it newly at the cost of blood are naturally willing to manipulate it as a means of revenge for their lifelong exploitations by the exploiters. In brief, *July's People* is a story of the reactions, adaptations, and survival of Bamford and Maureen Smales to the life they have found in a black village after being thrown away from their middle-class white neighborhood. On the one hand, Bam's adjustment to the new life with July's people is much easier than that of Maureen because he can handle the situation rationally by attempting to become a part of the community without letting his emotions get the best of him. Maureen, on the other hand, cannot adjust to the reversed situation and becomes insane because she cannot accept a life without 'superior' racial identity. Indeed, this alteration in her lifestyle is completely unbearable and she cannot survive without the power, control, and luxuries she once had. As a result of the radically different reactions and adaptations of Bam and Maureen to the life in July's village, their relationship with one another is almost disintegrated. Thus, the overall impact of

inversion of the colonial and racial power-play in this visionary narrative is negative, horrifying, and pessimistic.

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River Erosion and the Sufferings of Women: Bangladesh Perspective

Siddiqur Rahman¹

Md. Abdul Kader²

Md Miraz Hossain³

Abstract

Every year rivers erode away a substantial tract of land in Bangladesh and have devastating social, economic and political impacts upon the population. This article deals with the condition and suffering of the displaced people, specifically women caused by riverbank erosion. River erosion changes the relation among the neighbors and sometimes it is the cause of breakdown of their relative's relation. It also changes their behavior pattern. They try to survive their families from the destruction but mostly they fail. Their employers hire them for lower wages as a surplus in labor. Thus disaster changes those who previously had land and home to become street dwellers that have no economic asset to survive. So, mostly they migrate to big cities for survival. Here again, most of them cannot adept with new environment. They also face various insecurity and identity crisis. They are defined, sealed and constructed with negligence by society and they do not know how to overcome this. In a word, losing their land and dream they fall in a different world. Hence, the employment status, economic condition and helping hand for displaced women have been examined in this field research. The findings consistently support their disadvantaged position. Most of them complain they do not get any help or shelter from the government or political leaders. In these circumstances, the government as well as people in general should take proper initiatives or incentives for these river eroded people.

Introduction

The number of populations in Bangladesh is over 149 million¹ and more than 49 percent of that is women. Eighty percent of the total populations are rural who are wholly dependent upon small land holdings. Each year the country's three major rivers, the *Padma*, the *Jamuna* and the *Meghna*, and their distributaries erode away a substantial tract of land and have devastating social, economic and political impacts upon the population. All natural disasters, although are not equally devastating, cause significant destruction from time to time. The impact of disaster is even more complex. Indeed, disasters bring changes in socio-economic relations and accelerate the process of pauperization in the society.² Again, variation of vulnerability and sufferings occurs due to difference in sex, age, ethnic backgrounds and class difference. Due to these differences the behavior of people also differ.³ The aim of this article is to point out the condition and sufferings of the eroded women caused by riverbank erosion. The suffering of women due to riverbank erosion is not a new phenomenon in Bangladesh and at present this problem is becoming more and more serious affecting a growing number of populations in a number of places. River erosion changes the relation among neighbors and sometimes it is the cause of breakdown of relative's relation. It also changes the behavior pattern and normally river erodes people known as special name. It is the symbol of negligence and they

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cannot live with the same society like others. On the other hand, the economic activities of the people in Bangladesh are related to the amount of land they own. Hence, the employment status, economic condition and helping hand for displaced women have been examined. The results consistently support the disadvantaged position of displaced women. Women try to survive their families from the destruction of river erosion but mostly they fail. River takes their bag and baggage. After river erosion their families fall in great economic crisis. In general, displaced individuals, including women and children, have to work harder for their livelihood. In spite of their hard work they still account for higher percentages in the lower categories. This may imply that displaced ones are not only the victims of erosion by losing their lands and homesteads. Besides, the larger farmers who are the employers hire them, the newly formed landless group, for lower wages as a surplus in labor. In this sense we can enter into a decision that the sufferings of river eroded women are beggar description.

River Erosion: A Theoretical Framework

The riverbank erosion is one of the major geographic features in the humid tropics. Erosion is a comprehensive term meaning wear and tear of the land or surface of the earth through various geomorphic processes and it includes the displacement and removal of the eroded materials. More technically, erosion is restricted to the acquisition of materials by a mobile agent.⁴ Factors that affect the credibility of the bank are the cohesion of the bank material, running water, ground water, type of vegetation seepage forces, waves and current action, gravity and local geology, etc.⁵ Bank Erosion is very dependent on the behavior of the river bed during flood stage and the subsequent fall of the river. As a matter of fact, bank erosion is common to all rivers and especially the *Meghna*. Since the long past it has been experiencing severe erosion which is evident from its continuous channel shifting.⁶

Methodology

Research Area: As the research area of the study, a typical village named North Bogola Kandi in *Chor Vairobi* under *Hyamchar* Thana of *Chandpur* district has been selected. The village is situated at the southern side of *Chandpur* district. The total populations of the village are 755 out of which 350 are female. The total area of the village is about 1.5 square kilometer. Some local institutions, like mosque, *maqtab*, *madrassa*, boy's club and some NGOs as *Grameen* Bank, BRAC, DISA, *Proshika*, Bureau *Tanjail* are functioning in the village. There is no primary or high school in the village. Radio, television and mobile phone are the main communication media of the village. Most of the female of the research area are housewives and illiterate. Launch is the vital transport in our research area and boat is also used by local people. This village is affected by the *Meghna* riverbank erosion in different times.

Sample: The sampling design for the area was a two-stage stratified random sampling. The first-stage unit was family and 160 families were selected by preliminary survey. The ultimate sampling units were an individual female aged 18 and above who were randomly selected from 150 families. The total sample unit was interviewed through direct questionnaire. Apart from that, observation method was followed by the researchers in respect of conditions of the villagers. Besides the primary data, relevant records were reviewed to furnish the report.

Specification of the Variables: In this study river erosion has been taken as independent variable. The dependent variables have considered here social and economic status of women.

River Erosion and Sufferings of Women

When we see the concept of river erosion, it appears that some people are displaced from their land. Conceptually it is easy to say, but in the eye of river eroded people, it appears crueler, more victimized, more down dumping. Because river erosion pushes them to a deplorable condition for which they were not ready. Disaster changes women, who previously had land and home, to become street dwellers who have no economic asset to survive. This change of situation brings changes in all aspects of life, moral, economic and social. Women who were used to perform work related to land, production and peasant economy, are now ready to do any work for survival. However, it is observed that women face the changed reality with different attitude. When men mourn for their economic loss and honor, women suppress emotion and become overactive to perform their roles as wives and mothers. River eroded women are socially separated from other people only because they are victims of river erosion.

Table 1: Victim's Experience of Riverbank Erosion

Level of Support	Total	% of Total
One Time	7	17.5
Two Times	9	22.5
Three Times	8	20.0
Many Times	16	40.0
Total	40	100.0

Table 1 demonstrates that out of 40 respondents, 17.5% respondents are affected by riverbank erosion in one time in their life. 22.5% are faced with riverbank erosion two times, 20% are three times and the rest of 40% respondents are faced with river erosion many times in life. From this table the row 'Many Times' defines that not only four or five or six times, rather it implies foremost twelve times. Some respondents have experiences of twelve times river erosion and they lost their bag and baggage twelve times from time to time.

Table 2: Shelter Pattern at the Time of Riverbank Erosion

In respect of shelter place pattern Table-2 demonstrates that the highest percentages (45%) of the respondents took shelter at the time of River Erosion in their 'Relatives House'. Another 10% and 17% respondent took shelter in 'Rescue Center' and 'Neighbors House'. Only 28% took shelter in 'Others' places. 'Others' means neighboring village, personal land, government land, UP's land, etc. If we see the chart we find that river eroded people took shelter more in relatives house than others. It shows us the lack of rescue center in *Bogola Kandi*.

Table: 2

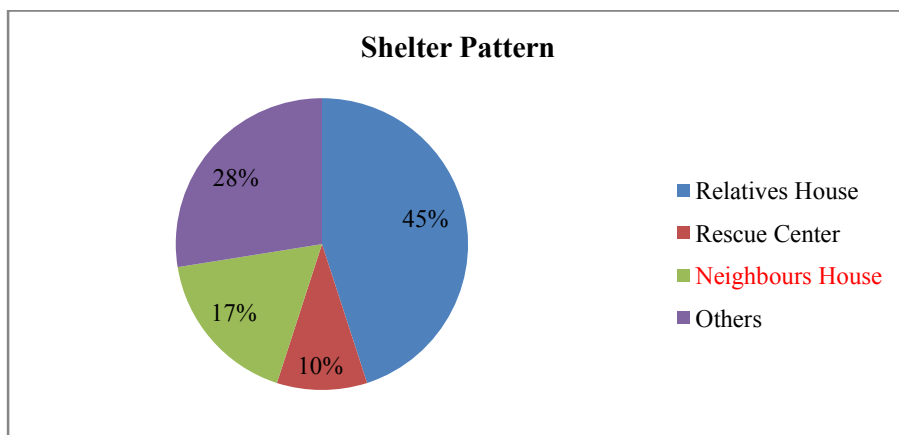
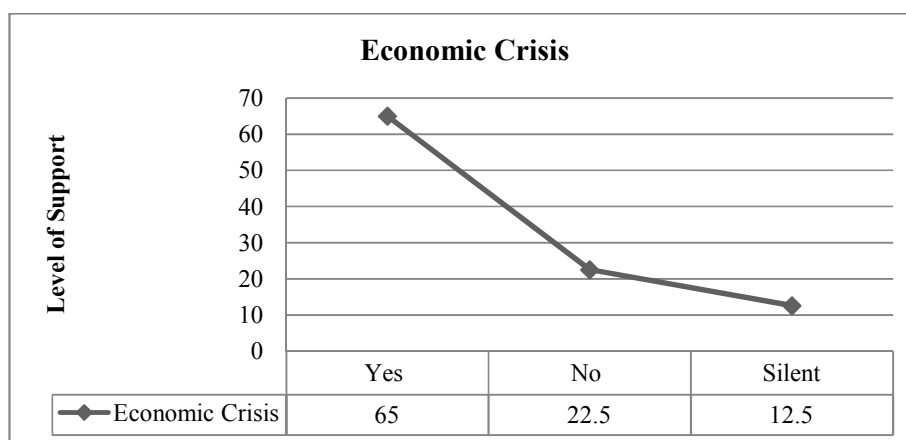
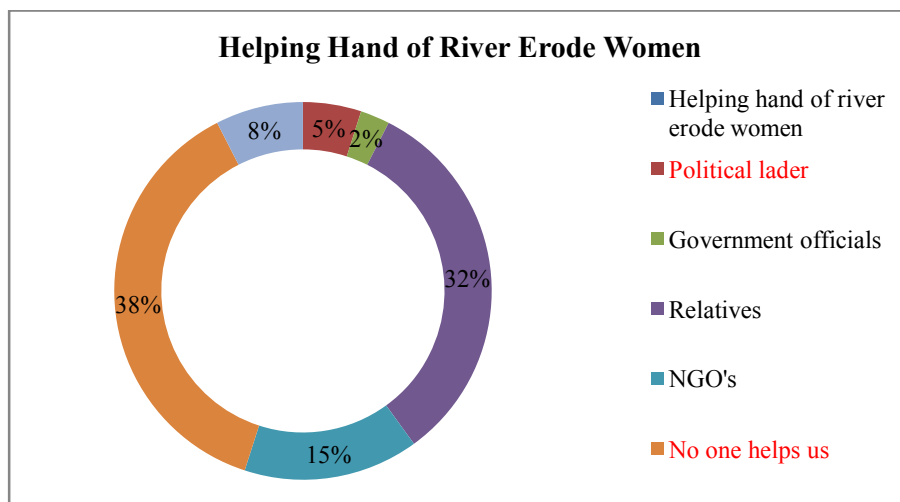


Table 3: Economic Crisis (in %)



Economy is the ‘Basic Structure’⁷ of any society, any country. In our civilization, without money nothing is going to be happened. All of the river eroded women firstly fall in economic crisis after river erosion. Owing to their husbands' unemployed status they cannot manage their family. Chart 3 shows that most (65%) of the family fall in economic crisis. The other 22.5% respondent’s status is ‘No’; that means they did not fall in economic crisis in the time of riverbank erosion. 12.5% respondents are silent in the time of this subject.

Table 4: Helping Hand of River Erode Women (in %)



When river hits the bank of no way to flee, it takes away all things with its destructive character. It takes people's small piece of land, domestic animal, household materials, etc. In this time river eroded families, especially women, fall in great difficulty to maintain their household activities. They have no way to take or buy their food, pure water or daily livelihood materials. So external helps need to survive them. Chart 4 demonstrates that 38% respondents did not get any help from other. On the other hand, 32% women respondents recognize that they were helped by their relatives and 15% women were helped by NGO's. At last 8%, 5%, 2% respondents were helped by others, political leaders and government officials. It is pathetic scene from chart 4 for mankind that most of the river bank eroded people did not get any help or shelter from government or political leaders.

Table 5: River Erosion Changes Social Status of Women (in %)

In our society women face various insecurity and identity crisis after river erosion. River erosion changes their social status and they become disconnected from the society. The respondents were asked whether riverbank erosion is the key of hampering social status. Majority (65%) of women responded that they were faced with social status crisis, 20%'s answer was 'No', 10% respondents were 'Silent' and last 5% women responded with 'No Answer'. Overall Table 5 shows that river erosion is the major variable to change women's social status.

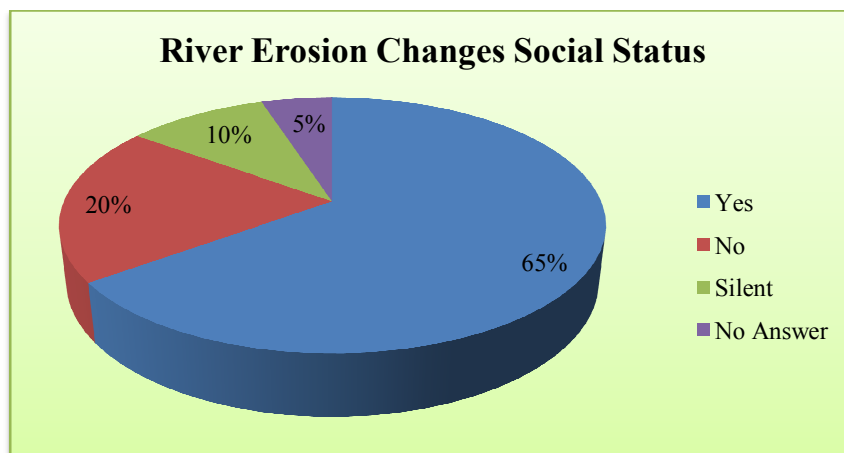
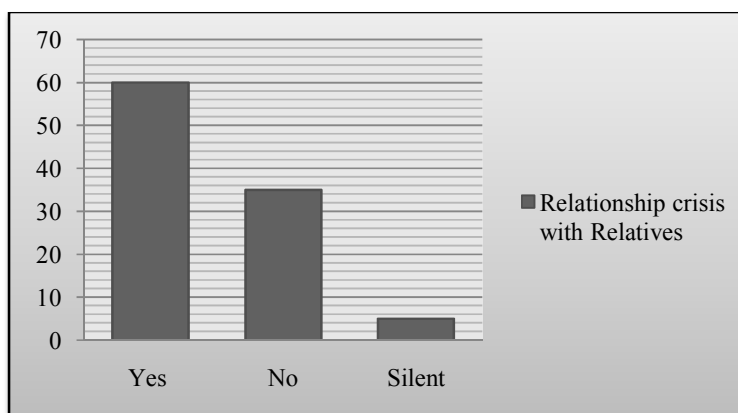


Table-6: Relationship Crisis with Relatives (in %)



In the theory of Karl Marx, basic structure maintains the status of super structure.⁸ So social status is utopia with river eroded people. Chart 5 shows that majority (60%) of respondents newly face crisis of relation with relatives after river erosion. 35% women respond ‘No’ and 5% behave in ‘Silent’. Respondents also share their experience that some relatives break up their relation and some time people try to hide their relationship status.

Table 7: Known to Special Name (in %)

In our country normally river eroded people are defined by special name. In *Sirajgong*, river eroded people are known as ‘Utli’⁹, in *Pabna* they are known as ‘Gang-Vangoni’¹⁰ and in *Manikgonj* they are known to be ‘Nodi-Vangoni’¹¹. In our research area *Bogola Kandi*, most (92%) of the river eroded people are known as a special name ‘Choura’.¹² It is obviously the sign of negligence and mostly they are harassed by such type of name. For this sign they cannot make new relation with others. Only 8% respondents say that they are known by some other name such as ‘Udbastu’.¹³ River eroded people are defined, sealed and constructed with negligence socially and they do not know how to overcome this. They fall in a different world, in different environment.

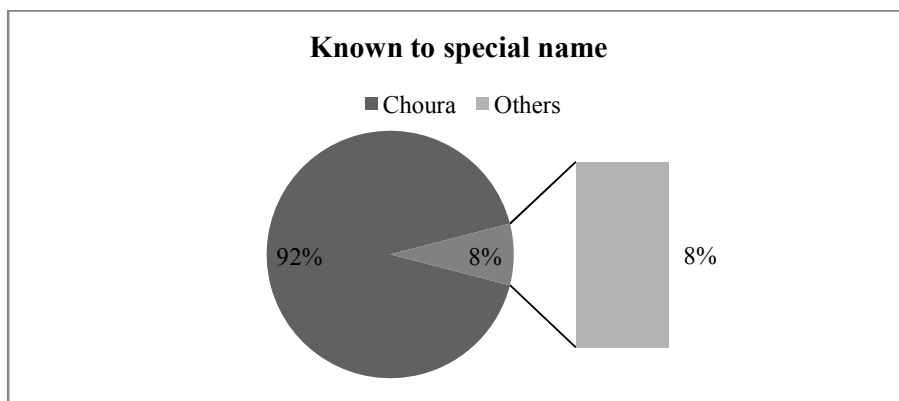
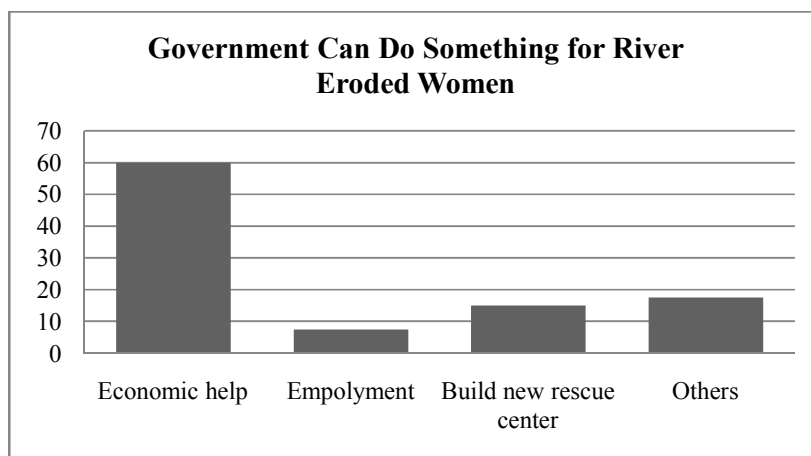


Table 8: Government Can Do Something for River Eroded Women (in %)



It is the situation of river eroded areas that government initiatives or incentives are vastly required. All people lost their land, and lost their dream also. They need direct and intensive help for recovery from their situation. Chart 8 shows that 60% women propose for economic help from government. They explain that economic help is required so that they can buy land and make a shelter. 7.5% respondents say for employment and 15% respondents say government should build new rescue center. Last 17.5% respondents answer for 'Others'.

Conclusion:

There is no doubt that the riverbank erosion does have a devastating economic impact on the displaced population. At the micro level, the erosion increases the percentage of landless and also contributes to the surplus agricultural labor force. This in turn becomes responsible for severe underemployment among the agricultural laborers and further improvisation of the rural population. Majority of the people have been moving from one place to another. They also tend to have experienced change in their life style with intensity and number of incidence of erosion events. On the other hand, river eroded people are separated from social system. River erosion makes them alien to other and defines them as 'Choura'. They lose their platform to survive and live in peacefully. As a result, mostly they migrate to big cities for survival. But we see most of them cannot adapt with new environment, new society or new life style. In these circumstances, we should raise our voice in society for river eroded people and government should take proper initiatives for them, especially women.

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13. 'Udvastu' is also local name of *Chandpur*, local people use for landless people.

Impact of Foreign Aid on Economic Growth and Development: A Literature Review Focusing on Asian Developing Countries

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Khan Mehedi Hasan²

Abstract

The main purpose of this study is to reveal the relationship and causality between foreign aid, economic growth and development focusing specially on the Asian developing countries based on the existing literature. The study mainly covers different cross-country econometric studies on the issue of aid-growth relationship in developing countries to have a general idea about the debate of how foreign aid affects economic growth and development. The study also covers country specific studies on the impact of foreign aid on economic growth on different Asian developing countries. In this regard the study gives special focus on Bangladesh, Pakistan and other South East Asian countries. The study finds that the impact of foreign aid on economic growth, in general, is both positive and negative in different cross-country time series analysis. The study also finds the same result for existing literature on some South and South East Asian developing countries like Bangladesh, Pakistan, Thailand, Indonesia, and Philippines etc.

Key Words: Foreign Aid, Economic Growth, Time Series Analysis.

1. Introduction:

There are some controversies among different scholars regarding the impact of foreign aid on economic growth and development in general. Some researchers argue that foreign aid has a positive effect on economic growth as well as development. And some scholars have the opposite stance regarding this issue and claim that foreign aid negatively affects the economic growth and the pace of development of a country. And this issue is also related to the way of analysis; e.g. micro-level or macro-level analysis. Most of the micro-level (project level) studies show positive impact of foreign aid on developmental outcome in the aid recipient countries. But on the other hand, most of the macro-level studies (either country level or cross country level) show a mixed result. So, it is clear that a review of the existing literature on aid-growth nexus has two easily distinguishing views, the traditional pro-aid view and the radical anti-aid view. The traditional pro-aid view advocates aid on the premise that it complements for domestic resources, helps to ease foreign exchange constraints, allows modern technology and managerial skills to transfer, and facilitates greater access to global markets, all of which contribute to economic growth (Chenary and Strout 1966, Papanek 1972, 1973 etc. in Quazi 2000). On the contrary, based on the empirical results, the radical anti-aid view claims that foreign aid substitutes domestic savings, increases income inequality, allows transfer of inappropriate technology, finances ineffective projects, gives incentives to rent seeking and in general helps sustain inefficient and more corrupt governments in the recipient countries which ultimately stimulates negative effects on economic growth

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(Griffin and Enos 1970, Weisskoff 1972, etc. in Quazi 2000). In these circumstances, this study does a literature survey on this issue to have a clear idea about the debate.

2. Objective of the Study:

- To find out the relationship and causality between foreign aid, economic growth and development based on literature survey.

3. Methodology

The study is a desk study in nature. The study collects the related literature from different sources like different journals and websites. Then the authors review all the related literature collected on the topic and analyze accordingly to have a good idea about the aid-growth debate. The study is mainly a literature review and also qualitative in its nature.

4. Impact of Foreign Aid on Domestic Savings

Paul Bowles (1987) tried to find out the causality between foreign aid and domestic savings of some less developed countries recognizing the accepted facts in existing literature that the correlation between foreign aid and domestic savings are negative in less developed countries. He used the time series data to investigate the causality and concluded that “causal relationships are not universal and it is suggested that, in those countries where they do hold, the direction of causality may depend upon the proportions of aid from bilateral and multilateral sources” (1987:789).

Snyder (1990) also investigated the relationship between foreign aid and domestic savings in LDCs and found that foreign aid had a little influence on domestic savings. He concluded that-

Previous findings of a strong negative relationship appear to be explainable in terms of a combination of factors: failure to control for omitted variables (especially per capita income), use of an unsuitable aid proxy (foreign capital inflows), and problems with sample size and composition. (1990: 179)

Ouattara (2003 in Ngang, 2008) conducted a study on foreign aid, savings displacement and aid dependency in Cote d'Ivoire over the period 1975 to 1999 and showed that different types of aid have different impacts on growth. He categorized foreign aid into project aid, program aid, technical assistance and food aid and estimated their effects using a disaggregation approach with auto regressive techniques. From the estimation result he concluded that-

Project aid displaces public savings. The impact of program aid is almost neutral while technical assistance and food aid increase public savings. Project aid and to a lesser extent, program aid, worsen the foreign dependence of Cote d'Ivoire while technical assistance and food aid reduce the gap. (Ngang, 2008:15)

Nushiwat (2007) investigated the cause of the negative correlation between foreign aid and domestic savings of the recipient countries recognizing the findings of the earlier empirical studies that foreign aid negatively correlated to domestic savings despite strong theoretical arguments for a positive effect. She tested whether lags in the effects of aid, or the sources of aid were of importance in determining the negative correlation between foreign aid and domestic savings. She found that there is no lag effect of foreign aid on domestic savings meaning that domestic savings are more likely to be correlated with current rather than lagged foreign aid. She also found that the correlation between the multilateral aid and domestic savings is negative and statistically significant whereas the effect of foreign aid on the recipient

countries' economic growth and domestic savings is likely to be positive. She claims that despite the highly negative statistically significant correlation between multilateral aid and domestic savings, the effect of multilateral aid on domestic savings is not necessarily negative. She concludes that "high multilateral aid and low savings are caused by exogenous conditions like deteriorating economic and political situations, disaster, droughts, wars, and civil wars" (2007:100). But her estimation suffers from the limitations of the single equation international cross-country analysis and changing the assumptions, countries, and periods can change the results significantly.

5. Impact of Foreign Aid on Economic Growth

The impact of foreign aid on economic growth in developing countries is still a debatable issue in the theory and literature of 'foreign aid and economic growth' though the debate started from the 1970s. The empirical results show a mixed picture about the relationship between aid-growth. Now there is a large literature on the aid-growth relationship which explains the causality between foreign aid and economic growth in different ways with different claims and findings. Shah et al. (2005) identifies two different schools of thought on foreign aid – 'Extensionist School' and 'Non-Extensionist School'. The extensionist view claims that the developed countries give foreign aid to developing countries for their (developing countries) socio-economic and political development at both the individual and country level and the foreign aid plays a positive role in this regard. On the contrary, the non-extensionist school claims that there exists a negative relationship between foreign aid and growth. Some of the findings of some important literature on the aid-growth relationship can be explained under the following heads.

5.1 Positive impact of foreign aid on economic growth

Papanek (1973) finds that foreign aid has a greater effect on the economic growth when some new variables introduced in the classical growth model in a cross-country regression analysis of 34 developing countries (in Ngang, 2008). He considered foreign aid, foreign investment, other flows and domestic savings as explanatory variables in his econometric model. Papanek also finds a strong negative correlation between foreign aid and domestic savings in his model. He also finds an unequivocal impact of foreign aid on economic growth in Asia and the Mediterranean (in Burke et al., 2006).

Singh (1985 in Ngang 2008) finds a strong positive impact of foreign aid on economic growth in less developed countries for the periods 1960-70 and 1970-80 through a regression analysis. He concludes that this strong positive impact of foreign aid exists without taking into account the factor-state intervention. When he included the variable state intervention in the regression model the effects of foreign aid became statistically weak.

Rana and Dowling (1988) developed a simultaneous equation system to examine the effects of foreign capital on economic growth of a sample of 9 Asian developing countries. Their main finding was that foreign capital inflows have a positive contribution to the economic growth of Asian developing countries. They also found that foreign direct investment contributes to economic growth both by boosting resources available for capital formation and by improving investment efficiency while foreign aid contributes only by increasing in capital formation. They also found that domestic savings rate, export performance, and change (growth) in labor force have also contributed to economic growth of those countries. In relative terms, foreign private investment and export performance contribute more than foreign aid to economic growth. Finally they recommend that "Asian developing countries should attempt to attract foreign private investment (including long-term

commercial credit), improve their export performance and rely relatively less on aid” (1988:10).

Snyder (1993) also finds a strong and significant relationship between foreign aid and economic growth by taking into account the variable country size. He claims that the previous econometric analysis to locate the aid-growth relationship did not consider the country size (either in terms of population or GDP) that can affect the aid-growth relationship. In favor of his argument he has shown the fact that larger countries grow faster and receive less aid in proportion to GDP and donor countries do favor small countries for a number of economic and geo-political reasons. Snyder analyzes the impact of foreign aid on economic growth in 69 developing countries for the period 1960s to 1980s. He incorporates a new variable- country size (in terms of GDP) in the previous model where he considers domestic savings, foreign aid inflows, foreign capital inflows and export growth as explanatory variables and gets interesting regression results. He finds that when the country size is not included in the model the effects of foreign aid inflows are small and statistically insignificant but when this variable is taken into consideration the coefficient of foreign aid inflows become positive and also statistically significant. This result supports the argument that the previous cross-country econometric studies underestimated the strength of aid-growth relationship by ignoring the effects of country size.

Fayissa and El-Kaissy (1999) analyze the impact of foreign aid and sources of growth on the economic growth of developing countries using modern economic growth theories as a guide, on a sample of seventy-seven developing countries over the period 1971-1990. Their major finding is that foreign aid, domestic savings, growth of human capital, and export growth are positively associated with economic growth in developing countries for the periods under study. Their finding is consistent with the economic theory of foreign aid which asserts that overseas development assistance accelerates economic growth by supplementing the domestic capital formation. Their results also confirm with the experience of individual countries such as Bangladesh and India where foreign aid appears to have played an important role in the development process. They also found that the export sector growth and human capital have a consistence and statistically significant positive effect on economic growth.

Burnside and Dollar (2000) use a new database on foreign aid to examine the relationships among foreign aid, economic policies, and growth of per capita GDP in panel cross-country growth regressions for 56 developing countries and six four-year periods from 1970 to 1993. They introduce a new term (variable) ‘policies’ which is a combination of fiscal surplus (fiscal), inflation (monetary), and trade openness (trade) policies and expected to have a large effect on economic growth. They construct an index of these three policies and allow interacting it with foreign aid, and create instrument for both aid and aid interacted with policies. And they find that foreign aid has a positive impact on growth in developing countries with good fiscal, monetary, and trade policies meaning that in the presence of poor policies, on the other hand, aid has no positive effect on economic growth. This result is robust when they include or exclude middle-income countries, include or exclude outliers, and treat policies as exogenous or endogenous in the regression model. They also examine the determinants of policy and find no evidence that foreign aid affects policies- either for good or bad. They estimate an aid allocation equation and reveal that any tendency for aid to reward good policies has been overwhelmed by donors’ pursuit of their own strategic interests. In a counterfactual when they reallocate aid by reducing the influence of donor interests and increasing the importance of good policy, find that such a reallocation would have a large, positive effect on developing countries’ growth rates.

Hansen and Tarp (2000) examine the relationship between foreign aid and growth in real GDP per capita in a cross-country regression analysis for a sample of 56 developing countries. They introduce 'policy' as an explanatory variable in the growth model to see the effects of policy in the aid-growth relationship. They find that foreign aid in all likelihood increases the growth rate and this result is independent from 'good' policy meaning that the positive effects of foreign aid on economic growth is not conditional on good policy. They also find that the decreasing returns to foreign aid and the estimated effectiveness of foreign aid are highly sensitive to the choice of the regression model (estimator) and the set of control variables. Indeed, they did not find any positive effect of foreign aid on economic growth when they estimated the model by controlling the variables- investment and human capital. Thus they reconfirm the empirical support for the hypothesis that foreign aid impacts on growth via investment.

Dalgaard and Hansen (2000) have reassessed the aid effectiveness results in "Aid, policies, and growth" by Burnside and Dollar (2000), using the same data set as the original study. They develop a neoclassical growth model in which foreign aid stimulates growth even in economies where aid is consumed and show that in this model the interplay between good policy and aid is ambiguous. The main outcome of their empirical re-examination is that the finding of a more positive impact of aid on growth in good policy environments is not a robust result. They argue that "it depends crucially on deletion of a few influential observations" (2000:18). They show that once they apply sample selection procedures in which a single parameter of interest determines the estimation sample, it is possible to obtain different interesting results. In particular, they obtain a positive impact of foreign aid on economic growth regardless of the policy environment. But they support that the Burnside and Dollar data are consistent with a non-linear relation between foreign aid and economic growth in which there is diminishing returns to aid. This result also conforms well to other recent empirical studies on aid effectiveness.

Lensink and White (2001) examine whether empirical evidence supports the notion of negative effects of high aid inflows on economic growth of developing countries and whether aid becomes more effective when it is given to countries with good policies. They argue World Bank report *Assessing Aid* assumes that aid is more effective when it is given to countries where policies are sound. Moreover, the World Bank report also assumes that an inflow of aid, above a certain level, starts to have negative effects. They empirically test both assumptions and do not find evidence for the fact that aid becomes more effective when it is given to countries with good policies which contradicts with the findings of Burnside and Dollar (2000). On the other hand, they find some evidence for negative returns to aid at high levels of aid inflows.

Clemens et al. (2004) examines the short-term effect of foreign aid on economic growth in a cross-country regression analysis. They divided aid into three categories- emergency and humanitarian aid, aid that affects growth over a long period of time (aid to support democracy, environment, health, education etc.), and aid that plausibly could stimulate growth in four years ('short impact' aid, i.e. budget support, BoP support, investment in infrastructure). They focused on the third category (short impact aid) which is about 53% of all aid flows and found that there is a positive causal relationship between the 'short impact' aid and economic growth over a four year period with diminishing returns to aid and the impact is two to three times larger than in studies using aggregate aid. They also found that short impact aid causes economic growth, on average, regardless of recipient's level of income, quality of institutions or policies though there is strong evidence from the study of Burnside and Dollar (2000) that policies (trade, monetary, budget) matter for

economic growth. They also found a significant negative relationship between the debt repayments and growth meaning that the larger the debt service payment the slower the economic growth.

Salisu (2007) examines the role of macroeconomic policy environment in aid-growth nexus in Sub-Saharan Africa (SSA) using panel regression model for a sample of 20 countries over a period of 1970 to 2001. His major finding is that a sound macroeconomic environment is indispensable for the effective contribution of foreign to sustainable economic growth. He also finds that macroeconomic policy environment is an important determinant of economic growth. Finally, he concludes that- “the incessant socio-political crisis, policy inconsistencies, bad governance, and macroeconomic instability evident in many SSAs have crippled the effectiveness of aid in these countries” (2007:1).

5.2 Negative impact of foreign aid on economic growth

Chenery and Carter (1973 in Ngang, 2008), examine the effects of ODA (Official Development Assistance) on 50 developing countries over a short period of time from 1960 to 1970 following the two-gap model and find that the effects of ODA on the development outcome of countries under study are different among certain groups of countries. In a five countries study (Taiwan, Korea, Iran, Thailand and Kenya) ODA accelerated economic growth whereas in six countries case (India, Colombia, Ghana, Tunisia, Ceylon and Chile) it retarded growth.

Rajan and Subramanian (2005) explain the factors that undermine the aid’s impact on growth. They found in their econometric analysis that aid inflows have systematic adverse effects on economic growth, wages and employment in labor intensive and export sector. They argue that- “Manufacturing exports provided the vehicle for their growth take-off, so any adverse effect on such exports should prima facie be a cause for concern. They said, we have not established whether, on balance, these adverse competitiveness effects offset any beneficial effects of aid” (2005:22). Finally they conclude that–

The adverse effects on competitiveness we have documented could be offset if aid giving nations also reduced the impediments they place in the way of exports from poor countries, while poor countries reduce some of their own barriers to imports. While trade may not substitute fully for aid, it may indeed help the absorption of aid. (2005:23)

Ekanayake and Chatrna (2008) analyze the effects of foreign aid on the economic growth of developing countries using panel data series for foreign aid on the time period 1980-2007 and 83 aid-receiving developing countries. They take into account the regional differences in Asian, African, Latin American, and the Caribbean countries as well as the differences in income levels of different countries. Ekanayake and Chatrna (2008:11) claim-

One of the contributions of this paper is its input to the existing empirical literature on the effects of foreign aid on economic growth of developing countries through its thorough analysis covering a large number of developing countries as well as a longer time period.

In their model they considered population growth rate (as a proxy for the growth rate of labor force), investment of country (% of GDP), foreign aid inflows (% of GDP), square of foreign aid inflows (% of GDP) (indicates diminishing returns to aid), initial level of GDP and rate of inflation as explanatory variables. They

estimated three separate models for the shorter time periods (1980-1989, 1990-1999, and 2000-2007) for better understanding the effect of foreign aid on economic growth as well as any change of its effect over time. Then they estimated the model using region dummy for different regions- Asia, Africa, Latin America and the Caribbean. And finally they used the income dummy on the basis of which the model was estimated for different income levels (low income, low middle income, upper middle income and all income levels) to show the impact of foreign aid on economic growth based on the income level of the country. The main finding emerging from their work is that foreign aid has a mixed impact on economic growth of developing countries. Firstly, when they estimate the model for different time periods, foreign aid variable has a negative sign in three out of four cases, indicating that foreign aid appears to have a negative effect on economic growth in developing countries. In addition, these coefficients were not statistically significant in any of these four cases. Secondly, when they estimate the model for different regions, foreign aid variable has again a negative sign in three out of four cases, indicating that foreign aid appears to have an adverse effect on economic growth in developing countries. However, this variable was positive for only African region meaning that foreign aid has a positive effect on economic growth in African countries. “This is not surprising given that Africa is the largest recipient of foreign aid than any other region” (Ekanayake and Chatrna, 2008:11). Finally, when they estimate the model for different income levels, foreign aid variable has a positive sign in three out of four cases, meaning that foreign aid positively affects economic growth in developing countries. However, the fact that this variable was negative for low-middle income countries indicates that foreign aid adversely affects economic growth of these countries. So, the findings of this study are, for the most part, consistent with findings of previous studies that there is a mixed effect of foreign aid on economic growth.

Skarbek and Leeson (2009) investigate what aid can and can not do. Easterly (2006 in Skarbek and Leeson 2009: 393), one of the critics of foreign aid, points out that foreign aid is analogous to central planning with externally provided funds and argues that central planning cannot create economic growth because it suffers from lack of private property rights and market price, which ultimately creates bar for solving economic problems indicating that foreign aid, therefore, cannot generate economic growth either. Skarbek and Leeson (2009:394) also argue that- “Foreign and domestic aid planners don’t know how to use aid in ways that generate a pattern of resource movement away from less-valued uses toward more-valued ones.” According to them, foreign aid can increase X by devoting more resources to X’s production meaning that aid can solve some of the problems of the recipient country; i.e., eradication of small pox, improvements in children’s health, dispersions of vaccination, reduction in the spread of malaria, eradication of polio, improvements in family planning etc. Their central argument is that foreign aid has failed to generate economic growth because foreign aid cannot solve the economic problem of how to allocate resources in ways that maximize their values which is required for economic growth.

Table-1 shows the summary of empirical evidence on the literature survey on foreign aid- domestic savings-economic growth nexus based on cross-country analysis of different scholars.

Table-1: Summary of empirical evidence on foreign aid- domestic savings-economic growth nexus

Description of Empirical Evidence	Authors
Foreign aid has little influence on domestic savings.	Snyder (1990)

There is a strong negative relationship between foreign aid and domestic savings.	Paul Bowles (1987); Ouattara (2003 in Ngang, 2008); Nushiwat (2007)
Foreign aid has a positive impact on economic growth.	Papanek(1973 in Ngang 2008); Singh (1985 in Ngang 2008); Rana and Dowling (1988); Snyder (1993); Fayissa and El-Kaissy (1999).
Foreign aid negatively affects economic growth.	Chenery and Carter (1973 in Ngang, 2008); Rajan and Subramanian (2005); Ekanayake and Chatrna (2008).
Good policy affects the impact of foreign aid on economic growth.	Burnside and Dollar (2000); Salisu (2007)
Good policy does not affect the impact of foreign aid on economic growth.	Dalgaard and Hansen (2000); Hansen and Tarp (2000); Lensink and White (2001); Clemens et al. (2004).

Source: Compiled by the author

6. Case for Bangladesh

Islam (1972 in Quazi, 2000) analyzed the relationship between foreign capital and domestic savings in the East Pakistan (Bangladesh) for the periods 1950s and 1960s and found that foreign capital, in terms of both foreign aid and foreign investment, had negative effects on domestic savings in 1950s, but positive effects in 1960s. But Alamgir (1974 in Quazi, 2000) econometrically investigated the effects of foreign capital on domestic savings and economic growth in East Pakistan for a shorter time period from 1960 to 1970 and found a paradoxical result that foreign capital affects domestic savings positively but GDP growth negatively and he did not give any satisfied explanation on this paradoxical result.

Sobhan (1982 in Quazi, 2000) investigates the role of foreign aid in development dynamics in Bangladesh and finds that aid regime has grossly failed in accelerating economic growth and promoting its development agenda. He argued that instead of reducing poverty, foreign aid has led to substantial concentration of wealth among the elites and instead of increasing domestic productive capacity, aid has helped flourish a dependent culture on foreign resource.

Rahman (1984) analyzed the effects of foreign aid on domestic resource mobilization in Bangladesh over the period 1972 to 1982 and found that aid has accelerated economic growth and raised domestic savings in Bangladesh (in Quazi, 2000). But Ahmed (1992 in Quazi, 2000) also examined the linkages among foreign aid, domestic savings and economic growth in Bangladesh through an econometric study and found that foreign aid has a negative impact on both economic growth and domestic savings. Taslim and Weliwita (1998 in Quazi, 2000) also investigated the aid-savings nexus in Bangladesh for the period 1960-1995 and found that the long-run relationship between the aid and domestic savings is strongly negative.

Islam (1992) examines the impact of foreign aid and its various components on economic growth in Bangladesh through an econometric study over a relatively shorter period time-series data from 1972 to 1988. Recognizing data limitations, measurement problems and other econometric problems he finds that domestic resources exert a stronger impact on economic growth than foreign resources (foreign aid) and in its highly aggregative form, foreign aid does not show any significant impact on economic growth. But when he decomposes the aggregate form of foreign

aid into loans, grants and food aid, commodity aid, and project aid, he finds that loans are more effective than grants and food aid is more effective than project aid or commodity aid. In favor of his findings he argued that “the poor performance of grant may be attributable partly to some degree of co-linearity between the explanatory variables *SY* (domestic savings/GDP) and *GRNTDY* (grant/GDP) ($r= 0.45$). It may also be due to the fact that loans were more effectively utilized while grants were not” (1992:544). And the poor performance of the commodity aid and project aid is observed due to the measurement problems and co-linearity problems.

Quazi (2000) revisits the macroeconomic effects of foreign aid in Bangladesh using a simultaneous growth model which captures the effects of aid on GDP growth and domestic savings in Bangladesh over the period 1973 to 1996. He claims this model eliminates the specification bias by taking into account this simultaneous relationship between GDP growth and domestic savings. He also includes a dummy variable in the model that captures the effects of natural and political shocks (which Bangladesh experience frequently) on GDP growth and domestic savings. His major finding is that the foreign aid has reduced both GDP growth and domestic savings in Bangladesh which supports the radical anti-aid view but the effects were less damaging than predicted by the radical anti-aid view. He also finds in line with the Keynesian view that the Bangladesh economy is characterized by demand-constrained and hence if foreign aid can generate sufficient consumption demand through the multiplier-accelerator mechanism, the direct negative effects of aid would be offset by the indirect positive effects and thus even the net effects could be theoretically positive. He also finds that the political and natural shocks have a strong adverse effect on GDP growth but weak on gross domestic savings. Finally, he concludes-

instead of relying on external resources, the policymakers should perhaps ponder turning to their domestic resources. If the domestically generated resources are deployed in the process of economic development, then the factors required for their effective utilization, such as personal skills and aptitudes, socio-economic institutions, etc., would also be encouraged to flourish simultaneously. (2000:13)

7. Case for Pakistan

Khan and Rahim (1992) examine the relationship between foreign aid, domestic savings and economic growth in Pakistan for the period 1960 to 1988 through an econometric analysis and find that foreign aid accelerates economic growth in Pakistan which is analogous to the claim of the traditional pro-aid view. They also find that there is a negative relationship between foreign aid and domestic savings though it does not necessarily mean that the net impact of foreign aid on domestic savings is negative.

Ahmad and Ahmed (2002) investigate the linkage between the foreign capital inflows and domestic savings in Pakistan. They show that Pakistan heavily rely on foreign capital inflows to bridge the gap between domestic savings and domestic investment. They find a long-run inverse relationship between the foreign capital inflows and domestic savings rate and also a short-run negative relationship between these two variables through an econometric analysis. Their findings support the hypothesis that foreign capital may substitute domestic savings and they conclude that foreign capital inflows permit a relaxation of savings effort and encourage domestic consumption and therefore, it may particularly impede both the public and private savings.

Mohey-ud-din (2005) reveals the impact of foreign aid on economic development in Pakistan for the period 1960-2002. He uses both the qualitative (descriptive) and quantitative methods to show the impact. He gets both positive as well as negative effects of foreign aid on economic development. His result from the regression analysis confirms that foreign aid (ODA) has a positive effect on GDP growth with diminishing marginal returns to aid. But on the negative side, he finds that foreign aid is substituted for domestic savings and also increases debt burden.

In Pakistan, several economists attempted to find out the impact of foreign aid on economic growth and development in Pakistan and found some interesting result. Shabbir and Mahmood (1992 in Mohey-ud-din, 2005) found that foreign aid accelerate economic growth. Aslam (1987 in Mohey-ud-din, 2005) examined that the public capital inflows does not affect the domestic investment significantly, whereas the private foreign capital inflows reduces and/or eliminates the domestic saving-investment gap. Khan et al. (1992 in Mohey-ud-din, 2005) found that foreign capital inflows cause to decline domestic savings in Pakistan for the period 1960-1988. Shabbir and Mahmood (1992 in Mohey-ud-din, 2005) also found that there exists a negative impact of foreign capital on the domestic savings in Pakistan for the same period.

8. Case for South East Asia

Dowling and Hiemenz (1982) studied the relationship between aid, domestic savings and economic growth in 9 developing countries of Asia (most of them are in South East Asia) for the periods 1970s. The major finding of their work was that foreign aid contributed to the GDP growth in these nine Asian countries as did the domestic savings and the private capital inflows which confirms the Papanek's findings. They also support that the good economic policy is also conducive to productive allocation of foreign aid and other foreign resources.

Burke and Esfahani (2006) tested the effectiveness of foreign aid in promoting economic growth in three South East Asian countries (Thailand, Indonesia and Philippines) over the period 1970-2000 using a simultaneous equation model in which growth and savings are jointly determined. Their major empirical finding was that there is no significant evidence to claim that foreign aid had a significant effect on the economic growth (GDP growth) of these three South East Asian countries during the period 1970-2000. They estimated the model for both the pre and post Asian financial crisis period and found the same result meaning that the Asian financial crisis did not affect the aid-growth nexus of these three countries. They also found that aid did not significantly affect the domestic savings rate of Thailand, Indonesia and Philippines. Moreover, they did not find any significant impact of aid in a good policy environment which contradicts with findings of Burnside and Dollar (2000).

9. Conclusion

The main purpose of this study was to reveal the relationship and causality between foreign aid, economic growth and development focusing specially on the Asian developing countries based on the existing literature on mainly aid-growth nexus. On this ground, the study found that the impact of foreign aid on economic growth, in general, is both positive and negative in different cross-country time series analysis. Hansen and Tarp (2000) use the most sophisticated and extensive econometric techniques to analyze the aid-growth relationship using a large sample of cross-country data and find a statistically significant positive impact on economic growth. But, some studies (Rajan and Subramanian 2005, Ekanayake and Chatrna 2008 etc.) on this issue claim that there is no statistically significant causal relationship between foreign aid and economic growth. Some researchers claim that

policy environment positively affects the foreign aid's impact on growth whereas some other scholars criticize this view and claim that policy does not significantly affect the causality between aid and growth. The study also finds the same result for existing literature on some South and South East Asian developing countries like Bangladesh, Pakistan, Thailand, Indonesia, and the Philippines etc. One of the possible explanations of getting this paradoxical result on aid-growth debate is that differences in the sample size, differences in time periods, differences in measurement technique, model specifications, and other econometric problems on quantitative analysis among the researchers may affect the results. Another explanation may be differences in the individual country characteristics or characteristics of group of countries over different time periods produce such kind of controversial result to us. So, it can be concluded here that the debate on 'the impact of foreign aid on economic growth' has not been solved yet and further rigor and methodologically sound researches are also needed on this issue.

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Green House Effect Climatic Change and Its Effect on Agriculture in Bangladesh

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Abstract

Earth's climate history is full of surprises. The world's greatest desert, the Sahara, was green and lively some 5000 to 10000 years ago. Antarctica, the Earth's icy southern pole, must have been ice free and covered with large forests for most of its existence. There are rich fossil records from the Antarctic some 85 million years ago; Antarctica was home to the ancestors of plants that now thrive in the tropics. And 250 to 300 million years ago, Africa's southernmost tip were covered by ice sheets comparable to those now in Antarctica. This is abnormally climate change. In this paper, I shortly present about global climate change, global warming, the green house effect and also its effect on Bangladesh agriculture. The green house effect is the cause and global warming, climate change are consequences.

Keywords: Global warming, IPCC, Greenhouse gases, Climate Change.

1. Introduction

The world's leading authority on global warming is the Intergovernmental Panel on Climate Change (IPCC), a United Nations-sponsored organization consisting of 2500 scientists from around the world. The IPCC has predicted that global warming will have severe impact on human health, natural ecosystems, agriculture, and coastal communities if steps are not taken immediately to reverse the increasing concentrations of GHGs in the Earth's atmosphere. The IPCC has concluded by consensus that "The balance of evidence suggests a discernible human influence on global climate". That 'human influence' is the increased levels of greenhouse gases being released into the atmosphere, and stronger steps must be taken toward reversing the trend before it is too late to repair the damage. (Source: <http://www.buzzle.com/>)

1.1 Objectives of the Study

The main objectives of this study are:

- (i) To discuss the greenhouse effect and global warming
- (ii) To find out the reason for the greenhouse effect and global warming
- (iii) Also to discuss its effect on agriculture in Bangladesh

1.2 Methodology

The study has been based mainly on secondary data supported partially with primary data. The main sources of data used in this study were the annual report of the Intergovernmental Panel on Climate Change (IPCC) as well as Global Climate Change: Bangladesh Episode. During the course of study the author discussed the concentrations of GHGs in the atmosphere which is believed to have changed naturally on ice-age time scales, and have been increasing since pre-industrial times due to anthropogenic activities.

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2. Greenhouse Effect & Climate Change

2.1 Greenhouse Effect

The temperature of a greenhouse is raised by using a shield through which solar radiation is allowed to enter but the consequential heat is prevented from escaping. In a roughly analogous manner, certain trace gases in the atmosphere notably carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), water vapors, ozone (O₃) and the chlorofluorocarbons (CFCs) are transparent to high energy solar radiation, having short-wave length, but absorb long-wave terrestrial radiation, thus trapping heat in the lower atmosphere. The global atmospheric concentrations of these trace gases have been increasing, largely due to human activities, and likely to increase substantially in the future. The result is in theory, warming of the Earth's

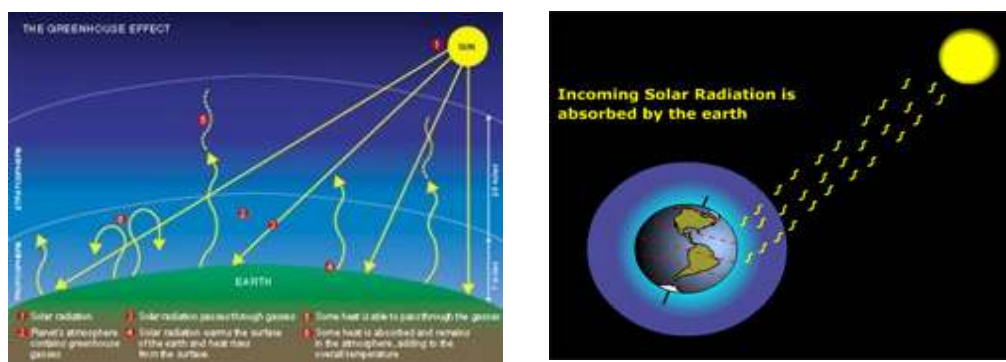


Fig: Greenhouse effect, (Source: *Global Climate Change: Bangladesh Episode*, 1997)

surface and lower atmosphere. The phenomenon has become known as the 'Greenhouse Effect' in popular terminology, and its consequential effect is known as 'Global Warming'. The gases responsible for this are known as Greenhouse Gases (GHGs). The magnitude of this warming would depend on the rate of increase in the concentration of greenhouse gases in the atmosphere, the radioactive properties of the gases involved and the complex feed-back processes in the earth-atmosphere system. The greenhouse effect is a natural process which made life on Earth possible. Without naturally occurring greenhouse gases the Earth's surface temperature would be 33°C cooler - a chilly -18°C rather than the tolerable 15°C. However, since the beginning of industrialization, 200 years ago, concentrations of these gases have increased substantially. It is estimated that the Earth's average temperature has risen by 0.5 to 0.6°C since 1880 because of emissions of greenhouse gases from human activity. The main sources of these emissions, particularly carbon dioxide, methane and nitrous oxide, are the combustion of large amounts of fossil fuels in the energy and transport sectors, deforestation and the use of intensive farming methods. (Source: *Global Climate Change: Bangladesh Episode*, 1997, <http://www.hdnbd.com/>)

2.2 Climate Change

Climate models show that atmospheric temperatures will increase by between 1.5 and 4.5°C by the year 2100 if a "wait and see and do nothing" approach is adopted. The global temperature increases since the last ice age (10,000 years ago) has been about 5°C. This may not sound like much, but

such drastic temperature rise would be unprecedented for modern civilization, both in terms of its intensity and its rate of increase. It is projected to have drastic social, economic and ecological implications:

- Because of the thermal expansion of water and melting of continental glaciers sea levels would rise, possibly as much as two feet, by the end of next century.
- Rising temperatures could lead to changes in regional wind systems which would influence global rainfall distribution and lead to the redistribution and frequency of floods, droughts and forest fires. Windstorms and hurricanes could become more frequent and more intense.
- Increased sea temperatures would cause coral bleaching and the destruction of coral reefs around the world.
- Climate change would create favorable conditions for growth in insect populations. This would likely have a negative effect on agriculture and human health, and result in a spread of malaria and other tropical diseases.
- Water supplies would become disrupted in some regions, particularly in already vulnerable, arid areas.

3. Greenhouse Gases and Their Global Emissions

3.1 Emission from Energy Production

In Bangladesh, natural gas is the only indigenous source of commercial energy, excepting a little oil discovered in 1987 and coal which remain yet to be mined. Hence natural gas production is the only source from which methane emission needs to be considered. The natural gas companies reported the following two types of natural gas losses during production and distribution:

Venting and flaring losses	6.983 MMCF/Yr.
Transmission and distribution losses	<u>305.010 MMCF/Yr.</u>
Total	311.993 MMCF/Yr.

Corrected for average methane content of Bangladesh natural gas (96%), the total loss equaled 299.51 MMCF/Yr. Converted into weight, it is estimated that about 6.1 Gg of methane (CH₄) gas is emitted due to energy (natural gas) production

3.2 Emissions from Agriculture, Livestock and Waste Water

This section deals with methane emission from various non-energy sources such as flooded rice fields, enteric fermentation in livestock, manure management and anaerobic waste water treatment in municipalities; the methane flux in Bangladesh rice cultivation is expected to be significantly lower than in other countries. Bangladesh has one of the highest densities of livestock population per unit of land in the world. But the country does not have any pastoral land dedicated only to grazing. Livestock sector in Bangladesh is estimated that about 446.8 Gg of methane is emitted from enteric fermentation of livestock, 67.5% of which is contributed by non-dairy cattle.

3.3 Emission from Landfills

Accordingly, expert judgment the methane emission from six (6) major urban areas of Bangladesh (the capital city of Dhaka, port cities Chittagong and Khulna and three other district towns - Rajshahi, Sylhet and Mymensingh) from landfills has been estimated.

3.4 Emission from Rice Fields

There is a high degree of uncertainty in the global flux measurements in case of methane, particularly from rice fields. Experiments have shown that the Methane flux from flooded rice fields varies with soil type, temperature, redox potential, and acidity/alkalinity of the soil; the type, timing, application method and amount of fertilizer applied; water management technique; and cultivar type (Schutz et al., 1990; Matthews et al., 1991). A range (i.e., 0.19 - 0.69 gCH₄m²/day) for daily emission fluxes, based on the field experiments (Schutz et al., 1989), has been recommended as default values by the OECD report (OECD, 1991) for estimating national CH₄ emissions from flooded rice fields. This range, however, has been scaled down on the basis of several criteria applicable to Bangladesh situation. The modified fluxes may be found in the Final Report of the Emission Study, it is estimated that rice cultivation emits about 468 Gg of methane gas per year. HYV *Boro* rice (which is dependent on irrigation) contributes about 42% to the methane emission from rice fields followed by HYV transplanted *Aman* (about 31 %).

3.5 Emission from Waste Water Treatment

Traditionally waste water from households and waste water from domestic sources in Bangladesh do not emit any significant amount of methane gas. And also there is no systematic database regarding the actual amount of industrial waste water being treated an aerobically. Therefore, methane emission from industrial waste water could not be estimated.

3.6 Emissions from Land Use Change and Open Bio-mass Burning

Land use change is often considered to be a major source of GHGs, particularly of CO₂, in developing countries. Usually, when forest land is cleared for agricultural or other purposes by felling trees, a part of the carbon locked in them is released as parts of the trees are used as fuel wood, the land clearing takes place through slash and burning and because the soil is disturbed which also releases the carbon locked therein. On the other hand, if the area under forest or tree cover increases there is likely to be a net sink effect.

3.7 Non-CO₂ Emissions from Bio-mass Burning

In rural Bangladesh a portion of the above ground bio-mass is left in the fields after each harvest. A fraction of the bio-mass is mulched during the field preparation for the next crop and in some areas farmers amass the dried bio-mass to make a small heap and deliberately set them afire. This open air burning results into emission of gases such as CO₂, CO, CH₄, N₂O and NO_x. It is found that about 695.4 Gg carbons and about 9.7 Gg nitrogen are being released annually from field burning of bio-mass sources. , the major source of rural energy in Bangladesh is the bio-mass source which provides rice straws, husks, dung, twigs and leaves, baggage, jute sticks, fuel-wood, etc. It is estimated that traditional bio-mass fuel combustion in open air releases about 189.5 Gg methane gas, 2339.9 Gg of carbon monoxide gas, 2.4 Gg of N₂O and 85.9 Gg of NO_x gas.

3.8 Summary of Total Emissions

Collecting all the results mentioned so far, one may arrive at an aggregate emission figure as shown in Table 3. The estimates indicate that on the basis of global

warming potentials, more than one-half is due to methane while about 30% is contributed by CO₂ from fossil fuel burning.

Table : Summary of Total Emissions in Bangladesh

Sources of GHG emission	Quantity of GHG emitted (Gg)	Global warming potential (100 years time horizon)
Combustion of fossil fuel	13,443 as CO ₂	13,443
Energy production	79.7 as CH ₄	1,953
Flooded rice fields	468 as CH ₄	11,513
Livestock (enteric fermentation & manure management)	520 as CH ₄	12,792
Burning of Agriculture residues	4.7 as CH ₄	116
	97.3 as CH ₄	
	0.11 as N ₂ O	3
	3.84 as NO _x	
Forest (sink and source)	No net emission	
Biomass burning	189.5 as CH ₄	4,662
	2,340 as CO	
	2.4 as N ₂ O	59
	86 as NO _x	
All Sources		44,541
<i>Source : Global Climate Change: Bangladesh Episode, 1997 http://www.hdnbd.com/</i>		

4. Climatic Change and Concern of Bangladesh

Countries like Bangladesh are not big GHG emitters. Unfortunately, as predicted by the national and international research communities involved in climate change impact assessments, poor countries such as Bangladesh would be the worst victims of climate change and sea level rise.

4.1 Sea Level Rise

One of the most important consequences of an increase in mean global temperatures will be a possible rise in the sea level around the planet. The reasons for this rise in sea level include:

- The expansion of the ocean's volume when water temperatures increase.
- Mountain glacier melt will also contribute a sizeable amount of water to the oceans, which will also contribute to sea level rise.
- Melt water from the land is expected to be the third component.

5. Saving Bangladesh from Global Warming

When it comes to climate change, Bangladesh--with 140 million mostly poor residents and low-lying coastal geography--is among the most vulnerable nations on Earth. As part of the country's effort to prepare and adapt, Bangladesh government agencies are attempting to take global projections of climate change and turn them into highly local predictions. Typically, global climate models show projected temperature and precipitation changes at a very coarse scale that isn't very helpful at a local level. Climate models used by the Intergovernmental Panel on Climate Change have a grid scale--think of it as pixel-size -- of 200 kilometers by 200 kilometers. Already, some preliminary maps have been made that show areas where droughts, for example, are expected to get worse in Bangladesh. Even a marginal increase in sea level, hurricane strength, storm surge height, or drought extent could have

a staggering human toll. Bangladesh is one of 48 countries on a United Nations list of least developed countries. The UN provided \$200,000 for each of these nations to, first, perform a high-level assessment of how climate change will affect them, and then draw up a list of priority projects. Now the nations are competing for about \$115 million to implement adaptation measures over the next three to five years. Some work is already under way in Bangladesh. In certain areas, coasts are being planted with mangrove trees and other species that could help stanch erosion and provide a bulwark against storms.

6. Here are some of Practical Steps that we Can Take to Reduce Human Contributions to the Greenhouse Effect -

- Learn about the greenhouse effect, global warming and climatic change. Learn about alternate, non-fossil fuel based energy sources. Inform our family, friends and colleagues.
- Write to our local newspapers and other media outlets and demand they regularly feature stories regarding global warming, climate change and the greenhouse effect. The media has the responsibility to inform the public about this urgent subject.
- Demand our government fulfill our country's commitments to stabilizing emissions of CO₂ by the year 2000 at 1990 levels, and makes further commitments to a 20% reduction in CO₂ emissions by 2005, based on 1990 levels.
- Turn off the existing energy consuming light. Switch to energy efficient light bulbs. Encourage others to do the same.
- Buy energy efficient appliances. Use our consumer power to support industries and products that strive for high energy efficiency.
- Demand that our electricity utility reward energy saving consumers with lower rates, instead of offering the cheaper rates to the largest users of electricity.
- Reduce private transport as many as possible.
- While using vehicles as a must, make sure it is fuel efficient. Try to cut down the amount of car journeys we make each week. Join a car pool to go to work or educational institutions.
- Bike or walk if we are going somewhere local.
- Support public transport as the most convenience possible. Public transport is the best way to cut CO₂ emissions from cars. Effective public transport reduces the need for building new roads - another key source of CO₂. In turn, the money saved on road building can go into improving the public transport sector. These measures will also improve urban air-quality.
- Demand our municipality provide fast, convenient and economical public transport.
- Support the development of renewable energy technologies.

7. Conclusion & Recommendation

Every year 5th June is usually held as the 'World Environment Day' – on the specific Day we must take an oath, rather than observe only, that not for a single day only but for all the year round, it is our utmost responsibility to save our planet in general and our own island Bangladesh in particular, her climate above all her agriculture. The effects of global warming and climate change will not impact the same way upon every region in the world, or upon all species of life. For example, a slight temperature increase in some of the colder parts of the world may create less hostile conditions for human

habitation and improve conditions for agriculture. Similarly, changing rainfall patterns may favor some species over others. However, favorable consequences of the greenhouse effect for some regions or species does not mitigate its overall negative global impacts. In most recent reports from the United Nations Environment Program, climate researchers now agree, however, that the global thermometer will rise around 6 degrees F during the century, even if all emission reduction targets are achieved.

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Customer Satisfaction Level Analysis on Banking Products and Customer Services of Commercial Banks in Bangladesh: Evidence from Rupali Bank Limited

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Abstract

The prime objectives of the study are to evaluate the customer satisfaction of the service quality and to assess whether services provided by the commercial banks are satisfactory to Bangladeshi customers. The study focuses on the key variables of service quality of banking operations in Bangladesh. A questionnaire for such purpose was designed and used to collect data from the target clientele. Rupali Bank Limited has been taken up as sample since this nationalized bank represents the diversified classes of customers of the banking industry in Bangladesh. In addition, Rupali Bank Limited provides average interest rate on deposits and charges reasonable interest rate on loan granted to customers. The survey revealed that customers' preference goes to Rupali Bank Limited because of its easy loan formalities and low interest rate on credit facilities. Customers believe that interest rate on deposit schemes are good but not competitive enough. Market reputation and strong infrastructural capacity are additional advantages for Rupali Bank Limited to get customers' attraction. Moreover, low cost and promptness in remittance transfer also make the bank a good choice for the customers. Though there are some positive notions in market, customers are not strong supporters of Rupali Bank's products' high performance in the competitive market. Introducing modern technologies in banking operation, and providing prompt services in all banking aspects along with better treatment to employees will improve the service quality a lot. Therefore, employees, a combined effort of management, can lift up the performance of the deposit and loan schemes of Rupali Bank Limited and ensure a higher level of customer satisfaction.

Background

Deposit and loan schemes play pivotal role in the economic development of a country. Surplus amount in people's hand comes into financial channel via different deposit schemes. It increases national savings rate and simultaneously improves national capacity to go for larger investments. On the other hand, commercial banks, using the collected fund through different deposit schemes, provide loans to the deficit units of the society. Therefore, deposit and loan schemes ensure the optimum return for fund as well as increase the velocity of money in the economy.

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As the intermediary of demand and supply units of the society through deposits and loans, commercial banks work as a catalyst to ensure economic growth and development. Therefore, how different schemes of deposits and loans are performing or satisfying customers' needs have a positive relationship with the national economic development. It is found that there are a few research papers on the performance of deposit and loan schemes of scheduled banks of Bangladesh. A research on the quality of the services rendered by commercial banks in Bangladesh has been done. Though the study successfully unearth the customer satisfactory factors of classified services of scheduled banks, choosing private commercial banks to represent the overall scenario kept a loophole in the argument presented in the study paper. Therefore, focusing on the mass people of Bangladesh, this study chooses Rupali Bank Limited, a nationalized scheduled bank, which provides banking service to the mass population at reasonable interest rate and service charges. A survey on the customers was conducted to get empirical evidence of customers' response on specific variables of the measuring performance of deposit and loan schemes.

The study aims at finding out how customers evaluate the services and products of Rupali Bank Limited, how study variables like service quality, product variation, customer loyalty, interest rates on deposits and loans are correlated. Moreover, specific areas of customer dissatisfaction have been identified in the research. Some recommendations are added in light of the problems noticed from the outcomes of the survey.

Most of the respondents are business people and housewives and majority of them are aging beyond 36+. According to respondents, they can bank on Rupali Bank Limited because it has a wide spread network of branches and it offers reasonable interest rate on deposit and charges standard interest rate on credit facilities. But customers are eager to see modernization of the banking system of Rupali Bank Limited. According to the customers, the bank should enable itself with technological support like ATM machines, online banking system, and prompt services to customers.

Rupali Bank Limited still has unused capacity to contribute to the national economy. Proper use of managerial efficiency incorporating timely decisions to modernize system will open the blocked gates to usher a new era for the bank.

Research Methodology:

2.1 Purpose of the Study

Rupali Bank Limited, a nationalized bank, has been chosen to perform the research on the subject matter. It is assumed that diversified clientele of the bank represents the overall of commercial banking sector of the country. The respondents were selected randomly from the bank customers, employees of different departments.

2.2 Research Objectives

This research is entitled to encompass and achieve the following objectives:

- Customers' response on selected variables to determine the level of satisfaction on banking services available in commercial banks.
- Drawing conclusion based on the survey outcomes on banking products and customer services in commercial banks.

2.3 Data Collection and Analysis

The required data for the study has been collected in two phases. In the first phase, customers of the bank were called to attend a survey. A total of 100 customers were surveyed under this research work. Twelve different customer satisfaction measuring variables (Appendix-1) were developed in the questionnaire to see respondents' reaction in each of these variables. A structured questionnaire with 5-point scale (1-Strongly Disagree, 2-Disagree, 3-Uncertain, 4-Agree, 5-Strongly Agree) was developed and used to conduct the survey.

In the second phase, officials of MIS, HR & Admin, Accounts Development, and SME department of the bank were questioned about different relevant variables affecting the issue. In addition, support from different books, journals, online data and information bank has been taken to serve the purpose of the study.

The response of the respondents has been entered into the computer for tabulation and analysis. MS Excel has been used to store and analyse data. Frequency table has been used to structure the outcome of the research.

Outcome of the Survey

The survey revealed the response of the respondents (Customers) for the factors that measures the performance of the deposit and loan schemes of Rupali Bank Limited from the point of view of customers. Prior to focusing on the core reasons, the study puts emphasis on classifying the respondents based on three major criteria:

- Profession of the respondents
- Age of the respondents
- Maintaining account with other banks.

Whether performance of the deposit and loan schemes of Rupali Bank Limited is customer satisfactory is judged based on the customers' responses to the following factors-

- Interest rate on loan is low and bearable
- Rupali Bank Limited provides additional features in comparison with the other banks
- SME loan formalities are very easy in Rupali Bank Limited
- Time taken for getting services in Rupali Bank Limited is appropriate
- Remittance charge of Rupali Bank is low compared with other banks
- Rupali Bank Limited provides various promotional facilities and necessary help almost every time
- Rupali Bank Limited is very sincere in providing me quality services on a continuous basis
- Whether Rupali Bank Limited reduces its interest rate on deposit or not, I will continue banking with Rupali Bank Limited

Profession of the Respondents

The respondents were chosen randomly. 10% of the respondents are service holders, 40% are business people, 4% are students, 30% are housewives, and 16% are in other categories. It indicates that most of the respondents are business people and housewives.

Particulars	Frequency	Percentage
Service	10	10%
Business people	40	40%
Student	4	4%
Housewife	30	30%
Others	16	16%

Age of the Respondents

The following table shows that 16% respondents are 46+ years old, 13% respondents are 31-35 years of age class, 10% respondents are 26-30 years old; only 8% respondents' belong to 18-25 years of age class.

Particulars	Frequency	Percentage
18-25	8	8%
26-30	10	10%
31-35	13	13%
36-40	26	26%
41-45	27	27%
46+	16	16%

Maintaining Account with Other Banks

Interpreting the outcome, we can conclude that most of the respondents do not maintain account with other banks.

Particulars	Frequency	Percentage
Yes	28	28%
No	72	72%

Interest Rate on Loan is Low and Bearable

Analysis shows that 50% of the total respondents are strongly agreed, 30% are agreed, 10% are uncertain, only 6% are disagreed and the rest 4% strongly disagreed with the variable mentioned as like.

Particulars	Frequency	Percentage
Strongly Agree	50	50%
Agree	30	30%
Uncertain	10	10%
Disagree	6	6%
Strongly Disagree	4	4%

Rupali Bank Limited Provides Additional Features in Comparison with Other Banks

The analysis reflects that most of the respondents disagree with the opinion mentioned above. 8% respondents are strongly agreed with it and 10% respondents are agreed only. It indicates that most of the customers are not satisfied with the additional features that Rupali Bank Limited provides.

Particulars	Frequency	Percentage
Strongly Agree	8	8%
Agree	10	10%
Uncertain	22	22%
Disagree	38	38%
Strongly Disagree	22	22%

Interest Rate on Deposit Scheme is Attractive

Most of the respondents do not agree with the view that interest rate on deposit scheme is attractive. In this regard, only 18% respondents show their solidarity with the opinion and other 20% are agreeing with it.

Particulars	Frequency	Percentage
Strongly Agree	18	18%
Agree	20	20%
Uncertain	25	25%
Disagree	10	10%
Strongly Disagree	27	27%

SME Loan Formalities are Very Easy in Rupali Bank Limited

It turns evident that 40% of the total respondents are strongly agreed with the opinion. 28% respondents are positive about it. 7% respondents take neutral position

in this regard and the rest 12% strongly disagree with Rupali Bank Limited's performance in completing loan formalities easily.

Particulars	Frequency	Percentage
Strongly Agree	40	40%
Agree	28	28%
Uncertain	7	7%
Disagree	13	13%
Strongly Disagree	12	12%

Time Taken for Getting Service in Rupali Bank Limited is Appropriate

Regarding this 30% respondents are strongly agreed and 20% respondents are agreed whereas 13% respondents are uncertain. Again, 18% respondents are disagreed and 19% are strongly disagreed with it. In a nutshell, 50% respondents support it and remaining 50% do not.

Particulars	Frequency	Percentage
Strongly Agree	30	30%
Agree	20	20%
Uncertain	13	13%
Disagree	18	18%
Strongly Disagree	19	19%

Remittance Charge of Rupali Bank Limited is Comparatively Low

Only 10% respondents are strongly opposing it and 40% respondents are supporting it strongly. It clearly indicates that remittance charge of Rupali Bank Limited is comparatively low in the banking industry.

Particulars	Frequency	Percentage
Strongly Agree	40	40%
Agree	30	30%
Uncertain	10	10%
Disagree	10	10%
Strongly Disagree	10	10%

Rupali Bank Limited Provides Various Promotional Facilities and Necessary Help almost Every Time

10% respondents are strongly agreeing with the variable mentioned as like, 19% are uncertain, 30% are disagreeing and 10% are strongly disagreeing. It indicates that the promotional facilities and necessary help provided by Rupali Bank Limited are not satisfactory and sufficient to the customers.

Particulars	Frequency	Percentage
Strongly Agree	10	10%
Agree	31	31%
Uncertain	19	19%
Disagree	30	30%
Strongly Disagree	10	10%

3.11 Rupali Bank Limited is Very Sincere in Providing Me Quality Services on a Continuous Basis

Analysing the data, we find that 40% of the total respondents are strongly agreeing with it, and only 11% are showing strong disagreement. 7% are uncertain. Thus, employees of Rupali Bank Limited are quite sincere about rendering services.

Particulars	Frequency	Percentage
Strongly Agree	40	40%
Agree	30	30%
Uncertain	7	7%
Disagree	12	12%
Strongly Disagree	11	11%

Whether Rupali Bank Limited Reduces its Interest Rate on Deposit or Not, I will Continue Banking with Rupali Bank Limited

13% of total respondents are strongly disagreed with it and 24% are disagreed and 25% are uncertain. 16% respondents are agreed with it and only 4% are strongly agreed with the opinion. It symbolizes that customers will react negatively if Rupali Bank Limited reduces its interest rate on deposits.

Particulars	Frequency	Percentage
Strongly Agree	4	4%
Agree	16	16%
Uncertain	25	25%
Disagree	24	24%
Strongly Disagree	31	31%

From the analysis of the outcomes, we can narrow down the discussion into the following points:

- Among the respondents, only a few are students. Most of the respondents are either business people or housewives. Majority of the respondents belong to 36+ of age group.
- Easy procedures of the remittance transfer, soft terms in credit facilities to the business people are added advantages for those who maintain account with Rupali Bank Limited.

Moreover, following points depict Rupali Bank Limited's position in the market:

- Customers prefer Rupali Bank Limited for its employees' friendly and sincere service.
- Business people prefer Rupali Bank Limited for easy loan formalities. In case of SME loan, business people think Rupali Bank Limited provides the easiest service to its customers.
- Borrowers prefer Rupali Bank Limited for its low interest rate on loan.
- Depositors are not highly satisfied with the deposit interest rate and they are not dissatisfied either.

- General customers consider Rupali Bank Limited as trusted one as it has been operating for long days and a state owned banking organization.
- Customers consider Rupali Bank Limited's market reputation.
- Customers appreciate Rupali Bank Limited's low remittance charge and prompt service through Western Union and other similar channels.

Problems of the Banking System

- Rupali Bank Limited does not use modern technology in providing banking services to people.
- With increasing demand of innovative savings and credit product in the market, Rupali Bank Limited should take necessary initiatives to cope up and meet the market appetite by going an extra mileage.
- Procedural length eats up time and spoils the purpose of the clients.
- Huge amount of bad loan is a cursing burden for the bank.
- Shortage of modern skill enabled manpower makes the service generation slow and sometimes ineffective.
- Branch managers cannot sanction loan at their expectation.
- Absence of innovative financial products keeps the bank years backward compared to other banks.
- Lack of advertisement in print and electronic media creates gap between bank and customers.

Recommendations

- Modernization has turned out as an indispensable necessity for Rupali Bank Limited. Huge investment, if necessary, must be done to keep the service quality of the bank up to date.
- An extensive marketing program should be taken up to improve the brand image of the bank inside and outside the organizational periphery.
- Since the bank has reputation in SME financing, it should focus on improving the SME services by a lot and make the bank an example to others in this regard.
- The bank should be a profitable one and yearly dividend should be declared as prime choices of one of the investors.
- More advanced training and compensation package should be introduced to motivate employees for better performance.
- Loan sanctioning power of the branch managers should be increased.
- Branches should be decorated nicely. Therefore, customers can get a different experience by visiting branches.

- To clean up the filed cases of the bank, more solicitors should be appointed if it turns reasonable.

Conclusion

Rupali Bank Limited has been running its operation successfully since 2008. Before 2008, the then government attempted to sell it off. That decision caused immeasurable loss to the bank. Disbursement of loans, promotion of employees and total internal control got messed up. The decision proved wrong for the bank. The management of the bank is trying hard to revitalize the bank. Some dynamic and courageous steps like rapid computerization, decentralization of power from central office to local offices have been taken up to ensure standard performance of the bank as a whole. Even though the bank's recent performance has got a fresh impetus due to the quick changes brought by the management, customers' thirst for better service and product from the bank got highlighted in their responses in the survey conducted for this study. So, Rupali Bank Limited's management should bring this point under lime light and keep it in the top of the priority list. One thing that Rupali Bank Limited authority should also focus on is "Improving employee satisfaction and customers' satisfaction" in the same time. It is to be understood that implementing any kind of recommendation will be possible only when the responsible people (Employees) mingle with the system enthusiastically. Moreover, a better kind of employee treatment will improve the company's image to the stakeholders. A motivating environment can pay off good governance inside the company as well. Therefore, keeping the recommendations as guidelines and problems as challenges, Rupali Bank Limited should move ahead to be an example in the banking history of Bangladesh.

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Appendices:

Appendix 10.1: Variables Considered in the Survey:

Serial No.	Variables
1.	Profession of the respondents
2.	Age of the respondents
3.	Maintaining account with other banks
4.	Interest rate on loan is low and bearable
5.	Rupali Bank provides additional in comparison with other banks
6.	Interest rate on deposit scheme is attractive
7.	SME loan formalities are very easy in Rupali Bank
8.	Time taken for getting service in Rupali Bank is appropriate
9.	Remittance charge of Rupali Bank is low compared with other banks
10.	Rupali Bank provides various promotional facilities and necessary help almost every time
11.	Rupali Bank is very sincere in providing me quality services on a continuous basis
12.	Whether Rupali Bank reduces its interest rate on deposit or not, I will continue banking with Rupali Bank

A Comparative Study of CSR of an Islamic Bank and a Private Commercial Bank in Bangladesh

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Abstract

The concept of Corporate Social Responsibility (CSR) was considered in the early 20th century but it received enormous impetus in the early 1950s. Primarily CSR starts with the consideration of social implications by anybody corporate which is ultimately reflected through its initiatives towards betterment of the disadvantaged people of a society. As a stakeholder of the society, the Bank is keen to augment CSR activities gradually in the days to come. The purpose of the study is to provide deep understanding and compare the practices of CSR of an Islami banking system and a private commercial bank operating in Bangladesh. The study has been taken to observe different regulatory framework (CSR areas) of CSR of private commercial bank and its contribution. This study finds that CSR practices of PCB (DBBL) and Islami Bank (IBBL) are providing higher amount of fund. The study reveals that both banking system is providing huge amount of money in different sectors. We cannot absolutely define which bank is expensing more in a single sector. We can recommend that although the banking system is different, both of the banks are contributing in CSR activity. Their total contribution is increasing their profit gradually.

Key Words: Corporate Social Responsibility, Private Commercial Bank, Tax Rebate.

1. Introduction

Corporate organizations are playing an important role in social development through sharing their profit for many benevolent and philanthropic activities under the rubric of Corporate Social Responsibility (CSR). CSR has become a common word highly discussed and prioritized by the national and international organizations, development sectors, professionals and scholars, and global business partners. Generally, social responsibility means the works which will bring about the overall betterment of the mass people in the society. In this context, CSR concept has a promising humane future as it addresses and captures the most important concerns of the public regarding business and social relationships (Carroll 1999). Business in a capitalistic world is all about making profits. CSR, however, challenges such corporate attitude and pushes them to be more humanistic and obliges them not to forget the social responsibilities to fighting many odds at the social level. As every person has his own responsibilities towards the society, so does the business firms. Business is an inseparable and embedded part of the society (Alam et al. 2010). Besides conducting business activities and pursuing economic gains, business houses also have several other roles and responsibilities towards society such as the social and environmental responsibilities and business contributions that would benefit the society at large (Preston and Post 1975, Davis and Blomstrom 1971, Margolis and Walsh 2001, Sethi 1975). It is mandatory for companies to conform to the legal responsibilities as prescribed by the law. So, organizations have no alternative but to comply with the basic law of the land (Carroll 1979). The idea is that, above and beyond making a profit, the business has social obligations that must be carried out through corporate social responsibility.

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It has been generally accepted that corporate social responsibility is an inevitable matter that was adopted globally to ensure sound development of the world. Sustainable development is not possible without evenhanded support of corporate world. Hence, corporate society has a linchpin role to open up a lion share opportunity in every pros and cons of any society. It is regretful, however, that although CSR activities are forcefully implemented internationally, Bangladesh is still lagging behind. Banking business is playing an important role in our economy and making profit and helping our economy financially. Besides the business banks are doing CSR activities in large scale.

Although Dutch-Bangla Bank Limited in Bangladesh is a pioneer organization which has been contributing to ensure its social responsibility since the beginning to the present day, suspicions prevails that they depart from the spirit of the concept of 'CSR' today. To them, it is a business tool or policy or an advertisement which ensures maximum productivity, reorganizations, benefits and other facilities of their organization. As a pioneer of welfare oriented banking system IBBL acknowledges its indebtedness to the whole society. The large number of social welfare activities of the bank reflects the bank's commitment and responsibility to the society in large scale. IBBL has 36 welfare programs. Keeping all these deliberations in mind, this study tries to explore which bank is investing more in CSR activity. We will also try to find which bank is contributing more to the society.

2. Methodology & Sampling

The study is exclusively a descriptive research and thus it is purely based on the information from secondary data sources. The data collected for the purpose of the study involves the examination of annual reports for the year 2009-2011 of a private commercial bank (Dutch Bangla Bank Ltd.) and an Islami bank (Islami Bank Bangladesh Ltd.) two commercial banks with different banking system. Both the banks are listed in DSE and CSE. The linkage between the firm's size and the amount of CSR information is evidenced in earlier CSR literature (Khan Ahmed et al. 2010, Zeghal and Ahmed 1990). Additionally, it is documented that annual report is the most widespread and accepted document (Belal 2000, Khan et al. 2009, Khan 2010) for corporate communication in Bangladesh.

3. Literatures Review

The concept of CSR has a long and varied history. The concept existed in remote past in varied forms but never got a formal recognition until 20th century that has seen many turbulent times since its beginning. A concern for social responsibility can be traced back to the 1930s. Chester Barnard's 1938 publication, *The Functions of the Executive*; J. M. Clark's Social Control of Business from 1939 and Theodore Krep's *Measurement of the Social Performance of Business*, published in 1940 were two early references to the social responsibilities of executives and business.

The concept of social responsibilities was formally coined in 1953 by Howard Bowen in his publication "Social Responsibilities of Businessmen" (Corporate Watch Report, 2006). Bowen also provided a preliminary definition of CSR: "it refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society".

The concept received academic attention in 80s and 90s and became an issue of debate and discussion among academic circles. The first company to implement CSR was Shell in 1998. Although the literature on CSR has been developed in all countries, its practical application is more profuse in the developed countries, mainly the US and some European nations.

Alam S.M.S. et al (2010) in a paper entitled “Corporate Social Responsibility of Multi National Corporations in Bangladesh: A Case Study on Grameenphone” pointed out that CSR is still an evolving concept that enables corporate executives to create and apply self determined policies to meet the needs and demands of its stakeholders best. The peculiar nature of CSR practices makes their cross-border management difficult. Achieving consistent CSR practices across global operations involves not only the transfer of the CSR practice, but also the transfer of its underlying value and meaning.

Azim et al. (2011) in a study named “Corporate Social Disclosure in Bangladesh: A Study of the Financial Sector” say that corporate social responsibility is not the only ethical dilemma that financial institutions face in an atmosphere of corrupt corporate practice. These institutions are also concerned with commitment for sustainable development. A well-functioning finance sector in any country can contribute directly to a healthy economy. This sector plays an important role in a country’s economic development.

The literature recognizes that CSR practices differ from country to country (Adams, Hill & Roberts, 1998b) and between developed and developing countries (Imam, 2000). Furthermore, the nature and patterns of CSR vary between types of industry (Gray, Javad, Power & Sinclair, 2001). Surveys of CSR practices in western countries reveal that companies place the greatest emphasis on disclosing human resource information such as employee numbers and remuneration, equal opportunities, employee share ownership, disability policies, and employee training (Gray et al., 2001). Due to geographical, economic, environmental, political, regulatory, social and cultural differences it would not be appropriate to generalize the results of studies of developed nations to developing countries. This is because the stage of economic development is likely to be an important factor affecting CSR practices.

4. CSR and Constituents

Corporate Social Responsibility (CSR) is the responsibilities of an organization to proactively promote the public interest by encouraging community growth and voluntarily eliminating practices that harm the public interests. It is the deliberate inclusion of public interest into corporate decision-making. Broadly, CSR activities of an organization should embrace to honoring the three Ps-People, Planet and Profit. CSR policy would function as a self-regulating mechanism, where business would ensure the adherence to laws & ethical norms.

Again, profit making should not be the only objective of an organization; rather it should embrace the interests of all stakeholders and the community people in large for the long-term sustainability and growth. In decision making, an organization should consider the impact of its activities on the environment and all other stakeholders.

It is intended to portray that the total CSR of business comprises distinct components which, taken together, constitute the whole. The most critical tensions, of course, would be between economic and legal, economic and ethical, and economic and philanthropic. In summary, the total corporate social responsibility of business entails the simultaneous fulfillment of the firm's economic, legal, ethical, and philanthropic responsibilities.

5. Regulatory Framework (Tax Concessions for CSR in Bangladesh)

In the tax regime of Bangladesh, there was no specific provision for CSR. Certain tax concessions were offered to corporate entities for welfare-enhancing

activities. As noted by Mr. Mohammad Abdul Mazid, former Chairman, National Board of Revenue in the article “CSR in Bangladesh - Concepts and Compatibility” (*CSR Review* vol. 1 June 2009), investment and expenditure for establishment and operation of training and educational institutes and hospitals for the benefit of the employees or their families and dependents were considered as business expenditure in calculation taxable income. Furthermore, contributions to provident fund and gratuity fund for employees and workers were given full tax exemption. However, it is obvious that these activities do not conform to the criterion of externality (CSR).

Under the SRO No. 270-Ain/2010, dated 01.07.2010 is given 22 areas of CSR activities for enjoying 10% tax rebate. For example, if a company has a taxable profit of Tk. 1000/- and subject to 40 percent tax, its tax liability would be Tk.400/-. If the company spends Tk. 500/- on CSR, it would get a rebate of Tk. 50/- (10 percent of Tk. 500/-). Its tax liability would thus be Tk. 350/- (Tk 400- Tk 50).

The activities identified as CSR are i) Clear water management ii) Afforestation iii) Beautifications of cities iv) Waste management v) Establishment and management of old persons' homes vi) Contribution to organizations involved in raising consciousness about HIV/AIDS. vii) Contribution to organizations engaged in the welfare of mentally or physically handicapped viii) Contribution to organizations engaged in movement relating to women's rights and anti-dowry practices ix) Grants to public universities x) Grants to organizations engaged in treating cleft lips, cataract, cancer and leprosy xi) Grants to organization engaged in treating acid victims xii) Grants to educational institutions approved by government for education of rootless children xiii) Donations for redressing the hardships caused by natural calamities such as earthquake, cyclone, tidal wave and hurricane channeled through government organizations xiv) Expenditure incurred through educational institutions recognized by Government for providing technical and vocational education for poor, meritorious students and xv) Special financial assistance through institutions approved by Government for facilitating higher education of meritorious students.

In order to ensure additionally, it is required that a company must fulfill certain conditions in order to be eligible for tax concession. These are: (a) The company should have reasonable salary structure, provident fund, gratuity fund, workers participation fund and welfare fund (b) the company should have arrangement for quick treatment and compensation in the event of accident of an officer or employee (c) the company will not in any way engage child labor (d) the company shall have wastes treatment plant for wastes of its factories and (e) the company is regular in paying income tax, value added tax and custom duties. Furthermore, it has been provided that expenditure on CSR cannot be treated as an approved cost item in its manufacturing, commercial and profit/loss accounts.

5. Comparative Analysis

Corporate social responsibility refers to the concept that an enterprise is accountable for its impact on all relevant stakeholders. It is the continuing commitment by business to behave fairly and responsibly and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society in large.

For Islamic financial institutions, corporate social responsibility refers to all activities carried out by an Islamic financial institution to fulfill its religious, economic, legal, ethical and discretionary responsibilities as financial intermediaries for individuals and institutions. To establish Islamic banking through the introduction of a welfare oriented banking system, Islami Bank Bangladesh Ltd created a charitable fund named “Sadaqah Tahbil” (Charity fund) on July 4, 1983; immediately

after the inception. Gradually the volume of its activities increased with the passage of time and the “Sadaqah Tahbil” (Charity fund) was renamed as Islami Bank foundation on May 20, 1991. Islami Bank Bangladesh Ltd also established corporate social affairs department under operations wings on 16th July, 2009.

Meanwhile, since inception, as a responsible corporate body, Dutch-Bangla Bank Limited has been playing a pioneering role in implementing various social and philanthropic programs to help disadvantaged people of the country. Education, healthcare, human resources development, conservation of nature, creation of social awareness, rehabilitation of distressed people and such other programs to redress human sufferings are some of the important areas where the Bank carries out its social and philanthropic activities.

Table 1: Contribution of DBBL and IBBL

Dutch Bangla Bank Ltd.	Islami Bank Bangladesh Ltd.
Education	Education
Health	Health
Disaster	Disaster management
Culture &	Arts & Culture
Sports	Sports
Miscellaneous	Women empowerment
	Miscellaneous

5.1 Contributions to Overall Banking Sector

The CSR expenditure growth rate was 321% in the year 2010 to 2009 and in 2011 the CSR expenditure growth rate was -6.07% (negative growth). If we look at the following table 2 we can figure out that IBBL contributed 21%, 10% and 19% on CSR for the year 2009, 2010 and 2011 respectively. On the other hand, the contribution of DBBL on CSR activity was 29%, 7%, and 16% for the year 2009, 2010 and 2011 respectively. It shows us that IBBL is contributing more to CSR than DBBL.

Table 2: Contribution of DBBL and IBBL (Taka in million)

Years	Dutch Bangla Bank Limited (DBBL)		Islami Bank Bangladesh Limited (IBBL)		CSR Expenditure of Total Banking Sector
2009	159.21	29%	116.27	21%	553.80
2010	168.86	7%	232.63	10%	2329.80
2011	341.83	16%	410.67	19%	2188.33

5.2 Contribution to Education

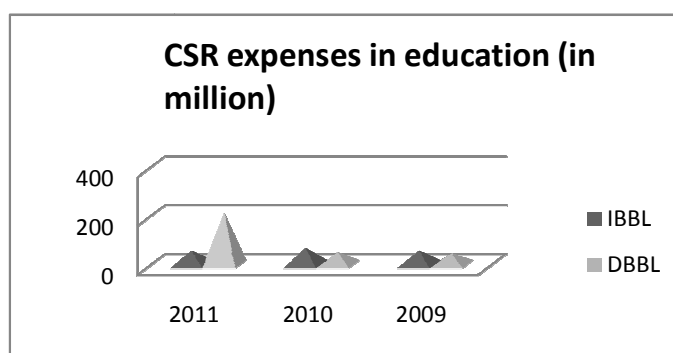
Human is the most important element of any kind of development. To make the human a resource education is a must. Keeping this view in mind, Dutch-Bangla Bank Limited has been giving priority to the education sector. Awarding Scholarship and Fellowship to meritorious students who need financial aid, sponsoring the prestigious *Ganit Utsab*, helping development of infrastructural facilities, providing essential educational equipment, etc. are some of the aspects included in the program. For the social welfare DBBL is using the money for scholarship and other educational sector. The scholarships are available for the entire academic period for different levels of education like- H.S.C., Graduation, M.Phil, Ph.D. and Post-Doctoral. In the year 2011 CSR expenses increased by 323%, but in the year 2010 was increased by only 9.64%.

On the other hand, IBBL engaged with promotion of education sector of the country. An amount of Tk 409.31 million had been spent for 492909 beneficiaries by IBBL since 1983 to 2011 for this purpose and from which Tk 56.17 million for 128925 beneficiaries was contributed in year 2011. For promotion of education, IBBL takes several regular programs such as scholarship program, establishment of medical college, school, madrasa etc. But its expenses on education do not increase as the DBBL.

Table 3: CSR Expenses in Education for DBBL and IBBL (Taka in million)

Name of Banks	2011	2010	2009
IBBL	56.17	67.8	56.32
DBBL	211.93	50.16	45.75

Graph:



5.3 Contribution to Health Care:

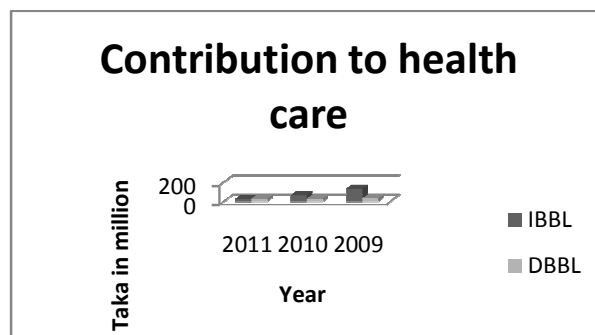
Health care is a basic need of all societies. But people face here a perilous situation due to hazardous medical system of Bangladesh. Considering this, IBBL takes several initiatives in individual and organizational level for developing health sector of the country. IBBL spent Tk. 963.51 million for health sector from 1983 to 2011 and beneficiary was 6905197. IBBL extends financial assistances to the poor and incapable patients for their costly treatments. During the year 2011, an amount of TK 25.78 million was provided to 128556 beneficiaries by the bank for this purpose. We can see the expense on health sector is declining per year. It declines by 52% and 60% for the year 2010 and 2011 respectively.

DBBL has identified health care as a priority sector and helped create better health care facilities at a cheaper cost for the disadvantaged population. In 2011 DBBL contributed TK 27.35 million in the health. The contributed sectors are individual donation for treatment purpose, in fractural development, smile brighter, cataract operation and miscellaneous. DBBL is making the expenses in all over the country. From the following table we can see the contribution of DBBL is little constant in their expenses. At the year 2011 there is no increase in health sector.

Table 4:

Name /year	2011	2010	2009
IBBL	25.78	64.11	132.27
DBBL	27.35	27.02	32.02

Graph:



5.4 Contribution to Natural Disaster

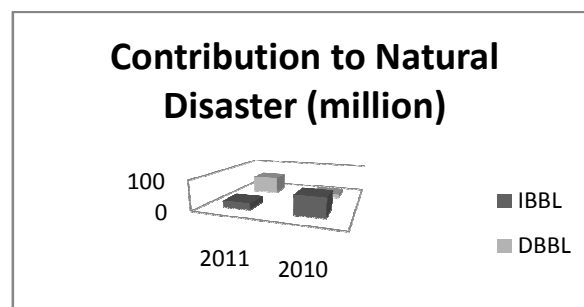
Bangladesh is one of the least developed countries of the world. Over the years people of this land are fighting with poverty and many other natural disasters. Being a corporate citizen of the country, IBBL always stands beside the distressed humanity. By devising special deposit product and extending financial assistance, the bank discharges its responsibilities towards the poor and less fortunate segments of the society. An amount of TK 303.46 million had been spent by IBBL since 1983 to 2011 for this purpose. It increases by 58.45% and -66% (negative) in the year 2010 and 2011 respectively.

Table 5:

Bank	2011	2010
IBBL	21.79	64.06
DBBL	57.71	12.5

DBBL's contribution in this sector was 12.5 million in year 2010 and increased by 362% in the year 2011.

Graph:



5.5 Contribution to Sports (million):

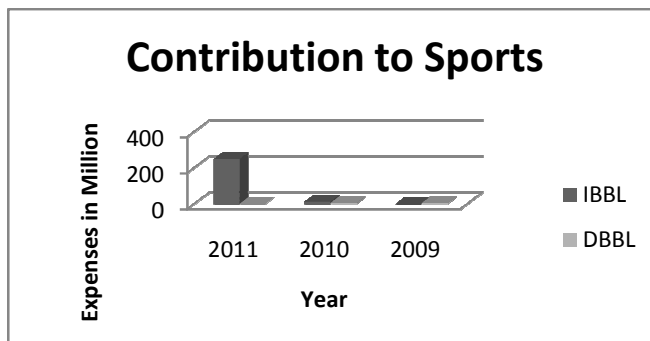
During the year IBBL 2011, the bank contributed TK 100.00 million to Bangladesh Cricket Board for arranging World Cup Cricket in Bangladesh and TK 50.00 million to Bangladesh Football Federation for arranging first ever national school football championship. The contribution is increased by 1973%.

Table:

Name of Banks	2011	2010	2009
IBBL	248.76	12.00	-
DBBL	-	5.00	3.45

DBBL had no contribution in sports in year 2011 but contributed 3.45 and 5.00 million in the year 2009 and 2010.

Graph:



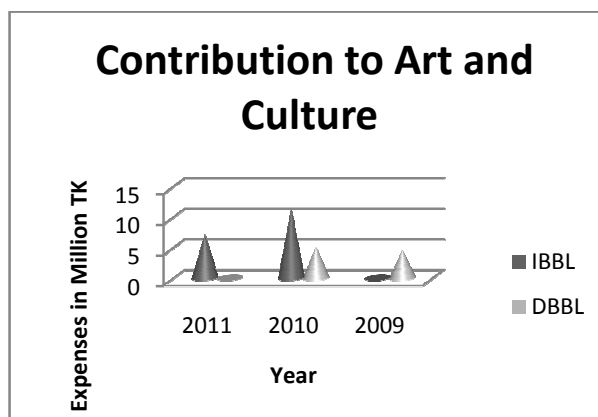
5.6 Contribution to Art and Culture (million)

Nowadays corporations are expending fund for improvement of the art and culture. But contribution on art and culture is not much considering other sectors. It also shows as a volatile trend. In the year 2011 IBBL reduced by 36.27% and there was no contribution on art and culture by DBBL in year 2011. In this sector both banks never contribute sufficient amount of money.

Table:

Name of Banks	2011	2010	2009
IBBL	7.15	11.22	-
DBBL	-	5.00	4.5

Graph:



Conclusion

CSR is playing an important role for the well-being of our society. In our country many corporation is running their business and banking business is one of them. Most of the banks are contributing to CSR, Government providing tax rebate on CSR expenses to motivate banks and other corporations. DBBL and IBBL are the higher contributors in the banking sector. In year 2011 IBBL contributed 19% and DBBL contributed 16% on overall banking sector. But it does not mean IBBL is providing more in CSR. The expenses differ from year to year. In our study we have found DBBL providing higher on education. On the other hand, IBBL contributed

highest on education. Besides, IBBL is contributing higher on health care, national digester, art and culture. We can conclude that IBBL is contributing more than DBBL. It is not for the different banking system. It basically depends on profitability and on top management decision.

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Talent vs Social Restriction in Kazi Anis Ahmed's *Good Night, Mr. Kissinger*

Nasih Ul Wadud Alam*

Abstract:

In the light of discussing the characters and various intricacies of Kazi Anis Ahmed's book Good Night, Mr. Kissinger, the author is also going to discuss how society puts an embargo on our original thoughts through various religious and socio-cultural apparatuses. Good Night, Mr. Kissinger is a collection of nine short stories. The author has discussed the first six stories to depict how an individual fights against his or her own self. By reading this article, readers are going to know more about this new book. In this article, the author has tried to discuss the intricacies of this book by focusing on the title of this article.

Kazi Anis Ahmed's debut book, *Good Night, Mr. Kissinger and other stories*, published from "The University Press Limited" in 2012, is a collection of short stories, "Chameli", "The Poetry Audition", "Losing Ayesha", "The Happiest Day of His Life", "Good Night, Mr. Kissinger", "The Year of Return", "Ramkamal's Gift", "Elephant Road" and "All My Enemies". From these short stories, I am going to discuss on "Chameli", "The Poetry Audition", "Losing Ayesha", "The Happiest Day of His Life", "Good Night, Mr. Kissinger", "The Year of Return", "Ramkamal's Gift". While discussing these short stories, I am going to show how society makes us its willing subjects by closing the door of our original thoughts.

In "The Poetry Audition", Bahram and Jamshed are two talented brothers who decide to take different career paths for themselves. However, Jamshed's decision of taking poetry as a profession becomes the cause of concern for his entire family members. Jamshed is an aspirant poet who writes about "despair" and "nihilism". He reads his poetry out to the attending guests who were invited by his father to listen to Jamshed's recitation of his own poem. After listening to the recitation, the Mawlana, chief guest of the occasion, requests Jamshed to give up mimicking western poets and their ideas. Instead, the Mawlana urges Jamshed to focus on reading more on Persian poems to give him the "classical background" (43) that he "lacks" (43). However, Jamshed gets the biggest shock when the Mawlana advises him to "pursue a career" (43) to "go into the army" (43). The most common feature of Kazi Anis Ahmed's stories is the individual's struggle to come out of his self. In this particular story, Jamshed receives such a shock from his family members that when his brother Bahram cites the examples of "many great poets" (44) who "went to the army" (44) like "Nazrul fought in Turkey during the Second World War". (44), Jamshed becomes angry and says, "Don't you think I've had enough lectures for one night professor?" (44). Jamshed's dream is shattered by the superior society's will.

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In another short story “Chameli”, we also find the individual’s struggle to come out of his self because of social and political barriers. In this short story, Galib falls in love with his neighbour, a Punjabi girl, Chameli. He leaves behind “a trail of hobbies - toy, cars, kites, lackadaisical stamp and coin collections” (02) and “carefree” (02) life because of consuming all of his thoughts about Chameli and dreaming “of kissing” (08) her. Moreover, the political violence before our Independence War and “troubles on the street” (07) and his father’s strict warning not to mix with Punjabis do not stop Galib from having a chance meeting with Chameli. However, “the troubles that had been talked about for months did not settle, instead they had escalated into war” (15). After the war, Galib finds no trace of Chameli. Her “little blue house across the street was empty” (16). Chameli becomes “unreal again” (16). The turbulent politics and displacement stop Galib’s relationship from taking any effect.

“Losing Ayesha” reflects on the incidents of the narrator’s ex beloved. Ayesha is the narrator’s ex girlfriend in the story. The narrator reminisces his wonderful moments with Ayesha who is a London born Bangladeshi girl. Their relationship gets more passionate and intimate by the course of time. One day, the narrator goes to Ayesha’s house with only her younger brother Numair present in the house. They secretly go to the rooftop where they kiss each other. Suddenly, they hear a thudding sound which comes from downstairs as “Numair had fallen” (75) while playing with his kite on the other side of the rooftop. His kite is tangled in the nearby tree branch. As a result, he tries to reach a branch to collect his kite, and thus loses his footing. Ayesha cries, “Numair, Numair” (76). By that time, Numair is no more in the world.

As a result of that untoward incident, “an enormous distance was opening up” (76) between Ayesha and the narrator. The narrator says, “The few times I went to her place during the morning period, we sat in the living room, amidst the relatives and visitors, particularly like strangers” (76). Without informing the narrator, Ayesha departs early for London one day.

Just like “Chameli”, Kazi Anis Ahmed’s “Losing Ayesha” contains the themes of wish un-fulfillment. In “Losing Ayesha”, the narrator recounts how he misses his ex-beloved despite knowing that she is married with a couple of kids. The narrator sees “Ayesha in my memories, and improbably often in my dreams” (76). However, reality sinks in when the narrator reminds of “living on another shore so incredibly far away that I can never hope to reach it again” (76). Similarly, in “Chameli”, the narrator says, “the ache she left behind in his heart felt true and permanent” (16). As a result of the social restrictions, none of the characters in these aforementioned short stories could live through dreams. All the characters live a life of self-contradictions and duality. Anis’s genius lies in this. He could use his power of imagination to show the dual identity of human beings. With his power of words, Anis shows the gulf between body and mind. As in both “Chameli” and “Losing Ayesha”, Anis depicts how human minds deal with nostalgia, self contradictions and failure to come out of their self against the social restrictions.

Kazi Anis Ahmed’s “The Happiest Day of His Life” has a tinge of irony with the title of the story. This story is about a middle aged man, named Amjad, who leaves behind his family, gives up his job to search for the meaning of happiness. However, Amjad takes out his own life. Before committing suicide, he leaves behind an envelope of letters and anecdotes addressing to the narrator who was not himself clear “Why I should be the recipient of such a dubious honour” (80). Amjad gets obsessed with the concept of death. He also becomes an escapist to get rid of the challenges of life. Amjad feels happy “For the first time in ages since I was a child, I

was lost” (82). Then he says again, “The few hours I was lost, sitting on the ledge of somebody’s ground floor window, watching people go by, I remember that as the happiest hours I’ve known in a long time” (83). Human beings have a tendency to leave everything behind to look for the spiritual happiness. Amjad finds spiritual happiness by detaching himself from the busy world.

After reading the first sheet, the narrator reads the second sheet for the second time. In the second sheet that Amjad writes, the word “happy” has been used four times in a ten line passage. Amjad writes, “I think often of when I was happy” (82). While broaching on the subject of happiness, Amjad writes again, “If I could remember when I was last happy, perhaps I could be happy again. I can only remember fragments of days that have been happy”(82). In one of the fragments Amjad writes, “Sometimes I think of asking my friends about the happiest day of their lives. I don’t think they will tell me” (83). Before his death, Amjad also comes to the narrator’s office for no reasons. Their conversation “did not go beyond the established customs of conversation” (83). Interestingly, after the death of Amjad, the narrator also gets obsessed with the concept of happiness. He also feels a tinge of loneliness.

Just like James Joyce and Virginia Woolf, Anis has successfully gone deep into the psychology of human beings. If I am not wrong, many beings go through the same experience of feeling alone in the busiest part of the world. Suicidal tendency arises out of this sort of loneliness. There is no end to people’s expectation. Many people commit suicide when they fail to fulfill their ambitions. Lots of people live so happily that they find no reason to live anymore in the world. That is why, they peacefully and happily commit suicide. Similarly, the narrator of Jibananda Das’s “At Bochor Ager Ekdin” or “Eight Years Ago” enjoys his present life so much that he finds no reason to live in this world again. He thinks that leaving the world happily would be a better option before facing the life of death at an older age. Kazi Anis Ahmed’s story titled “The Happiest Day of His Life” is ironical because Amjad’s departure from this world reflects on the end of his unhappy life on earth. Amjad’s unhappy ending echoes in the narrator’s life. He also looks for the answer of happiness.

Anis’ “Good Night, Mr. Kissinger” contains the story of a waiter James D’ Costa’s conversation with Henry Kissinger. James D’ Costa is a waiter in The Solstice, a restaurant in America. One day, Kissinger “was groping for the name of the capital of Tajikistan” (87). The narrator, James D’ Costa takes a chance and answers “Dushanbe”, the capital of Tajikistan. Kissinger becomes surprised with the answer and wants to know more about Costa’s identity. Costa comes from Bangladesh, a country Kissinger views as a “basket-case”. This kind of labeling of Bangladesh makes Costa very angry inside as “the insult was excessive” and “the dessert knife, still on the table, flashed before my eyes” for taking revenge against Kissinger (88). Costa feels like killing Kissinger with the dessert knife, but somehow controls himself, as “the last time I did, I had to leave the country” (88). If we go through the history of Costa, we will find that Costa badly hurt a student out of anger. The student failed in one of his assessment tests. He was pleading for reexamination and reconsideration of his grade which the then college teacher Costa vehemently denied. As a result, the student was offering “veiled threats” (90). Costa “slapped the boy hard and told him to focus on his studies” (90). While walking home one day, Costa was attacked by his students. However, Costa somehow managed to “wrestle away a bicycle chain from one of their hands” (90). He “chased” (90) down the student who “was the slowest to escape” (90) and “with one metallic swish from behind caught him across the face” (90). He “could not forgive a student who would dare raise a hand against a teacher” (90). His students started to boycott his classes.

The parents of the victim pressed criminal charges. Costa “did not have the appetite for the legal fight, nor for the humiliations needed to resolve the issue out of court (90). Now he is a “political refugee” (89) in America.

Costa cherishes the dream of killing Kissinger, a hugely controversial political figure who masterminded the killing of Bangabandhu Sheikh Mujibar Rahman and also voiced against the Bangladeshi Independence War in 1971. Meanwhile, during the war of liberation Costa’s father was “shot dead by the Pakistanis” (91). Costa “daydreamed, not of girls, or football, or cars, or anything teenagers commonly fantasize about, but of revenge” after the conclusion of the liberation war (92). He “drafted elaborate plans to execute the killers of 1971” (92). He required a “symbolic justice” (92). As a result, he joined in secular politics demanding the trial of war criminals. But, to his dismay, “the liberals succumbed to compromise. Eventually the killers and collaborators became ministers” (93). He gave up politics and became “concerned with upholding vestiges of order and dignity in the immediate and small arena of my college, until” (93) things went out of control because of unprecedented events in his life in Bangladesh.

Costa thinks of ways of killing Kissinger who “came to The Solstice at least once a month; usually for dinner”(98). He fantasizes about taking “the fork away and stabbing him in the eye faster than any security man could bat an eyelid” (98). Whenever Kissinger comes across Costa, he taunts at Bangladesh. Costa grows very angry inside. He wonders if Kissinger “was rude to people from every country whose independence he had opposed” (98). However, Costa fails to translate his anger into any sort of action. He always dilly dallies when it comes to taking action against Kissinger. As a result of his inactivity, Costa sees it as a sign of protest to allow other passengers to “see Kissinger off.” (99)

In this story, Kissinger’s provocations and racist slur against Bangladesh and its people have not gone unabated. He criticizes Bangladesh for topping the chart on corruption. He suggests that Bangladesh would have been better off had it been the province of India. One day, Kissinger comes to The Solstice day after the Bangladeshi Independence Day. Costa informs Kissinger about this historical day. Then Kissinger replies, “Not much to show for thirty some years, except billions in aid and debt” (100). Although Costa is seething with rage inside after hearing this, he does not have enough courage at his disposal to vent anger directly at Kissinger. Just like a usual waiter, Costa “fetched his coat and opened the door, towering over his short, stooped figure, moving slowly under heavy layers” (100). In Kissinger’s reply to thanks, Costa says, “Good night, Mr. Kissinger”, while “drawing the door of Solstice behind him to a close” (100). Ironically, Costa fails to come out of his individual self to take his revenge against Kissinger. He does not gather enough courage to be an anarchist in the society. Despite knowing that Kissinger is one of the main brainchildren behind Bangladesh’s turbulent history, Costa does not translate his revolutionary thoughts into any sort of action by taking any sort of physical action against Kissinger. Instead, he becomes the subject of capital exploitation. Just like the “liberal political leaders”, Costa succumbs to compromise and uphold vestiges of order and dignity.

Kazi Anis Ahmed’s “Ramkamal’s Gift” contains the theme of disappearance. Ramkamal claimed himself to be “the author of the greatest novel ever written, disappeared nine months ago” (113). The narrator’s friend, Ramkamal was “possessed with the desire to create something new, unprecedented, something inherently sufficient” (116). Ramkamal was also involved in illegal trade. The narrator warned him not to pursue those types of illegal trades, but Ramkamal did not pay any heed to him, and thus said, “You worry too much, Burgher” (the nick name

given by Ramkamal to the narrator). However, Ramkamal's lust for rich life increased his expenses. He ran out of money many times. The narrator came to his rescue by lending him money. Ramkamal says to the narrator, "Can you loan me some money? I will return it within a week" (125). Ramkamal's pursuit of illegal money puts an embargo on his creative minds. Ramkamal grows more interesting as a person after he stops writing. He gives up his interest in the pursuit of money. Instead, he focuses more on helping his friends. Ramkamal has some obligations and he aims to complete those obligations before embarking on the writing career once again. Ramkamal calls these obligations as "the service of The Manual" (129) which is the metaphor for responsibilities of life or practical guidance of solving life related problems. He says,

I can't write, if I can't get free first. I must get free from all these obligations...I need a place, paid for, and a caretaker who will bring me food three times a day and never start a conversation. Once I get to that place, perhaps in the hills, or by the sea, or in a small town, but some place where I will be free from situations and the curious, indeed free too from my own curiosity, once I get there, I can begin to write. (129)

Ramkamal disappears all of a sudden. He leaves his surroundings with no trace. I think he gets free from all of his obligations. Maybe he earns enough to rent a place by the hills or the seaside and hires a caretaker who looks after him with continuous care. Ramkamal's disappearance gives us the hint of his reincarnation as a writer. Anis does not explicitly discuss Ramkamal's life after his disappearance, but readers can predict that Ramkamal ventures through his old journey on the new road as a writer.

Ramkamal's Manual also becomes the source of interest for his friends even one year after his disappearance. The narrator says, "Everyone had to find their own way to live the Manual" (133). It becomes "a living guide" (133) and "a pulsating document inside each of us" (133) to teach "how to be vital in a world without letters." (133)

In conclusion, I would like to quote Tahmima Anam, author of *The Good Muslim on Good Night, Mr. Kissinger* before drawing my own conclusion on the novel. Anis Ahmed's debut collection, tells the story of Dhaka from a provincial outpost to a global mega-city, through the eyes of a few linked characters. Following the thread of their lives from childhood, through the blush of first love, to the melancholy and disappointments of middle age, the stories weave an intricate tapestry of budding hopes, lost childhoods, and the possibilities of human connection. Vividly realized and intricately observed, the novel is a poignant portrait of a city and the characters that live in the wake of great change (Anam, Tahmima, quoted from the back-cover of Anis Ahmed's *Good Night, Mr Kissinger*). I totally agree with Tahmima Anam. It is a wonderfully crafted collection of short stories that discuss the human struggle to come out of one's self against the will of society. In these short stories, each character tries out to survive in the society in whatever way possible. This book successfully depicts the higher middle class mentality. However, it would have been a novel of better diversity had Anis decided to include stories from the poorer class of the society. It would have given the critics more chances for exploring it more from the Subaltern point of view.

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Ahmed, Kazi Anis. *Good Night, Mr. Kissinger*, Dhaka: The University Press Limited, 2012.

Examination of Profitability in Private Commercial Banks in Bangladesh: An Empirical Investigation

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Abstract

At present private commercial banks are dominant in respect of market share and profitability in the banking industry of Bangladesh. The profit growth of these banks seems to be very high. This paper seeks to examine the profitability determinants of Private Commercial Banks of Bangladesh in recent years. The study employs annual data for all the 30 Private Commercial Banks of Bangladesh for the year 2011 and 2012. Multiple regression analyses were run for each of the year to capture the significant determinants of profitability and to test some hypotheses. The empirical findings from this study suggest that that asset size and NIM (Net Interest Margin) ratio do not have significant effect on the profitability. But the impact of non-interest income on profitability was observed as the most significant among various variables. Furthermore, investment activities, mainly in shares and debentures (quoted and unquoted) of private sectors also have a significant positive impact on ROA. The findings suggest that diversified banking activities including the investment activities make these banks more profitable.

Key words: Nationalized Banks, Specialized Banks, Private Banks, and Foreign Banks.

Introduction:

It is widely believed that financial system plays a vital role in the economic growth and development of a country. The importance of an efficient financial sector lies in the fact that it ensures domestic resources mobilization, generation of savings, and investments in productive sectors. In fact, it is the system by which a country directs its most profitable and efficient sectors to most productive sources of future growth. The main role of a financial system is not only to transfer funds from savers to investors but also to ensure that funds are being transferred to the sectors which are most important for an economy. Banks are the most crucial financial intermediaries in most economies that render a bundle of different services. Economies that have a profitable banking sector are better able to withstand negative shocks and contribute to the stability of the financial system (Athanasoglou, Brissimis and Delis, 2005). On the other hand, banks insolvencies can result in systemic crisis. Therefore, it is important to understand the factors which really affect the banking sector's profitability.

The Financial sector of Bangladesh, like mostly in developing countries, is dominated by banking industry. After the independence of Bangladesh in 1971, all the domestic banks were merged and grouped into few state owned commercial banks. The aim of the government was to channel funds to the public sector and

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to prioritize credit to those sectors that sought to reconstruct the war-affected country – mainly industries and agricultural sectors. However, their performance was not satisfactory in terms of profitability, customer service and overall performance. To set up a proper regulatory system that would diagnose such problems and correct them was also tough while the government intervention were in existence everywhere. Therefore, banking concept like profitability, liquidity and capital adequacy were alien to bank managers. Some private banks were allowed to operate in the market in 1980s, they began to perform satisfactorily. Later more private commercial banks were allowed to play in the market. At present private commercial banks are dominant in respect of market share and profitability in the banking sector of Bangladesh.

Literature Review:

In recent literature, profitability determinant of bank is defined as a function of internal and external determinants. Internal determinants are termed micro or bank specific determinants of profitability and related to bank management. The external determinants are the economic and legal environment which affects the operation and performance of banks. According to the nature and objective of each study, different variables could be used. Bank specific financial ratios representing capital adequacy, cost efficiency, liquidity, asset quality, and size are mostly used as internal determinants. On the other hand, economic growth, inflation, market interest rates, ownership, etc. are commonly treated as external determinants that affect bank profitability.

There are numerous studies which deal with bank profitability though those studies vary to a great extent. Some studies on the bank profitability were carried out focusing on a single country, while others on a panel of countries. Many studies also have been done in the Asian region. To make this current research project more meaningful some references of previous studies have been presented here.

N. Jahangir, S. Shill, & M. A. J. Haque (2007) examined the profitability in the context of Bangladeshi banking industry. The study was carried out on the data from the year 2000 to 2005 of only the listed commercial banks in DSE (Dhaka Stock Exchange). It was found that there would be a strong and significant relationship between market size and bank's return on equity. It seemed that capital adequacy was an important factor for a bank to be profitable.

S. Chantapong (2005) made a comparative cost efficiency analysis between the domestic and foreign banks in Thailand. This study also examined the effect on banking efficiency due to the foreign bank entry in Thailand after the 1997 financial crisis. The foreign banks seemed to be more efficient than domestic banks in terms of better capitalization and lower levels of nonperforming loans. The increased competition arising from the foreign bank entry through acquisition forced the domestic banks to improve their cost efficiency. As the profitability gap between foreign and domestic bank became narrow, it can be assumed that the financial

restructuring program has yielded some positive results.

Bank specific and macroeconomic determinant of commercial bank profitability in Turkey was examined by **D. Alpher & A. Anbar (2011)**. In this study, panel data method (fixed effects model) was applied to data of 10 banks' financial statements from 2002 to 2010. It seemed that asset size has a positive and significant effect on profitability and larger banks achieve a higher ROA and ROE. Though bank loans have a positive impact on bank performance as it is expected to be the main source of income, a negative relationship was found between loans and profitability. The study has found that non-interest income or assets ratio has a positive and significant effect on ROA which indicates that greater diversification in bank's activity positively influence returns. Some macroeconomic factors like real GDP growth rate and inflation rate do not have significant effect on bank profitability.

S. S. Debashis, & N. C. Shil (2011) tried to find out the key discriminators of bank profitability in India. The study was pursued with the help of data of 93 commercial banks for a period about 8 years from 2001 to 2009. To identify the most critical profitability ratios the technique of multiple discriminators analysis (MDA) was used as an important methodology. The analysis identified only five variables namely Priority Sector Advance or Net Advances, Interest Income or Total Assets, Net interest Spread or Total Assets, Net interest Spread or Total Assets, Wage Bills or Total Expenses as the significant discriminators of bank profitability (ROA - the dependent variable) among the total 13 variables.

In China case, F. Sufian & M. S. Habibullah (2009) studied the bank specific and macroeconomic determinants of bank profitability for the post-reform period of 2000–2005. It was found that the determinants variables do not have uniform impacts on profitability across bank types. Liquidity, credit risk, and capitalization are found to have positive impacts on the state owned commercial banks (SOCBs) profitability, while joint stock commercial banks (JSCB) with higher credit risk tend to be more profitable. On the other hand, diversified and relatively better capitalized city commercial banks (CITY) seem to exhibit higher profitability levels. The effect of economic growth is positive on banks' profitability.

The research in Switzerland, **Dietrich and Wanzenried (2009)** have found that there are significant differences in profitability among commercial banks and these differences can be explained to a large extent by the factors included in analysis. Better capitalized banks found to be more profitable in the study. Also, where a bank's loan volume is growing faster than the market, positive impact on bank profitability was found. Banks with a higher interest income share seemed to be less profitable. GDP growth variable was one of the most important factors which affect the bank profitability positively. The effective tax rate and the market concentration rate also have a significantly negative impact on bank profitability in Switzerland.

In the other multi-country studies, **Hassan and Bashir (2003)** investigate profitability for a sample of Islamic banks from 21 countries. It was found that a higher loan ratio actually affects profits negatively. Due to the variation of the environment and data included in the analysis the results of various studies differ significantly. However, several researchers have identified that there are some common factors which influence profitability of a bank. Summarizing the results from numerous studies, larger bank size, good asset quality, higher proportion of equity capital to asset, greater GDP growth have generally been associated with greater profitability. Various measures of costs are usually correlated negatively with profits. Greater provisions for loan losses, higher liquidity, and more reliance on debt have been lower indicative of lower bank profits (**Olson and Zoubi, 2011**).

Though numerous studies have been carried out all over the world and some works also have been done in Bangladesh regarding the profitability of the banking sector, no significant work has been found specifically focusing on the hefty profit growth of private commercial banks in Bangladesh.

Problem Statement:

From the overview of the Banking Sector in Bangladesh it has been seen that in recent years private commercial banks in Bangladesh are continuously making a huge chunk of profit. The profit growth seems to be astonishingly high. Though growing trend of profitability is a good sign for an economy but there is a scope to investigate whether this profitability is sustainable and justified with the economic growth and other indicators. Furthermore, nowadays banks are not doing business only limiting itself in deposit and lending activities but also involving itself in the wide array of other activities. Some of these profit seeking activities may lead banks to take very high exposures to the risk. Therefore, this research study tries to address the determinants of profitability of private commercial banks in Bangladesh. In other words, this research study tries to figure out why these banks are so profitable.

Objective of the Study:

This research study tries to focus on the Private Commercial Banks (PCB) category only because of its hefty profit growth. It aims at giving an in-depth look into the private commercial banks' profitability in Bangladesh by using the quantitative method to analyze accounting data. The objectives are as follows:

1. To identify the major determinants of the profitability of Private Commercial Banks in Bangladesh in recent years.
2. To address some policy implications and suggest for further study.

Research Methodology:

Data and Research Method

This study employs annual data for all the 30 Private Commercial Banks of Bangladesh for the year 2011 and 2012. The total sample

consisted of 60 (30×2) bank-year observations. The main source of data is the annual report of each bank. It is noteworthy here that all the 30 private commercial banks are listed in the Dhaka Stock Exchange. To capture the recent years' profitability determinants, less emphasis has been given to the time series analysis. On the other hand, no sampling has been made to select the banks. As the profitability of private commercial banks seems to be at the highest point in the recent years our approach is assumed to be very much logical to explain the high profitability of these banks. In our model, we present one dependent and nine explanatory variables that may influence the profitability of a bank. Our objective of choosing the proxies is to capture the significant determinants of profitability. Two multiple regression analyses are run for the year 2011 and 2012 to explain the relationship between ROA and independent variables.

Variables

To analyze the determinants of the profitability of private commercial banks 10 variables are included in this study, one of them are the dependent and the others are as explanatory or independent variables.

Dependent Variables

In most of the literature, bank's profitability, usually measured by return on asset (ROA) and return on equity (ROE). In this study, Return on Assets (ROA) is used as measures of bank's profitability. ROA is determined as net profit divided by total assets and is expressed in percent. ROA shows the profit earned per dollar of assets and most importantly, reflects the management ability to utilize the bank's financial and real investment resources to generate profits (Hassan and Bashir, 2003).

Independent Variables

By reviewing several literatures, it is found that several researchers identified some common factors which influence profitability of a bank. Summarizing the results from numerous studies, bank specific financial ratios representing capital adequacy, cost efficiency, Income Expenditure mix, asset quality, and size are mostly used as internal variables. So we have included the following bank specific variables to capture the determinants of profitability:

❖ Asset size

In many finance literature, total assets of the banks are used as to capture the possible effect of bank's size on profitability. Generally natural logarithm of total asset ($\log A$) is used to represent bank size. The effect of bank size on profitability is generally expected to be positive (Smirlock, 1985). Eichengreen and Gibson (2001) suggest that the effect of a growing bank's size on profitability may be positive up to a certain limit. Beyond this point the effect of size could be negative due to bureaucratic and other reasons. Hence, the size profitability relationship may be expected to be non-linear.

❖ Capital adequacy

The ratio of equity to total assets (CA) is generally used to

represent the basic ratios for capital strength. It is likely that the higher this ratio, the lower the need for external funding and thus leads to the higher profitability of the bank. Equity to total assets ratio is expected to have positive relation with performance that well-capitalized banks face lower costs of going bankrupt which reduces their costs of funding and risks (Berger, 1995; Bourke, 1989; Hassan and Bashir, 2003).

❖ **Asset quality**

To address the asset quality two ratios are used in this study: loans to total assets (LA) and non-performing loans to total loans (NPL). As loan is one of the main sources of income of a bank, the ratio loans to total assets are expected to affect profitability positively unless an unacceptable level of risk is taken by a bank. Non-performing loans (loans which are considered not to generate earnings) to total loans ratio measures the asset quality of bank. In other words, it reflects the health of bank's loan portfolio that affects performance of bank negatively. The higher the NPL ratio the poorer the quality of loan portfolio and therefore it leads to lower profitability.

❖ **Deposits**

Deposits are considered as banks' main source of funding and are the lowest cost of funds. The more deposits are transformed into loans, the higher the interest margin and profit. Hence, deposits generally have positive impact on profitability of the banks. But if a bank can't transform its deposits into loans efficiently it may bring negative impact on profitability also.

❖ **Income-expenditure structure**

In this study, net interest margin (NIM) and non-interest income (NII) ratios are used to reflect the income-expenditure structure. Net interest margin is measured by net interest income (net interest spread) to total assets. Net interest margin is an important measure of bank efficiency which basically focuses on the profit earned on interest activities of a bank. On the other hand, non-interest income is measured by non-interest income to total assets. Non-interest income consists of commission, fees, investment income from government or private securities, other operating income. Both the variables are expected to show positive relationship with bank profitability.

❖ **Investment Activities**

Banks are not engaged in the deposit and lending activities only they also invest significant amount of their assets in Government securities, shares and debentures. To capture the influence of investment activities on profitability two ratios are used in this study: investment in government securities to total assets (IGSEC) and other investment to total assets (OI). Investment in government securities mainly includes government treasury bills, bonds, debenture, etc.

Table 1 Definitions and Notation of the Variables

	Variable	Measure	Notation
Dependent Variables	Profitability	Return on Assets (ROA) = Net Profit/Total Assets	ROA
	I n d e p e n d e n t Variables	Asset Size	Natural Logarithm of Total Assets
Capital Adequacy		Equity/Total Assets	CA
Asset Quality		Loans/Total Assets	LA
		Non-Performing Loans/Total Loans	NPL
Deposit		Deposits/Total Assets	DP
Income-Expenditure Structure		Net Interest Margin = Net Interest Income/Total Assets	NIM
	Non-Interest Income = Non-Interest Income/Total Assets	NII	
Investment Activities	Investment in Govt. securities/Total Assets	IGSEC OI	
	Other Investment/Total Assets		

So, our profitability model would be as follows:

$$ROA = \beta_0 + \beta_1 \log A + \beta_2 CA + \beta_3 LA + \beta_4 NPL + \beta_5 DP + \beta_6 NIM + \beta_7 NII + \beta_8 IGSEC + \beta_9 OI + \varepsilon$$

Hypothesis:

Hypothesis H1a: Asset size measured by natural logarithm of total assets (logA) has a significant positive impact on ROA

Hypothesis H2a: Net Interest Margin (NIM) has a significant positive impact on ROA

Hypothesis H3a: Banks with more diversified income measured by Non-Interest Income (NII) tend to be more profitable

Hypothesis H4a: Investment activities mainly in quoted and unquoted shares and debentures of private sectors measured by Other Investment (OI) have a significant positive impact on ROA

Limitation of the Study:

Due to limited data availability and time constraints some external variables such as annual real gross domestic product growth rate (GDP), annual inflation rate (INF) and real interest rate (RI) have not been included in this study. The linkage between the bank’s profitability and their exposure with the capital market has also not been analyzed in detail. Another limitation is that only two year’s data have been used to identify the major determinants of profitability. To have a deeper look at panel data set can be more useful.

Result and Discussion:

Descriptive Statistics

The basic descriptive statistics of the variables are presented in Table 2. For each variable, Table 2 shows mean, standard deviation, minimum and maximum value for the year 2011 and 2012 of 30 private commercial banks of Bangladesh. On an average, those banks have a return on assets (ROA) of 1.27% and 1.86% in the year 2011 and 2012 respectively. The ROA varies greatly across banks and periods, the standard deviation of ROA is 2.35% minimum and maximum values are -10.85% and 3.19% in the year 2011. The standard deviation, minimum and maximum values of ROA in the year 2012 are 1.93%, -07.29% and 5.10% respectively. Asset size has been determined by the natural logarithm of total asset (Log A), the mean of which in the year 2011(2012) is 24.96 (25.21) and standard deviation 0.47 (0.48). The maximum and minimum values of Log A in the year 2011 (2012) are 26.35 (26.52) and 23.67 (23.65) respectively. When the mean of capital adequacy ratio (CA) in the year 2011 (2012) is 8.10% (8.21%), minimum value is -6.36% (-31.14%) and maximum value is 23.36% (14.86%). Averages of loans/assets ratio (LA) and deposits/assets (DP) are approximately 69.03% (71.68%) and 82.18% (79.76%) respectively. The average NPL ratio is 6.42% (5.13%), but it varies greatly between 0.94% (1.14%) and 80.99% (61.60%) in the year 2011 (2012). The standard deviation of NPL is 14.54% (10.88). The net interest margin (NIM) amounts to 2.39% (2.75%) on average and non-interest income/assets ratio (NII) amounts to 3.13% (3.70%) on average, for private commercial banks in the study. The higher average ratio of NII than that of NIM indicates that non-interest income plays a vital role in the profitability. The average investment in government securities/assets ratio (IGSEC) is 10.86% (8.99%) whereas the average investment in other securities/assets (OI) ratio is 1.40% (2.12%) in the year 2011 (2012).

Year		ROA	Log A	CA	LA	NPL	DP	NIM	NII	IGSEC	OI
2011	Mean	1.27%	24.9649	8.10%	69.03%	6.42%	82.18%	2.39%	3.13%	10.86%	1.40%
	Max	3.19%	26.3520	23.36%	82.35%	80.99%	89.41%	3.99%	5.05%	31.06%	6.25%
	Min	-10.85%	23.6677	-6.36%	54.83%	0.94%	68.66%	1.25%	0.54%	1.87%	0.00%
	Std. Dev.	2.35%	0.4653	4.17%	6.87%	14.54%	4.93%	0.61%	1.10%	6.10%	1.52%
2012	Mean	1.86%	25.2067	8.21%	71.68%	5.13%	79.76%	2.75%	3.70%	8.99%	2.12%
	Max	5.10%	26.5247	14.86%	83.75%	61.60%	88.57%	4.19%	6.72%	22.63%	7.40%
	Min	-7.29%	23.6487	-31.14%	53.08%	1.14%	68.02%	1.36%	0.42%	0.02%	0.05%
	Std. Dev.	1.93%	0.4832	7.81%	6.11%	10.88%	5.76%	0.70%	1.36%	4.68%	1.59%

Table 2 Descriptive Statistics

Source: Author's calculation

Correlation Matrix amongst independent variables

Correlation matrix between independent variables is presented in Table 3 and 4. The matrixes show that there are few strong correlations between independent variables. The absolute values of correlation are greater than

0.5 in some occasions. But prima facie evidence suggests that multicollinearity problem is not extremely severe for both the year.

Table-3

Correlation Matrix among Independent Variables in the Year 2011

	<i>Log A</i>	<i>CA</i>	<i>LA</i>	<i>NPL</i>	<i>DP</i>	<i>NIM</i>	<i>NII</i>	<i>IGSEC</i>	<i>OI</i>
Log A	1								
CA	-0.3717	1							
LA	0.0046	0.2166	1						
NPL	-0.4868	0.5290	-0.0696	1					
DP	0.3612	-0.5227	0.1807	-0.5012	1				
NIM	0.4200	-0.0270	0.0978	-0.2761	-0.1599	1			
NII	0.3241	-0.1218	-0.3255	-0.4217	0.0347	0.0154	1		
IGSEC	0.1151	-0.2025	-0.5984	-0.1426	0.1240	-0.2921	0.6073	1	
OI	0.0981	0.0324	-0.0340	-0.1762	-0.0513	0.1661	0.3159	-0.1398	1

Source: Author's calculation

Table 4

Correlation Matrix among Independent Variables in the Year 2012

	<i>Log A</i>	<i>CA</i>	<i>LA</i>	<i>NPL</i>	<i>DP</i>	<i>NIM</i>	<i>NII</i>	<i>IGSEC</i>	<i>OI</i>
Log A	1								
CA	0.6172	1							
LA	0.0195	-0.1567	1						
NPL	-0.5994	-0.9245	-0.0598	1					
DP	0.0669	0.0348	0.4133	-0.2797	1				
NIM	0.3247	0.1383	0.0737	-0.1456	-0.1585	1			
NII	0.2360	0.5665	-0.2162	-0.4488	-0.3031	0.1568	1		
IGSEC	0.1545	0.3870	-0.5135	-0.3128	0.1042	-0.0580	0.4293	1	
OI	0.1606	0.3405	-0.1891	-0.2250	-0.2494	0.4684	0.5737	0.0979	1

Source: Author's calculation

Regression Results and Hypothesis Test

Table 5 and 6 show that the value of R Square is 0.9772 (0.9711) in the year 2011 (2012) which reflects that the regression model explains 97.22% (97.11%) of the variation in ROA. F-statistic is very much significant. F=95.15 (74.73), Significance F≈0.000 (0.000) at 95 percent confidence interval suggesting that both the model for the year 2011 and 2012 are useful to determine the determinants of ROA.

Table 5
Regression Results for the Year 2011

<i>Regression Statistics</i>	
Multiple R	0.9885
R Square	0.9772
Adjusted R Square	0.9669
Standard Error	0.0043
Observations	30

ANOVA

	df	SS	M	F	Significance F
Regression	9	0.0156	0.0017	95.1505	0.0000
Residual	20	0.0004	0.0000		
Total	29	0.0160			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	-0.0191	0.0538	-0.3554	0.7260
Log A	0.0015	0.0023	0.6225	0.5406
CA	-0.1704	0.0271	-6.2757	0.0000
LA	0.0471	0.0171	2.7490	0.0124
NPL	-0.1113	0.0088	-12.5910	0.0000
DP	-0.0471	0.0246	-1.9188	0.0694
NIM	0.1751	0.1784	0.9814	0.3381
NII	0.4152	0.1271	3.2677	0.0039
IGSEC	0.0309	0.0243	1.2741	0.2172
OI	0.1373	0.0632	2.1722	0.0420

Source: Author's calculation

Table 6
Regression Results for the Year 2012

<i>Regression Statistics</i>	
Multiple R	0.9855
R Square	0.9711
Adjusted R Square	0.9581
Standard Error	0.0039
Observations	30

ANOVA

	df	SS	M	F	Significance F
Regression	9	0.0104	0.0012	74.7313	0.0000
Residual	20	0.0003	0.0000		
Total	29	0.0108			

	Coefficients	Standard Error	t Stat	P-value
Intercept	-0.0488	0.0545	-0.8944	0.3817
Log A	-0.0004	0.0021	-0.1684	0.8679
CA	0.1305	0.0375	3.4777	0.0024
LA	0.0167	0.0190	0.8786	0.3901
NPL	-0.0406	0.0262	-1.5478	0.1373
DP	0.0447	0.0216	2.0676	0.0519
NIM	0.1245	0.1374	0.9062	0.3756
NII	0.4540	0.0955	4.7546	0.0001
IGSEC	-0.0323	0.0251	-1.2864	0.2130
OI	0.1331	0.0706	1.8856	0.0740

Source: Author's Calculation

Hypothesis H1a (Asset size measured by natural logarithm of total assets (logA) has a significant positive impact on ROA):

In our model, it seems that asset size of a bank is not significant indicating that banks with higher ROA need not to be big in size. The coefficients of 'Log A' is only 0.0015 (-0.0004); $t = 0.6225$ (-0.1684) and $p = 0.5406$ (0.8679). The lower coefficient value and higher p value of Log A imply that asset size is not significantly related to ROA. Based on this regression result we can reject the hypotheses H1a. However, we must carefully interpret this finding due to the fact that ROA reflects the profitability not the gross amount of profit and market share of a bank.

Hypothesis H2a (Net Interest Margin (NIM) has a significant positive impact ROA):

In our study, it is found that NIM has insignificant positive relation with ROA indicating that banks with higher net interest margin may not achieve higher profitability. In the regression result it is found that the coefficient of NIM is 0.1751 (0.1245), t value is 0.9814 (0.9062) and 'p' value is 0.3381 (0.3756). Lower t value and higher 'p' value reflects that the NIM is not significantly related to ROA. Based on this result we can reject the hypotheses H2a.

Hypothesis H3a (Banks with more diversified income measured by Non-Interest Income (NII) tend to be more profitable):

Concerning the impact of diversification strategy, the coefficient of NII/TA has entered the regression model and is found statistically very much significant at the 5% level of significance. The results imply that banks which derived a higher proportion of its income from non-interest sources such as fee based services tend to report a higher level of

profitability. The coefficient of NII ratio is 0.4152 (0.4540) which is very much high in our regression model. t value is 3.2677 (4.7546) which is very significant. The 'p' value is 0.0039 (0.0001) for the year 2011 (2012) which is very low. Based on these findings we can accept the hypothesis H3a.

Hypothesis H4a (Investment activities mainly in quoted and unquoted shares and debentures of private sectors measured by Other Investment (OI) have a significant positive impact on ROA):

Referring to the impact of investment activities (other than the govt. securities) of banks mainly in quoted and unquoted shares and debentures of private sectors (*OI/TA*) on *ROA*, we find that the coefficient of the variable is positive and statistically significant. The coefficient value of OI ratio is 0.1373 (0.1331) which can be considered as high. t value is 2.1722 (1.8856) and 'p' value is 0.0420 (0.0740). The considerably higher coefficient value of the OI variable, moderately higher t value and lower 'p' value supports our hypothesis H4a. Based on these statistical findings we can accept the hypothesis H4a.

Conclusion and Recommendations for Policy Implications:

The banking sector of Bangladesh has undergone noteworthy financial reforms, which has significantly transformed the sector. At present private commercial banks are dominant in respect of market share and profitability in this sector. Profitability is always an important criterion to measure the performance of banks. This study seeks to examine the determinants of private commercial bank's profitability in Bangladesh by using the data obtained from the financial statements of all the private commercial banks (30 commercial banks) for the year 2011 and 2012. The study identified that asset size does not have a significant effect on profitability. It suggests that to achieve a higher level of ROA it is not always necessary to be a larger bank. Interest income is always considered to be the main source of income of a bank, but in our study it is found that NIM/assets ratio does not have a significant impact on profitability. But the most significant variable which affects the profitability was found to be the non-interest income/assets ratio. This indicates that greater diversification in banking activities positively influence profitability. It is also identified that investment activities, mainly in shares and debentures (quoted and unquoted) of private sectors has a significant positive impact on ROA. It suggests that banks which are more exposed to the capital market or invest higher proportion of funds in unquoted shares and debenture may achieve higher profitability.

The findings of this study have considerable policy relevance. The role of diversified banking activities is particularly important, given that a bank with relatively more innovative ideas and better fund management capability may have added advantage over its peers. As per the portfolio theory diversification reduces risks, so various sources of earning should be welcomed. But if this earning includes higher proportion of volatile trading activity rather than low risk income streams like fees and commission, the risk may become higher. In our study it is observed that higher proportion of investment activities (other than the government

securities) may help achieve higher level of profitability, so a bank may have tendency to increase its exposure to the capital market. More exposure in the capital market may bring more risk to a bank as the investment decision in the developing capital market like Bangladesh depends mostly on speculation rather than the real financial indicators. It suggests that non-traditional activates of banks (other than deposit taking and lending) may lead banks to higher exposure to the risk. So the ability to maximize risk adjusted returns and sustaining stable and competitive returns is an important element in the banking business. Thus, from the regulatory perspective, risk management should be the key focus.

The policy direction should be directed in such a way which will enhance the resilience and efficiency of the financial institutions with the aim of intensifying the robustness as well as stability of the banking sector. In this regard, capital adequacy should be emphasized so that banks are able to withstand any negative shock. Ring-fencing traditional banking from investment banking and putting limit on the exposure to risk taking investment activities can be one of the way to minimize the risk. The risk taking investment activities should also be monitored very closely by the supervisor.

Banks profitability is expected to be sensitive to macroeconomic variables such as Gross Domestic Product rate (GDP), inflation rate (INF) and real interest rate (RI). Due to limited data availability and time constraints, those external variables have not been included in this study. There is also scope to analyze the linkage between the bank's profitability and their exposure to the capital market more intensively. Another potential important aspect is to analyze the determinants of profitability by a panel data set. These are the few ways to extend this research in future.

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Bank Asia Limited	http://www.bankasia-bd.com
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The Upshot of AIDS as a Global Tragedy: A Point of no Return

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Abstract

The acronym AIDS stands for Acquired Immune Deficiency Syndrome. At the present time, it is the most dangerous health hazard and serious socio-economic set-back spreading all over the world as a pandemic form. AIDS has already killed millions of people, millions more continue to become infected with HIV, and there is no cure for AIDS. A virus named HIV (Human Immunodeficiency Virus) was first discovered in 1985 by the scientists with the question 'what is AIDS' answered. Now there is no denying the fact that no nation on earth is truly free from the threats of AIDS. Though the whole world is very conscious about the consequence of AIDS, no remedy of it has yet been produced. So, it can be justly said that an individual or a group affected by AIDS is in 'a point of no return'. The virus of AIDS, after entering into a human body, tries to destroy the total defense system and thus makes it possible for some simple diseases like fever, bodily pain, diarrhea, weight loss, headache etc. to attack the host body. The complete eradication of this harmful health hazard is quite impossible all on a sudden but creating awareness can check the rapid spread of the disease to some extent. In this regard, some steps such as religious education, social values, stopping drug abuse, safe intercourse, avoiding oral sex, safe blood transfusion, safe migration etc. are very necessary. As AIDS is not an infectious disease or a curse, a person victim of AIDS should not be neglected. Rather proper nursing may help the patient lead almost a normal life at least for more than 5-15 years. So, AIDS should not be viewed as a problem for a single individual but as a global one. It is one of the biggest problems the world is facing nowadays and nobody is beyond its reach, so everyone should know the basic facts about HIV and AIDS. What is a good news for us by now is that medication can make the progress of HIV slow and some precautions can keep us away from AIDS. So, AIDS is a deadly but preventable disease.

Introduction:

AIDS, an absolutely sensitive and multi-dimensional social concern leading to the most dreadful life snatching disease, is at present in a pandemic (spreading across the continents) form throughout the world. It is unbendingly a constant threat to the total mankind and a great deterrent for all socio-economic emancipation. It is a serious health hazard caused by a type of very slow growing virus known as HIV (Human Immunodeficiency Virus). It could be noted here that all viruses are biochemical and micro-organic parasites that may exist in a living being in the state between 'life and death'. But it becomes or grows alive and active in a favourable condition to create various kinds of diseases in humans, animals and plants. Though a virus is smaller than a bacterium in terms of size, it is much stronger than bacteria.

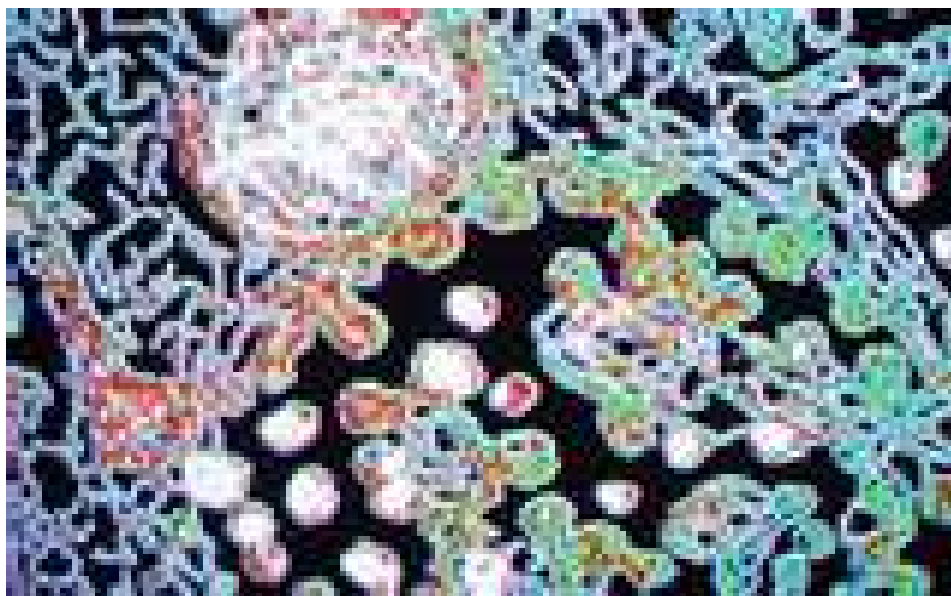
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Here, our intended topic of discussion is the cause, effect and remedy for human AIDS. Every human body has some defense mechanism against any disease to protect and prevent it like a house having someone to guard it against all damage and destruction. This inborn defense system gets improved and developed for the formation of newer and stronger anti-bodies inside a human being along with its physical growth. But when this acquired (grown or gained), immune i.e., immunity (defense or protection) is in a deficiency (lost or become weak), the syndrome (a group of symptoms) are seen. And all the process results in the presence of a number of infectious viruses that turn anyone into an easy victim of numerous diseases and illness. In this physical condition one may fall ill even from an ordinary headache, fever, diarrhea, bodily pain, mental depression etc. So, to create awareness among the people the 1st December is observed as the World AIDS Day.

Discussion: The immune system is a group of cells and organs that protect human body by fighting diseases. The human immune system usually finds and kills viruses fairly quickly. Different viruses attack different parts of the body. For example, the common cold is caused by a type of virus. What makes HIV so dangerous is that it attacks the immune system itself - the very thing that would normally get rid of a virus. It particularly attacks a special type of immune system cells known as CD4 (Cluster of Differentiation) lymphocytes. HIV has a number of tricks that help it to evade the body's defenses, including very rapid mutation. This means that once HIV has taken hold, the immune system can never fully get rid of it. There is no way to tell just by looking if someone has been infected by HIV. In fact, a person infected with HIV may look and feel perfectly well for many years and may not know that he/she is infected. But as the person's immune system weakens, they become increasingly vulnerable to illnesses, many of which they would previously have fought off easily. The only reliable way to tell whether someone has HIV is for sure to take a blood test, which can detect infection from a few weeks after the virus first entered the body. Without drug treatment, HIV infection usually progresses to AIDS in an average of ten years. This average, though, is based on a person having a reasonable diet. Someone who is malnourished may well progress to AIDS and death more rapidly.

HIV (Human Immunodeficiency Virus)



Source: <http://www.time.com/time/health/article/0.8599.1709841.00.html>

Source of HIV: The virus of AIDS was first detected in a monkey like creature named 'Simian' in Africa. The virus of that animal termed as SIV (Simian Immunodeficiency Virus) was the source of HIV. That is to say that the germs of human AIDS came from animals by changing their nature to some extent. In 1959, AIDS patients were first identified in Congo of Africa. Then in 1969, it was found in the USA (in 1981, five male homo-sexual persons were detected as carriers of AIDS) and in 1976 in Norway, in 1986 in Myanmar and India. However, AIDS was found in Bangladesh at first in the year of 1989 and with less than 1% cases. The surprising fact about AIDS is that after being infected by HIV, a man remains without any sign or symptom and feels normal for about 3 to 5 years in the case of blood transfusion and 8 to 12 or more years in other cases. That is, the virus grows inside the body very slowly and as a result, it destroys the whole defense mechanism for ever. There are some theories about the source and origin of AIDS:

Hunter Theory: According to this theory, the virus of AIDS entered into human body for eating the meat of some type of African monkey. It is evident that the first virus of AIDS was found in a monkey type animal.

OPV Theory: In 1950, different countries in Africa generated a new type of vaccine for polio (oral polio vaccine) by changing the polio virus collected from a special kind of monkeys and thus when vaccinated, human body received HIV. But this theory has some defects.

Contaminated Needle Theory: The users of drugs usually use the same syringe and needle repeatedly among themselves. So, anyone carrying HIV can spread the virus to other persons of the same group.

Colonialism Theory: The colonial rulers used to vaccinate the African labourers against different diseases by using the same syringe. Besides, female sex workers were invited for the labourers. So, people living in a colony, normally mix with several human races and develop physical relationship by marriage or otherwise.

Conspiracy Theory: It is easy to destroy a nation by killing its people with the means of a disease rather than bombing because bombing or other ways of annihilating is equally harmful for living environment of the attacking country or countries also. So, to demolish a particular human race or community, the conspiracy of spreading the virus of AIDS is surely a safer technique.

Here are some pictures of AIDS patients below:





Though surprising and alarming, it is true that about 90% HIV carrying people live in the third world countries - either developing or underdeveloped. In 2007, the total number of HIV carriers was almost 35 million and died about 35 thousand in the world. Two thousand and eighty three persons are being infected by HIV in every hour on earth. The highest child mortality for AIDS is in Botswana of Africa. In this situation, a country like ours is geographically very vulnerable because the borders of India, Myanmar, etc. are adjacent to it so that Bangladesh is used as a transit for HIV. It is a matter of belief that in our country the intensity of AIDS is the lowest still now in the world perspective for many reasons like religious practice, socio-cultural pattern and so on. Our young generation is more prone to AIDS than the old.

Biochemical Change of HIV: To approach the question 'how HIV spreads', it could be described in the domain of medical science as: we know the White Blood Corpuscles (WBC) in blood are called the soldiers of a human body. A type of white blood cells is termed in medical science as CD4 cells (sometimes called T-cells) is infected and destroyed by HIV. A normal human body contains 600 to 1200 cells/ml CD4. If it comes down below 200 to 250, it is possibly a case of AIDS (suggested to be confirmed by lab test as there might be other reasons). When HIV enters into a human body, it combines with T-lymphocytes of WBC and goes inside the cells. Then the RNA (Ribonucleic Acid) of HIV turns into DNA (Deoxyribonucleic Acid) by an enzyme. In this way, the DNA of human T-lymphocyte mixes with the DNA of HIV and stays there until its full life-time to generate innumerable viruses where they were living and at one time comes out destroying the cell. Again it gets attached with the newer T-lymphocytes. Through this process, the number of viruses (HIV) increases. On

the other hand, the number or amount of T-lymphocytes decreases. As a result, the preventive power of human body against diseases becomes down and broken.

Types of AIDS: AIDS can be classified into two types such as pediatric and adult AIDS. Pediatric AIDS is mainly inherited from mother and breast feeding is also a very significant cause of it. Whereas adult AIDS can be broken out in a human body in different ways such as by blood transfusion, organ transplantation, sexually transmitted diseases, operational instruments, drugs using the same syringe, shaving with the same razors, etc. In the developing countries, from one-third to half the babies get HIV infected for breast-feeding. The main cause of children's death in AIDS is anisomities carnie pneumonia. Eleven million out of 14 million Children of the world aging below 15 years die only in Sub-Saharan African regions. Among the recently attacked adult people, a half of them are below twenty years of age.

The statistics of main and major HIV transmission and their sources are as follows:

i) Unsafe intercourse (%)	73.10
ii) Husband & wife intercourse (%)	1.30
iii) Intravenous drug use (%)	8.20
iv) Blood transfusion (%)	6.90
v) Mother to baby (%)	9.00
vi) Other causes (%)	0.50

Source: WHO

Symptoms and Awareness: It is a great threat for us all that no symptom is seen initially at the attack of HIV. But after a few years some insignificant side effects are reported such as fever headache, fever, fatigue, depression, confusion, weight loss, swelling of lymph gland, joint pain, sore throat, skin rash, nausea, vomiting, diarrhea, dry cough, night sweats, nail change, yeast infection, cold sore or genital herpes, menstrual irregularities, infection in lungs and pneumonia specially in a child, etc. But World Health Organization (WHO) has suggested the three vital signs and symptoms of AIDS:

- a) Losing the weight of the body (up to 10%)
- b) More than one month long continuous or occasional fever and
- c) Diarrhea for about one or two-month time span

For the protection of AIDS, WHO has also provided us with ten essential life skills:

I) Self-awareness II) Sympathy to the victims III) Interpersonal skills IV) Power of analyzing V) Creative thinking skills VI) Decision making skills VII) Problem solving skills VIII) Emotion control skills IX) Mental stress control skills and X) Communication skills. In this connection, we can add a few more helpful steps to the above and those could be:

- **PRSP** (poverty reduction strategy paper): It can prevent a woman/man from becoming a sex worker and 58% of our people are unemployed in our country. And other causes stricken by poverty are also prevalent here.
- **Religious Education & Training:** Religion is a key factor in our society to fight and stand against AIDS. There are a lot of teachings and activities in Islam and other religion. For example, circumcision reduces the chance of AIDS. Multiple sex (with more than one partner), illegal sex, homo sex, lesbian, etc. are strictly forbidden in all religions; in the holly Quran, Surah Al Bani Israil contains a verse (32) on all harmful things such as committing adultery.

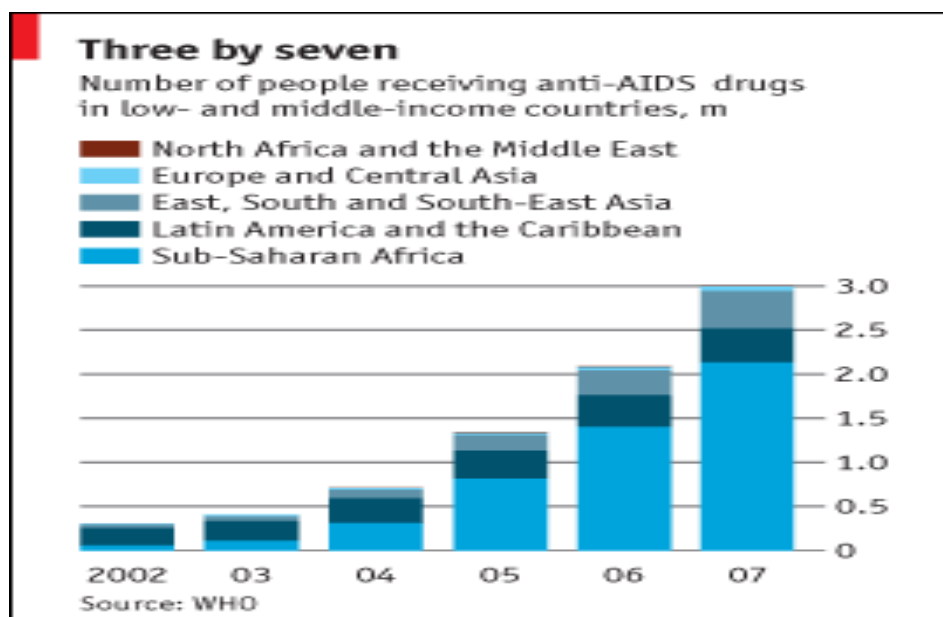
- **Creating awareness:** Using condoms, avoiding drugs, rehabilitation of the affected persons, etc. solve the problem by minimizing the after effect.
- **Safe sex:** It refers to sexual activities which do not involve any blood or sexual fluid from one person getting into another person's body. If two people are having safe sex then, even if one person is infected, there is no possibility of the other person becoming infected. Examples of safe sex are cuddling, mutual masturbation, 'dry' (or 'clothed') sex, etc.
- **Millennium Development Goals (MDG):** In the 55th (2000) session of UNO, the level of poverty was fixed to reduce half the present state by the year 2015. Its achievement by now is that per capita income has increased about 21%, child mortality come down from 103 to 88 in a thousand life expectancy jumped from 63 to 65.

How AIDS Does/Doesn't Spread: If we have the proper knowledge about the nature of spreading AIDS, it can be checked and stopped at the very outset. Because AIDS is not at all an infectious disease i.e. by using the same pond, cookery, cutlery, insect/animal bites (including mosquitoes), touching, hugging or shaking hands, eating food prepared by someone with HIV, toilet seats, plate, clothes, bed sheet, living and playing together, studying in the same class, cough, spiting, breathing, etc. don't cause AIDS. Kissing someone on the cheek, also known as social kissing, does not pose any risk of HIV transmission. Deep or open-mouth kissing is considered a very low risk activity for transmission of HIV. Generally, shaving with the same but dry razors does not cause AIDS. This is because HIV is present in saliva but only in very minute quantities, insufficient to lead to HIV infection alone. One more thing should be kept in mind that HIV germ dies at 56°C temperature within ten minutes or it can be destroyed simply by using soaps, detergent, alcohol, bleaching powder, etc. But the risk of AIDS is 100% while receiving contaminated blood. HIV enters into a human body through four human fluids and they are: I) Blood, II) Semen, III) Vaginal fluid/secretion and IV) Breast milk

Test and Treatment: Nowadays, the clinical diagnosis is done in many ways. For example, Polymerase Chain Reaction (PCR) and HIV culture test can easily detect pediatric AIDS. HIV test or screening can be used for the detection of AIDS both in a child and an adult. There are some other tests namely Elisa test, Rapid test, Western blot test, Supplemental test, Confirmatory test, etc. The treatment and remedy for AIDS both in children and adults are mostly the same. Basically, ART (Antiretroviral Therapy) is given for the treatment of AIDS. Antiretroviral medication can prolong the time between HIV infection and the onset of AIDS. Modern combination therapy is highly effective and, theoretically, someone with HIV can live for a long time before it becomes AIDS. These medicines, however, are not widely available in many poor countries around the world, and millions of people who cannot access medication continue to die. Besides, some drugs like Didanosine, Zidovudine, Nevirapine, Namivudnie, etc. are commonly prescribed. But the cost of treating an AIDS patient is a bit beyond the capacity of average people and the amount is approximately 32,000 BDT per year.

The latest news on treatment is contained in a report published by the WHO, UNAIDS and UNICEF, the United Nations Children's Fund, on June 2nd. It says that by the end of 2007, about 3 million people were receiving anti-AIDS drugs. That is a

rise of 1million in a year, and is part of an accelerating trend (See the chart below.):



This number may look woefully small in the face of an epidemic reckoned to infect 33 million people, but most doctors agree that the drugs are best reserved for those whose immune systems are most in danger. That is about 10 million people around the world. In other words, almost a third of those who could benefit are doing so. Moreover, skepticism that the poor would not comply with the strictures of such drug programmes (in particular, the need to take the drugs regularly to prevent the evolution of resistant strains) has proved unfounded. People in poor countries comply as well as those in the rich world do.

Conclusion: To conclude, we can say confidently and clearly that it is better enough to prevent AIDS than to cure it. In the current world of free economy and globalization, AIDS is a serious social setback. To get rid of this stigma, we all should take part in removing illiteracy, poverty, superstitious belief, racial conflict, misinterpretation of religion, domination, conspiracy and above all, stand beside the distressed people with a sympathetic mind. It is a good sign that the government of Bangladesh introduced the topic on AIDS in the textbooks from class VI to X in January, 2007 and a story in the textbook of Bangla (compulsory) for the XI & XII classes in July, 2007 academic year in order to create awareness among our young generation. The risk of being infected with AIDS in the age range from 15 to 24 years girls are doubly vulnerable than the boys of the same age. So, girls have to be properly equipped with the adequate knowledge of AIDS. AIDS is to be viewed as a global problem but not as an individual one. So, everybody's active effort in a collective way can make our planet a safe livable place. By now, Bangladesh is in a safer condition but the threat cannot be underestimated. After all, if we do not take the needful and timely precaution, we may be in 'a danger point of no return'.

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