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সংখ্যা ৬৫

আষাঢ়-অগ্রহায়ণ ১৪২২/জুলাই-ডিসেম্বর ২০১৫

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বাংলাদেশ লোক-প্রশাসন প্রশিক্ষণ কেন্দ্র
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সম্পাদনা পরিষদ

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কঙ্কা জামিল

সোহেল ইমাম খান

মোঃ শফিকুল হক

সম্পাদক

ড. এস.এম. জোবায়ের এনামুল করিম

সহকারী সম্পাদক

ড. মোহাম্মদ আমজাদ হোসেন

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Telephone : 7745010-16 (PABX)
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সূচিপত্র

Cost Benefit Analysis of Khaddar Industry: A Study on Comilla District Md. Shamimul Islam Rafia Islam Lina	১
Gender Discrimination in the Workplace: A Study on Causes, Consequences and Way forward Roksana Khan	১৩
Impacts of Trade Liberalization on Exports: Bangladesh Experience Dr. Md. Moniruzzaman	২৭
Relationship of Parental Involvement with Child Academic Achievement Fatema-Tu-Zohra Binte Zaman	৬৩
Right to migrant domestic workers under italian and south african domestic legislation Md. Ashraf Hossain	৭৯

Cost Benefit Analysis of Khaddar Industry: A Study on Comilla District

Md. Shamimul Islam*
Rafia Islam Lina**

Abstract: The study tries to find out the Cost Benefit Analysis (CBA) of Khaddar industry. Comilla district is considered as the study area. Sample is selected purposively based on the establishment available within the district. The collected data is analysed by using Microsoft Office Excel 2007 to calculate different statistical values used in this paper. All the possible techniques of Cost Benefit analysis are employed. The findings suggest that, in both the cases i.e., in case of Hand Loom as well as in case of Power Loom the expected return is very high. The value of Net Present Value (NPV), Benefit Cost Ratio (BCR) and Internal Rate of Return (IRR) suggest that, there is a very higher profitability in this sector. The IRR of the projects is 183 and 157 for Hand Loom and Power Loom respectively which is exceptionally very high. The higher value may be due to too low establishment costs and low maintenance costs for hand loom alternatively high productivity and comparatively lower operating costs for power loom industries.

Key Words: Khaddar, Cost Benefit Analysis (CBA)

1.0 Introduction

Mohatma Gandhi launched the non-cooperative movement in 1921 to revive hand-spinning cloth, Khaddar. An organization in the name 'All Indian Spinners Association' was set up to propagate charka-spinning all over India as a symbol of independence movement, a source of employment for idle labour in the rural areas and a way to achieve self-sufficiency in cloth.

In ancient times, hand-spinning was a common occupation in many families in the cotton growing districts of Bengal. The art of hand-spinning reached its climax in the production of the finest type of yarn (varying from 150-200 counts) used for weaving the famous 'Dacca Maslin'. The industry began to decline for various reasons, mainly due to stiff competition from mill manufactured cloth after the establishment of British rule in Bengal.

After liberation surveys and research studies indicate that there were on an average six person in each rural family and one earning member in the family carries the burden of four dependent members. There are other

* Assistant Professor, Department of Economics, Comilla University

** Assistant Professor, Department of Economics, Comilla University

studies which indicate that only 69 percent of the total man-days available in the village is utilized for gainful work. On top of that there are women and school drop-outs in every village of Bangladesh who can not be either employed in the fields or in the factories. Although no study has yet been made in Bangladesh to ascertain the extent of the unemployable rural labour force, it can safely be said that the percentage is quite high.

From different research works it is observed that, the demand for original khaddar is very high but the industry is going to extinct. Beside its high demand why the industry is on the way to extinction? The reasons behind its extinction might be low rate of profit! It's an initiative to identify the rate of profitability by using cost benefit analysis.

Cost Benefit Analysis (CBA) is a technique for evaluating a project or investment by comparing the economic benefits with the economic costs of the activity. There are several objectives of CBA. First, CBA can be used to evaluate the economic merit of a project. Second, the results from a series of CBA can be used to compare competing projects. Third, CBA can be used to assess the wisdom of using natural resources of alternative environmental conditions. Ultimately, CBA aims to examine potential actions with the objective of increasing social welfare.

2.0 Review of Literature

Historically it is found that, from very ancient time the occupation hand spinning and hand weaving exist all over the cotton growing district of the subcontinent. Facing a lot of obstacles khadi saw its golden age in the decade of 1920s. In the Swadeshi Movement, Mahatma Gandhi used khadi as a weapon to rescue the Indian subcontinent from British rule. After the liberation war, Bangladeshi Khaddar also facing a lot of problems and it is almost going to extinct today.

M. Nurul Haq (1973), in the ancient times, hand spinning was a common occupation in many families in the cotton growing districts of Bengal. The art of hand spinning reached its climax in the production of the finest type of yarn (varying from 150-200 counts) used for weaving the famous 'Dacca Maslin'. The industry began to decline for various reasons, mainly due to stiff competition from mill manufactured cloth after the establishment of British rule in Bengal.

The Daily Sun (2011), According to local weavers, lack of business capital, scarcity of yarn, dyes, price hike of raw materials and

mismanagement in distribution system are seriously hampering khadi production at Chandina which is renowned for manufacturing coarse cloth in Comilla.

Zakir Azad (2006), After the partition of India in 1947, Khadi work was almost on its way to extinction due to various changes in the political and social environments. Comilla also suffered the effects of those changes. After the language movement of 1952, Dr. Akhter Hamid Khan, who was a professor at Victoria College and the Director of the Bangladesh Academy of Rural Development (BARD), Comilla along with the then Governor Firoz Khan Noon took a lot of trouble of found "The Khadi and Cottage Industries Association". A training centre for Khadi and Khaddar work was also founded. In this way and with this cooperation of the Government of the time, the near-dying art of Khadi was rescued from extinction and the work has retained its excellent quality ever since. After the liberation of Bangladesh, Khaddar work again flourished and made a name both at home and abroad, making its home district Comilla wellknown and famous all over.

Tithi Farhana (2009), The Khadi industry has been struggling for survival as it has had to make do with outdated equipment, inconsistent product quality, lack of professional expertise and funding, and lack of unity and resolve within the industry to adjust to changing market trends. In contrast, the country's overall textile sector has grown tremendously with the adoption of modern technology, branding and strong marketing. The art of spinning needs continuous practice. Some spinners are leaving their profession and switching to other work. Many of them have left the country and their replacements have not been proportionate to. A continuous training program can solve this problem. But running a training program is an expensive affair. The cotton required for production is often unavailable according to demand. As a result the workers have to make do with whatever is available. A continuous twelve month work period can not be maintained. Long Staple cotton of good quality is not grown in Bangladesh. Import of such cotton from foreign countries requires spending of hard earned foreign exchange. Storage of supply of cotton has become the most serious problem. There is shortage of other materials such as dyestuff, printing equipment and spare parts for charka.

Prodip Kumar Raha (2010), The Khaddar industry of Comilla has a strong background. Here attractive and new design cloth is producing

which is the symbol of patriotism. It can be said that despite a lot of problems, after liberation in the garments industry only khaddar sector is surviving in its own without any government or non-government help.

'However, for long in the country's fashion scene, Khadi has not been a favorite. It had the tag of 'hand made' or 'made in Bangladesh', yet, it needed a designer touch perhaps to make it popular in the domestic and global fashion market.'

Maheen Khan (2011), Khadi as Dhaka Muslin could now only be reminiscent in the chapters of history. As late as the 1940's through the drives of the independence movement of India, considerable progress was made to revive khadi. It is regrettable that today we can no longer find the masterly expertise in the weaves of Bangladeshi khadi. The devious producers are using waste mill yarns to weave khadi. It is clearly unethical to label the product as khadi. Bangladeshi designers and retailers alike have failed to restore and resurrect khadi production. We could not hoist khadi as the main sail of our rooted textile tradition rather it was knocked down to the ground and stumped to death. This universal craft can easily be a way forward towards our self-reliance again, but then why did the popularity of khadi get diminished after our independence? May be if we had tried to evaluate the requirements of ever changing demands of the market or expedite technology to develop fine products it may have seen new light. It is important for us to invest in design development for the heritage weaves or teach our next generation about the legacy of our finest traditions as khadi has arrived and it is here to stay.

In an earlier research of the researcher (2013) it is found that, 'the demand for Khaddar (hand spinning and hand weaving cloth) is very high. But due to lack of availability of Khaddar in the market, i. e., lack of supply side deficiency the crisis is created'. Now the question is raised, in-spite of high market demand why the producer are not willing to supply the Khaddar product in the market? In this research paper it is tried to find out the answer of the question.

3.0 Objectives

The objective of the research was to know the cost involved in the production process and benefit from khaddar production. The general and specific objective of the research was as follows:

3.1 General Objective: The general objective was to know the cost-benefit of khaddar production.

3.2 Specific Objectives: The specific objectives of the study were to know

1. the cost involved in manual khaddar production process
2. the benefit of the producer from the product
3. comparative advantages or disadvantages with power loom (Khaddar produced with technological equipments)

4.0 Methodology

The detail about research Methodology is as follows;

4.1 Location of Research: The Comilla District is considered as research area. The researcher prefers the location where the establishment of Khaddar industry is available. Based on the information about the establishment available, the four sights is selected, i.e., Chandina, Deviddar, Homna and Comilla town. From the mentioned four locations the data were collected.

4.2 Sources of Data: To check the stating objectives of the research, the data is mainly collected from primary sources, i.e., from the owner of the Khaddar firm directly. Individual firms are considered as sample unit. Considering the scatter establishment of Khaddar firm, the researcher decided to take maximum firms covering various locations. Total of twenty (20) samples are investigated among them 10 from hand loom production unit (traditional production process) and another 10 from power loom production unit (modern production process). In reality, samples are selected purposively because the establishments are not available at present all over the district evenly but the researcher tries to ensure the participation of all the possible region of Comilla. Data is collected through the technique face to face interview with pre-designed semi structured questionnaire.

4.3 Methods of Analysis: After collecting data from the sample unit directly, it is analyzed by using the technique Cost-Benefit Analysis (CBA). From the collected data the average value is calculated for all possible costs and benefits of the hand loom firms and power loom firms separately and then the average value is considered for further calculation, i.e., for the cost-benefit analysis of the Khaddar industry. All the possible tools of CBA, i.e., Net Present Value (NPV), Benefit Cost

Ratio (BCR) and Internal Rate of Return (IRR) are employed. In all shorts of calculation the Microsoft Office Excel 2007 is used.

4.4 Selection of Discount Rate: Here the discount rate is considered 15%. From the collected data it is observed that, on an average the borrowing rate of capital by the owner of the firms is more than the value considered. Most of the owner borrows from different NGOs and non-recognized sources where the rate is too high. From the statistics of Bangladesh Bank it is found that, the average lending rate at present is almost 15%. This is the base of considering the discount rate.

5.0 Limitations

During conducting the research the following limitations were faced by the researcher:

1. List of Khaddar Establishments: Unfortunately there are no associations or organizations which maintain a complete list of Khaddar industry. In the research study period it was very difficult task to find out the location of the establishment of the industry.
2. Financial Constraints: At the time of conducting the research the researcher could not select large number of sample because of financial constraints. Large sample might give better result but it involves more costs.
3. Time Constraints: The time periods for the research were too short to conduct properly. If additional couple of months could be allocated it might give a more fruitful result.

6.0 Research Findings

Analysis and Findings: In this section firstly the researcher decide to show the data analysis for hand loom and power loom separately and then discuss the comparison between the two industry.

First of all let us have a look on Cost Benefit Analysis:

Cost Benefit Analysis: Cost Benefit Analysis (CBA) is a technique for evaluating a project or investment by comparing the economic benefits with the economic costs of the activity. Several Variations on the basic cost-benefit rule can be used to compare the cost and benefit of any investments, projects or decisions. In these circumstances, the following techniques are used to calculate the cost and benefit of Khaddar industry.

Net Present Value (NPV): The Net Present Value (NPV) is the current value of all project net benefits. Net benefits are simply the sum of benefits minus costs. The sum is discounted at the discount rate. Using this method, if the project has a NPV greater than 0 then it appears to be a good candidate for implementation. The general formula used to calculate the NPV is,

$$NPV = \sum_{t=1}^T \frac{(Benefit_t - Cost_t)}{(1+r)^t}$$

The formula used in this case is as follows:

$$NPV = \sum_{t=0}^{24} \frac{B_t - C_t}{(1+r)^t}$$

$$= (B_0 - C_0) + \sum_{t=1}^{24} \frac{B_t - C_t}{(1+r)^t}$$

$$= (B_0 - C_0) + \sum_{t=1}^{24} \frac{k}{(1.15)^t} \text{ Where, } k = B_t - C_t \text{ and } r = 0.15$$

$$= (B_0 - C_0) + \left\{ \frac{k}{1.15} + \frac{k}{1.15^2} + \frac{k}{1.15^3} + \dots + \frac{k}{1.15^{23}} + \frac{k}{1.15^{24}} \right\}$$

$$= (B_0 - C_0) + k \left\{ \frac{1}{1.15} + \frac{1}{1.15^2} + \frac{1}{1.15^3} + \dots + \frac{1}{1.15^{23}} + \frac{1}{1.15^{24}} \right\}$$

Since, for whole life time the revenue earned and costs involved are same. So, the difference can be expressed by a constant. Here it should be mentioned that, the value of the discount rate is considered 15% i.e., $r = 0.15$. So, the denominator of the fraction is also a constant. In the second part of the previous equation, it is likely to a geometric series where the first term of the series (a) is

$a = \frac{1}{1.15}$, the common ratio is $r = \frac{1}{1.15}$ and number of total terms

in the series is $n = 24$. So the summation of the series is,

$$S_n = \frac{a(1-r)^n}{(1-r)}$$

$$= \frac{\frac{1}{1.15} \times (1 - \frac{1}{1.15})^{24}}{(1 - \frac{1}{1.15})}$$

$$= 6.433771$$

By using this factor we can calculate the present value of benefit as well as costs and the net Present value as well for any industries.

Benefit Cost Ratio (BCR): The benefit Cost Ratio (BCR) is calculated as the NPV of benefits divided by the NPV of Costs. If the BCR exceeds one, then the project might be a good candidate for acceptance. The formula used to calculate the BCR is,

$$BCR = \frac{\sum_{t=1}^T \frac{Benefit_t}{(1+r)^t}}{\sum_{t=1}^T \frac{Cost_t}{(1+r)^t}}$$

Internal Rate of Return (IRR): The internal Rate of Return (IRR) is the maximum interest that would be paid for the project resources, leaving enough money to cover investment and operating costs, which would still allow the investor to breakeven. In other words, the IRR is the discount rate for which the present value of total benefits equals the present value of total costs.

According to Hawkins and Pearce, 'The IRR is the rate of return that is being earned on capital tied up, while it is tied up after allowing for recoupment of the initial investment.' [Page 125, P-H, 1971.]

In general, the IRR should be greater than the discount rate for a project to be accepted. The formula used to calculate the IRR is,

$$IRR = PV(Benefit) - PV(Cost)$$

$$\text{Where, } PV = \frac{P_t}{(1+r)^t}$$

Alternatively the formula can be written as,

$$IRR = \sum_{t=0}^T \frac{Benefit_t - Cost_t}{(1+r)^t} = (Benefit_0 - Cost_0) + \sum_{t=1}^T \frac{Benefit_t - Cost_t}{(1+r)^t}$$

$$= (Benefit_0 - Cost_0) + k \sum_{t=1}^T \frac{1}{(1+r)^t} \text{ where, } k(\text{constant}) = Benefit_t - Cost_t$$

On the basis of the different techniques of CBA discussed above, the following findings are observed:

6.1 Findings Regarding Hand Loom:

The Net Present Value for hand loom is,

$$\begin{aligned} NPV &= (B_0 - C_0) + k \times 6.433771 \\ &= -18600 + 34800 \times 6.433771 \\ &= 205295.23 \end{aligned}$$

From the findings of the data collected from hand loom firms, it is found that, the average sustainability of the firm after construction is 24 years which required the mean establishment cost BDT. 15000 and also required the average operating costs (including raw materials, labor, fuel & electricity, maintenance and miscellaneous costs) per year is BDT. 289200. It is found that, the firm can be established within 6 month of the base year so it can produce some output in the starting period. From the first year the average costs to run the firm is BDT.289200 per year and the average yearly benefit of the firm is BDT. 324000. The costs and benefits are continued for the life time of the projects which is found to be 25 years including base period.

Table 6.1 Cost Benefit Analysis of Hand Loom: By using the average value of the collected data the following results are found

Name of the techniques of CBA	Result found at 15% discount rate	Decision making condition	Decision
Net Present Value (NPV)	BDT. 205295.2	NPV > 0	The project can be taken
Benefit Cost Ratio (BCR)	1.105819	BCR > 1	The project can be taken
Internal Rate of Return (IRR)	187%	IRR > the discount rate, i.e., 15%	The project can be taken

From the result it is found that, in all the cases the project shows profitable, i.e., the project is economically viable or very suitable for investment. Here the IRR is exceptionally very high. It might be due to

very low establishment costs and longer sustainability with very low maintenance costs.

6.2 Findings Regarding Power Loom:

The Net Present Value for power loom is,

$$\begin{aligned} NPV &= (B_0 - C_0) + k \times 6.433771 \\ &= -564000 + 888000 \times 6.433771 \\ &= 5149188.65 \end{aligned}$$

From the findings of the data collected from power loom firms, it is found that, the average sustainability of the firm after construction is also 24 years which required the mean establishment cost BDT. 350000 and also required the average operating costs (including raw materials, labor, fuel & electricity, maintenance and miscellaneous costs) per year is BDT. 4152000. It is found that, the firm requires a year to its establishment. From the first year the average costs to run the firm is BDT.4152000 per year and the average yearly benefit of the firm is BDT. 5040000.

The costs and benefits are continued for the life time of the projects which is found to be 25 years including base period.

Table 6.2 Cost Benefit Analysis of Power Loom: By using the average vale of the collected data the following results are found

Name of the techniques of CBA	Result found at 15% discount rate	Decision making condition	Decision
Net Present Value (NPV)	BDT. 5149189	NPV > 0	The project can be taken
Benefit Cost Ratio (BCR)	1.1887739	BCR > 1	The project can be taken
Internal Rate of Return (IRR)	157%	IRR > the discount rate, i.e., 15%	The project can be taken

From the result of above table it is found that, in all the cases the project shows profitable, i.e., the project is economically viable or very suitable for investment. Here the IRR is too high. It might be due to very high productivity and longer sustainability with comparatively lower maintenance costs.

6.3 CBA Comparison between Hand Loom and Power Loom: In both the cases the investment is found very profitable. It is well known that, in case of different investment volume, to compare different projects the IRR is the best technique. In case of Hand Loom the IRR is 183 where in case of Power Loom it is 157. The IRR represents the rate of return of any investment projects. The research finds that, the economic viability or profitability is higher in the Hand Loom firms with compare to power loom industries.

7.0 Conclusion

From the study conducted it is found that, in both the cases the economic return is very high and hand loom firm is more profitable than the power loom. The investment in the hand loom firms also very low. So, it can be concluded that, the unemployed person can make them self dependent with very low investment and might get a handsome profit. Power loom firms also found profitable sector of investment but requires comparatively higher investment. If the Government provide loan with low interest rate among the entrepreneur of this sector then, it might be a very good one to earn profit as well as employment generation in larger scale. Such investments might bring fruitful result for any regional development. Beside local people, government should concentrate to revive and maintain the cultural heritage of Comilla.

8.0 Recommendations

Inspite of high market demand the supply of khaddar in the market is very low. It should also mention that, the expected profit in this sector is also very high. Beside all the things the producers are not encouraged to produce the product especially hand loom product. To revive them in this sector the following initiatives may be taken:

1. The wages of the artisan people who are engaged with hand loom production are very low. They are the core people in producing Khaddar. So it is very urgent to increase the wage rate of such people and without increasing it is impossible to revive from extinction.
2. Government should provide loan with lower interest rate.
3. The import duty on the raw materials used in this sector should be reduced.

4. The relevant government and non government organizations have to arrange specialized training program on spinning, weaving, dyeing and designing so that the people involved with these occupation can train them and give quality output.
5. New entrepreneur should come forward and take the responsibility of sustaining Comilla's cultural heritage with higher profit.

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Gender Discrimination in the Workplace: A Study on Causes, Consequences and Way forward

Roksana Khan*

***Abstract:** Gender discrimination in the work place occurs almost everywhere in the world. It happens due to traditional belief, social and cultural structure and psychological perception. In consequences of these limited or negative perceptions female officials including the officials of the public sector are discriminated for which women are always challenged. Due to the challenge or barrier women's performance decline which ultimately affect the organization negatively. Many countries have taken various types of measures to remove this gender discrimination from the work place. Among those, gender plan or policy is significant to get a gender fair environment which in turn contributes to increase performance of the organization as well as women.*

Introduction

ILO defined gender discrimination as any distinction, exclusion or preference based on sex or gender values, norms or stereotypes which have the effect of nullifying or impairing equality of opportunity and treatment. Discrimination may be de jure, meaning that discrimination exists in law, or de facto, meaning that it exists in reality or in practice. In many cases de jure discrimination has declined but de facto discrimination persists (ILO, 2007). From Japan to United States, Gender discrimination exists as an interlinked problem. Women often face this problem in the workplace (Sen, 2001) and it is a continuous universal issue including new forms of "subtle" discrimination. "From recruitment to layoffs" and "from pay to fixing of job responsibilities", gender discrimination occurs (Nayab, 2010). However, both male and female should be equally treated and "should never be discriminated against because of their gender" in the workplace (Connell, 2006). Since, victims of gender discrimination in the workplace feel "unworthy," "demoralized" and "depressed", they cannot perform better in the workplace. Thus, it could be said that gender discrimination in the workplace, not only affects individual but the organization as well as the society are also affected. Moreover, this poor work culture is hindrance of "free flow of communications and teamwork" which is necessary for "smooth functioning of the organization"; otherwise, organization will lose productivity (Nayab, 2010). It should be more prioritized as an organization will be benefitted by assimilating more women which will lead to new perspectives and ways of solving problems and contribute to

* Senior Assistant Secretary; Economic Relations Division, Dhaka, Bangladesh.

bring changes in "organizational processes", "culture" and "management style" (Hondeghem & Nelen 2000).

Powerful masculine culture exists in the management and a "cultural connection between power and masculinity" correlates (Connell, 2006:842). Moreover, as gender equality is now an extensively "time-honored goal" in public administration, for persuasion of this goal gender managements of the organization especially public organization are needed to be realized. Therefore, an "approach" is necessary which is "informed by modern research on gender and helpful for policy and practice" (Connell, 2006). Keeping it in mind, this article has tried to take an endeavor to realize perception of gender discrimination against female officials, to find out nature and consequence of gender discrimination and to know officials and organization's behavior towards gender issue in the workplace with expectation of having transparent idea for effective policy implications.

Perceptual Views of Gender Discrimination in the Workplace

Because of stereotype or traditional belief, still it is perceived that the outer world is for men where they will compete with "aggression and rationality" and the home is a women's world full of "tenderness and loyalty". Men feel they are the protector of women and on such grounds, they set aside women from jobs which do not suit them (McAlmunt, 2006). Therefore, this stereotype belief creates gender based occupational segregations and in result, "horizontal segregation"¹ or "vertical segregation"² is observed in the workplace. Top management require more controlled situations and commanding voices but women because of their socialization process would rather request than order which give them the trouble of mismatching "tender and tough personality of femininity/competence bind" (Jamieson, 1995). Our culture can also not tolerate and adjust to femininity and toughness in one personality (Oakley, 2000). Thus, social expectations and image creates a problem with female managers (Spender, 1980). While women communicate, they are conceived as less rational, more sensitive and more straight-forward. Men are more confident than women and it is considered a good quality

¹ Horizontal segregation: the tendency of men and women to be employed in different occupations (e.g. construction workers or teachers).

² Vertical segregation: the tendency of men and women to be employed in different positions within the same occupation or occupational group (e.g. the majority of school heads may be men while the majority of teachers are women). (Zambian Governance Foundation, 2010,p.9).

leadership but when women want to be confident, it is treated as "aggressive". However, "caring", "cooperating" and "connecting" are the characteristics of women which are often devalued in the workplace. "Masculinist culture (operating within a masculine framework)" dominates the workplace and gender difference generally underestimates the work of women (Peters, 2002). So, women being aliens' need to be proved themselves as leader, with authoritativeness at the same time as women with tenderness and this complexity causes failure of women (Rudman, 1998). Therefore, women get experiences of lack of adjustment in the workplace, which create discrimination against them and in result they lost promotional opportunities linked to perceptions of merit in the corporate culture. They also face marginalization, isolation, tokenism, and treated 'differently' as a woman (Peters, 2002). Hence, in most countries, there is no legal barrier of women's access to professions but cultural biases against them still exist (ILO Public Service, 2006).

Women are inclined to attain lower status, less salary and lower authority, rather than giving orders they are habituated to carrying out orders (Zambian Governance Foundation, 2010). Thus, although women are entering more in the civil service, they may not ascend to top most decision making posts (McAlmot, 2006). Helena Dennison, chair of the City Women's Network, UK, said that women are also responsible for less inclination of seeing their wages rise and less confident about their ability to reach to decision making posts. She also said that the reason of this less inclination and undermining themselves are because of different upbringing between men and women. In turn, being affected by the "Cinderella Complex", woman still like to dream of having a prince in her life who will take care of her, even when she reach to the peak, ("Women's Workplace War," 2000). However, "occupational cultures" and "socialization" may teach men and women in a similar way that women are different and inferior (Michael and Pease, 2005). In fact, "gender patterns" we observe, originates from the society through "media and popular culture" and this "social construction of gender" are influenced in family and workplace (Peters, 2002).

Women in the public service face gender discriminations due to psychological perception of men's "privilege"³. Because of "invisible

³ Privilege: systematically conferred advantages individuals enjoy by virtue of their membership in dominant groups with access to resources and institutional power that are beyond the common advantages of marginalized citizens (Bailey 1998 in Michael and Pease 2005)).

privilege"⁴ some group of employees do not care about women's disadvantaged positions. "Normalized Privilege"⁵ is observed in "cultural and organizational settings of men's monopolization" of the top position of public service. In every aspect of organization such as position of offices, "power dressing," "work clothing" etc are associated between organizational power and masculinity. Managers need to be "task oriented" and "authoritative" which neutralize male dominance and marginalize women as it is believed that new knowledge and skill come to a masculine form which demands women's exclusion from professionalism of the public sector. Group of "entitlement Privilege"⁶ think existing inequalities are "legitimate" and "natural" (Michael & Pease, 2005).

Nature of Gender Discrimination in the Workplace

Wage gaps are a distinct form of gender discrimination between men and women employees in the job sector (Kyser, 2008; McAlmont, 2006; Zambian Governance Foundation, 2010). However, gender discriminations are found in three areas. First, "recruitment" where gender discrimination in terms of "stereotypical job description", "non-diverse selection committees" and "lack of hiring accountability" were observed. Most women do not want to apply for the jobs

Due to "lack of support for spouse employment", "gender insensitive interviewing practices", "limiting the number of women in specific occupation groups", and "lack of benefits" such as maternity leave, flexi time and flexi place etc. Second is "parity in carrier development

⁴ Invisible Privilege: Members of this privileged group are unaware of other's in access to the benefits they have and uninterested to admit of marginalized group. The men who are willing to agree that women are in disadvantaged position and discriminated against are not that much agreed of their comparative privilege (Michael and Pease, 2005).

⁵ Normalized Privilege: When the characteristics of dominant group become the basis for measuring success and failure then it is normalized privilege for that group. Powerful gendered construction of occupation is an example of such kind of privilege in the work place. Various occupations are assumed to be held and practiced by men and deviation from this is marked as 'other' (Michael and Pease, 2005). For example, resistance to entry of women into western Australia Police Service, some male police officer asserts that the public's mental image of a police officer is male?(Evelin and Harwood, 2003, in Michael and Pease, 2005).

⁶ Entitlement Privilege: Privileged groups have sense of entitlement to the privileges they enjoy. If it is denied to them they often shocked and anger. They thought that it is their right to be respected, acknowledged, protected and rewarded (Michael & Pease, 2005).

opportunities and compensation" where "subtle" and often "unconscious biases" negatively influence women's performance evaluation. In comparison to men, women are often not recognized or appreciated for their contributions or capabilities. Third is "retention" where retaining women employment is difficult. For example, family responsibility may create difficulties to the retention of female employees (Merill & Scherr, 2001). Women are discriminated in various ways, such as they are often underrepresented in the decision making process, they do not get equal opportunities of training and career advancement and they have to use male biased language in the workplace. Employers also discriminate against women in recruitment, being influenced by stereotype belief that women are unsuitable for certain jobs. However, work place policies are often found gender blind (Zambian Governance Foundation, 2010).

Sexual harassment is not only gender discrimination (Bosh, 2010; AWARE, 2008) but also an occupational hazard and a violation of human rights. It is unwelcomed, undignified and it undermines women in the workplace. It includes rape and verbal sexual harassment such as being addressed by unwelcome or offensive terms, forced listening of dirty jokes, insulting sounds. It also includes visual sexual harassment such as emails, messages and SMS which contain unwelcome words, unwelcome looks etc. and physical sexual harassment such as unwelcome touching (AWARE, 2008). Because of pregnancy or family responsibility many women in the work place fall prey to discriminatory practices like dismissals, missed promotions, posting to inferior jobs even after returning from pregnancy leave. However, gender discrimination is not always visible in the workplace; it can also be invisible like job segregation or workplace culture (Charlesworth, 2007; Sousa & Gauthier, 2008).

Many barriers against women take place in the public sector especially, denying higher management positions to women is one of the most important examples of gender discrimination against women in the public sector (DPSA, 2006; Commonwealth Secretariat, 1999). The Wall Street Journal (1986) in DPSA (2006) identified some factors of glass ceiling⁷ in public sector such as: employment rules, regulations and performance evaluation systems that are male biased and women cannot develop their

⁷ Glass Ceiling: An invisible and artificial barrier that militates against women's access to top decision-making and managerial positions, arise mainly from a persistent masculine bias in an organizational culture. The glass ceiling is a prime example of discrimination against women and it exists because:

skill because of lack of training opportunity. Family responsibilities of being mother and wife, and negative perceptions on women's leadership abilities are also major barriers for women to perform better and to reach higher management. According to the 1994 World Survey, three barriers were found that cause less presence of women in decision making levels in the public sectors. Those are: "predominantly male culture of management", "continuing current effects of past discrimination", "lack of recognition of women's actual and potential contribution to economic management" (DPSA, 2006). With reference of different studies, it has been observed that USA female police officers experience different types of gender issues in the workplace. It can be classified as internal barriers and external barriers against women in the workplace. Less important transfers, work place stress, unwanted sex jokes are considered as internal barriers. A conflict between work schedules and household schedules is an important example of external barrier. However, for this schedule mismatch, tokenism and negative evaluation often hampers the fate of women employees (Sousa & Gauthier, 2008). In the civil service of Guyana, numbers of women at lower positions are decreased as pay, status and levels are increased. Nevertheless, women might not dominate top management. Women in the civil service, due to unpaid and unvalued work of family care and family subsistence are over burdened in the working arena. Men can associate among themselves outside of work such as playing games, going to the gym or having drinks together. This grouping helps to advance their career while women render time to their family responsibilities and for this reason, women cannot work after office hours and in consequence, they cannot attain promotion and managerial positions. Moreover, because of maintaining male working time schedules, women get problems of adjustment in the workplace. Lack of bathroom/washroom facilities and day care facilities also affect women's concentration, productivity and performance. Spousal abuse is treated as private concern and is discouraged from being brought up in professional life, even though it affects productivity and performance of women (McAlmont, 2006). A common voice often heard that in the public sector equal opportunity already exists and "it doesn't matter whether somebody is a man or women as long as the person is qualified." However, it is observed that formal equality has been achieved but in practice, equality has not been achieved. Still in the public sector, direct discriminations such as wage gaps and vertical and horizontal job segregations prevail. Women hold more temporary and part time jobs than men and has an adverse effect on women's careers. More indirect

gender discriminations or external barriers persist now a day in the public sector. For example, women have to bear more child care responsibilities and they cannot take personal decisions independently because of societal relationships and norms. Organizational culture and sometime rules & regulations emphasize gender inequality in the public sector as internal barriers (Hondegheem & Nelen, 2000).

Consequence of Gender Discrimination in the workplace

Family responsibilities, childrearing and fewer promotional opportunities hamper many women's career development. Women's multiple roles at work and in the family cause them suffering from stress and fatigue (Zambian Governance Foundation, 2010). "If stressful conditions continue for many months or years, serious chronic illnesses can develop (WWEF, 1981)" Many organizations hire more men than women, by thinking that, women's physical condition and more social responsibility are against work culture and this negative mentality affects women's performance in the workplace. Gender discrimination affects not only women's performance but also affects performance of the organization (Bosh, 2010). Gender discrimination against women, affects work environment with "mistrust" "suspicious", "resentment", "hostility", "rivalry" and "formation of cliques" among the employees which is harmful for maintaining a good relationship. Good relationship among men and women employees in the workplace are required to build up teamwork in order to smooth functioning of the organization which ultimately increase productivity of the organization. Moreover, victim being discriminated feels 'unworthy' and may get depressed. This depression may also affect one's family and workplace or vice versa. Hence, gender discrimination is affecting individual, organization as well as society (Nayab, 2010).

Potential for Reducing Gender Discrimination in the Workplace

The Consultative Group on International Agricultural Research (CGIAR) in preparation of "gender and diversity program" found that changes in some intervention areas of the workplace are necessary to maintain a gender fair environment. Those interventions areas are; "Formal Policies and Procedures": where a policy is necessary to include grade placement, pay and promotion, maternity and paternity benefits, unbiased performance evaluation and protection from sexual harassment. For balancing family and work life, policy should include maternity, paternity leave, spousal employment, marriage between staff, personal and work

responsibilities e.g. flexible work hours, flexible workplace, companion travel and communications to home especially for women since they are performing the major part of domestic responsibility. "Informal Work Norms and Practices": where to bring organizational effectiveness and efficiency, traditional masculine attributes of "individuality, rationality and independence" need to be balanced with women's attributes of "caring, connection and emotionality". In order to make this balanced work atmosphere, daily work practices, such as hours of work, structure and management of meetings, work planning processes, and means of staff communication need to be revised; keeping in mind that scheduled meeting after office work tends to serious problem especially to women and informal rather than formal networks help women release job stress. "Staff Knowledge and Skills": where manager, officers and all staff need to perceive gender issues as they affect staff meetings, recruitment interviews, performance evaluations, work planning, and conflict resolution. Women need support to develop leadership roles and management quality through training and mentoring. "Leadership": where government needs to promote women into senior and middle management positions and provide the support required for their success. For developing leadership quality among women, seniors need to do periodic assessment of gender issues with respect to progress, identify problems and strategic challenges that arise. For accelerating women leadership and gender balanced atmosphere, seniors/managers should also be rewarded (Merill & Scherr, 2001).

Finland prepared a plan for gender sensitive work environment. Some measurements recommended in that plan will be included such as: adjustment of job description, prioritizing minor group preparing application procedure and adjustment of work and family life will be included. In the plan, according to ability and inclination, women and men will be evenly divided in all professions. Every employer must promote equality irrespective of their gender in every aspect and with this view; issues are to be examined through recruitment and employment ratio of men and women. If women employee's ratio is less, initiative will be taken to increase and if possible "women's proportion in male-dominated jobs and men's proportion in female-dominated jobs" will be included. Career development and task rotation will be equal for both men and women employee. Education and training required for job will be considered to be equal. Nature of employment relationships will be examined. Working environment could be examined in terms of pay, fringe benefits, management, and reconciliation of work, family and

private life, use of working hour arrangements in support of employees, work conditions, social premises, sexual harassment and attitudes to gender equality (Ministry of Social Affairs and Health, 2005).

A set of the case studies in Australia called "Harsh Reality 2" has been drawn from a file sued under "Federal Sex Discrimination Act 1984". In that set, 17 case studies detailed real life examples of sex based discrimination, pregnancy discrimination and sexual harassment in the workplace. Thus, some recommendations raised, such as "Pregnant and Productive: It's a right not a privilege to work while pregnant" which concerns urgent need for "education", "guidance" and "awareness raising programs around pregnancy and work" with beliefs that if rights and responsibilities are respected by all; working relationship will bring better results. Another recommendation is "Stretching Flexibility" which "examines the impact on women workers of demands to work increasingly flexible hours and changes to working time arrangements being negotiated in enterprise agreements." Other recommendation "Glass Ceilings and Sticky Floor"⁸ which states women are in position of lower grade and part time job with limited opportunity of training and advancement. Thus, both managerial and non managerial women staffs who are affected by "glass ceiling and sticky floor" need to be included in gender awareness programs and developments plans through examination of lateral and vertical carrier path (Workplace Issues, n.d.). Discrimination on the basis of sex was first addressed in the federal law of USA in the "Equal Pay Act of 1963". After being passed of that act, several other laws related to the rights of women have been enacted. Those are: "Title VII of the Civil Rights Act of 1964", "The Civil Rights Act of 1991", "Title IX of the Education Amendments of 1972 (Title IX)", "The Pregnancy Discrimination Act of 1978" and "The Family and Medical Leave Act of 1993" (CWA, Lambda Legal Defense Education Fund & NOW, n.d.). United Kingdom tried to adjust gender discrimination in the workplace through "Sex discrimination Act 1975", "Human Rights Act 1998" and "Employment Equality (Sexual Orientation) Regulations" (Connolly, 2005).

However, congenial atmosphere by increasing "cultural awareness" is necessary where "Masculine and feminine" models can coexist and "operate in synergy" (Claes, 1999). Many organization transformed their

⁸ The "sticky floor? can be viewed as the opposite scenario of the "glass ceiling?, when the gaps widen at the bottom of the wage distribution. Booth et al. (2003) defined it as a situation arising where otherwise identical men and women might be appointed to the same pay scale or rank, but the women are appointed at the bottom (Kee, 2005).

typical masculine structures and norms to flexible work environment. Thus, an emphasis on teamwork and positive employee development requires for both "typically feminine" and "typically masculine styles" (Hahn & Litwin, 1995).

Conclusion

From the study of perceptual view on gender discrimination in the workplace, it is observed that due to stereotype beliefs gender discriminatory nature of job segregations confine women in the society with some specific nature. Some false traditional beliefs about women's work efficiency are also embedded in the workplace which also creates gender discrimination in the workplace. For these traditional beliefs, when women enter into challenging and risky occupations sometimes are not welcomed by their male colleagues and may face a masculine culture which might be in turn related to various forms of gender discriminations in the work place.

Men being influenced by the socialization process and masculine work culture, think that women are not capable of doing all types of jobs and not capable of attaining higher posts or good leaders due to lack of some attributions. Therefore, they treat women employees as inferior in the workplace. On the other hand, for same socialization process, women become unaware of their disadvantaged position in the workplace. Even, they suffer from "Cinderella Complex" as they like to be taken care of by their solvent husbands in every aspect of their life and they are more interested or bound to take entire family responsibilities. This social dependence style of women on men provokes women to believe on their less confidence and to be felt inferior compared to men in the workplace. For this reason, though more women are entering into the job, they do not take their jobs seriously, so, attain mostly low paid, low status jobs and hold very few top ranking or decision making posts. Moreover, due to dependent grown up style and masculine work culture, women feel like 'alien' while they come to the outer world. Social and cultural structure also make them double burdened with family and work responsibility, in effect, they become over pressured, discomfort and isolated in the work place, therefore, they cannot show their full potential. Hence, being treated inferior and disrespected, women experience various types of inter linked gender issues in the workplace. It is distinctly articulated how privileged groups (male employees) in the public sector perceive or psychologically pursue their opportunities. In the public sector, it is observed that some male employees are unaware of the privileges they

are getting, so, they do not think of minor group's (women) disadvantaged position. Some male employees think organizational culture should be male dominated because of their natural advantaged positions in the society or some group think it is their right to be more privileged than women employees. Therefore, gender relationship due to negative perceptions on women reflects gender discrimination in the workplace and these negative perceptions are originated from stereotype or traditional beliefs, social and cultural restrictions and psychological thinking of men.

It is observed that in the workplace as well as in the public service both internal and external barriers women face. In case of internal barriers identified problem areas are: ?gender insensitive recruitment policy and In service discrimination such as: wage gap, performance evaluation, sexual harassment, pregnancy discrimination, less participation of women in decision making or less opportunity in leading, low paid job, attitudinal or verbal harassment, lack of proper work facilities and gender insensitive policies are mostly mentioned. In case of external barriers, identified problems are: ?Family responsibility and ?Spousal abuse. However, external and internal both types of barriers may dominate the public sector's gender issue. Since, all over the world, public sector holds major share of women's employment, so, gender inequality should not be a negligible issue in this sector. Because of gender discrimination women's health hazards geared up and their performance decline, so glass ceiling affects their carrier. Women, now a days are entering more in the job sector so if their performance is hampered because of gender issue, entire organization will be sufferer in terms of low output. In other words, gender fair environment in the workplace is necessary for individual and organizational well functioning which will ultimately lead to overall better performance of the organization. Therefore, effect of gender discrimination should not be ignored in the workplace.

It is further observed that specific measurements have been taken in various countries and in international organizations to change traditional masculine work culture by replacing with modern concepts of flexible work culture through melting masculine and feminine attributions where both men and women are assumed to be comfortable. Thus it is realized that a gender plan or policy including some effective measures, in both formal and informal areas, is necessary to maintain a gender fair environment in the workplace which will lead to increase performance of women as well as organization.

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Impacts of Trade Liberalization on Exports: Bangladesh Experience

Dr. Md. Moniruzzaman¹

Abstract: This article analyses and explains the impacts of trade liberalization on exports in Bangladesh. A number of empirical studies suggest that there exists positive relationship between trade liberalization and export performance. In case of Bangladesh it is observed that the TGR of exports in the pre-liberalization regime i.e. from 1972-1973 to 1989-1990 is 8.81 per cent while the same is 11.90 per cent in the post-liberalization period i.e. from 1990-1991 to 2009-2010. The TGR for the whole study period i.e. from 1972-1973 to 2009-2010 is estimated as 11.56 per cent. It indicates that the growth rates of exports are higher in the post-liberalization period. On the other hand, it is observed that the CAGR of exports in the pre-liberalization regime i.e. from 1972-1973 to 1989-1990 is 8.54 while the same is 11.88 per cent in the post-liberalization period i.e. from 1990-1991 to 2009-2010. The CAGR for the whole study period i.e. from 1972-1973 to 2009-2010 is estimated as 10.63 per cent. It can be concluded that trade reforms or trade liberalization in Bangladesh has positive impact on exports in Bangladesh. Chow Breakpoint test indicates that there is a structural change in exports of Bangladesh. The price elasticity of export supply is estimated at 0.25, the income elasticity of export supply is estimated at 0.50 and the gross fixed capital formation elasticity of export supply is estimated at 0.73. The estimated coefficient of liberalization dummy is very low (0.16) which is insignificant meaning that liberalization of trade has not significant impact on the export supply performance of Bangladesh. Therefore, the policy makers should be more cautious in designing the trade policy reforms in Bangladesh for reaping the full benefit of trade liberalization. The relative price of real export is negatively related to the demand of real export as expected and the relationship is statistically significant at 5 per cent level meaning that relative price is an important determinant of export demand.

Key Words: Trade Liberalization, TGR, CAGR, Chow Breakpoint, Price Elasticity of Exports, Structural Change.

Introduction:

The positive impact of trade liberalization export and growth is supported by a number of studies such as Little, Scitovsky and Scott (1970), Balassa (1971, 1982), Bhagwati (1978), Kruger (1978), Athukorala (1997), Ahmed (2001). A number of other studies show no or little link between trade performance and trade liberalization such as UNCTAD(1989), Agosin (1991), Clarke and Krikpatrick (1992), Greenway and Sapford (1994), Jenkins(1996). Bangladesh export trade is well responded with

¹ Deputy Secretary to the Government of Bangladesh and currently working as Director at the WTO Cell of the Ministry of Commerce. This article is based on the author's PhD dissertation. The e-mail address of the author is monir65@gmail.com.

the intervention of trade liberalization programs. The average growth rate of export was about 7.07 per cent during the period from 1973-1974 to 1977-1978. GDP growth rate registered about 7.5 per cent which was slightly higher than export growth during the FFYP. During the SFYP export growth was achieved at around 5.0 per cent. In the TFYP and FFYP periods, export grew at an average rate of 11.27 per cent and 18.18 per cent respectively. The major export items are ready-made garments, knitwear, frozen foods, leather and leather products, jute and jute products, tea, ceramics, textile fabrics, home textiles, light engineering products including bicycles, handicraft and agro-based products. The higher growth rate of export was contributed by sharp increase of some non-traditional export items in the export basket such as Ready-Made Garments, Frozen Food, Specialized Textiles, Fertilizer etc. However, exports as a percentage of GDP were about 6.0 per cent and 9.0 per cent during these two plan periods. During the period from 1995-96 to 1999-2000 export grew continuously at an average growth rate of about 10.73 per cent while GDP growth rate was posted at about 5.27 per cent. Export as a percentage of GDP increased to 14.22 per cent. On the other hand, export as a source of import financing increased substantially. It was about 35.22 per cent in the FFYP and 30.37 per cent in the SFYP, while the rate was 58.0 per cent in the FFYP. In 1999-2000 export earnings was about 70 per cent of total import payments. This article analyses and explains the impacts of trade liberalization on exports in Bangladesh.

Review of Literature

The impact of trade liberalization on trade performance in Bangladesh is still a relatively less researched area. Some studies examined the degree of trade liberalization in the context of Bangladesh economy². There have been no systematic and in-depth studies to examine the overall impact of trade liberalization on trade performance of Bangladesh. There are some relevant studies which have been carried out for other countries. The existing literatures, related to this study, are briefly reviewed in this section.

Reza (1981) analyses the chronic trade deficit of Bangladesh arguing that the export base and export earnings are persistently very low over a long span of time. He finds out the performance of export sub-sector is very

² Remarkable studies include: Ahmed(1999, 2001), Rahman(1992), Mahmood, Rahman and Hasan(1991), Dean, Desai and Ridel(1994), Hossain(1997), Alam(1995), Bayes, Hossain and Rahman(1995), World Bank(1996), Yilmaz and Varma(1994), Kabir (1988), Raihan (2007), Rimi, Aziz and Kakoly(2009).

poor because of heavy concentration on few traditional items like raw jute, jute goods, tea, fish, leathers etc. Analyzing the trade figures from 1950 to 1978 he tries to show the problems and prospect of this sub-sector. He also focuses the employment potential and income distribution implications of export-oriented strategy of development. He also suggests for export-led growth strategy instead of import substitution growth strategy as a policy option³.

A. R. Bhuyan (1982) examines the prospect of non-traditional exports focusing on the imports of machinery and industrial raw materials. He shows that the demands for non-traditional items have been growing and there remains scope for modernization and expansion of this sub-sector⁴. He does not give details about the transformation and diversification of non-traditional exports. The policy reforms for improvement of exports have not been focused in this study.

Kabir (1988) estimated the aggregate import and export demand functions of Bangladesh using time series data for a sample period from 1973 to 1983. In his study, he chooses domestic price, foreign price, foreign exchange reserve, exchange rate as explanatory variables. He estimates the price elasticity and income elasticity of our exports and imports but he does not analyse the growth trend of export and imports and the impact of trade reforms⁵. The trade policy or reforms and its impact on the export performance have been ignored in this study.

Mahmood (1982) explains the possibilities of the export led growth in Bangladesh. He argues that a country like Bangladesh can achieve high standards of living only through industrialization and expansion of trade in manufacturing. Citing examples of South Korea, Taiwan, Singapore, Hong Kong he mentions that Bangladesh should avoid import substitution industries and move to manufactured export because the demand for manufactured exports are more stable compared to traditional products. He argues that traditional exports suffer from supply inelasticity in the world market⁶. His study does not include the trade reforms and its impact on trade performance.

³ Sadrel Reza, *The Export Trade of Bangladesh 1950-1978* (Dhaka: University of Dhaka, 1981).

⁴ A. R. Bhuyan, *Non-Traditional Exports of Bangladesh: Trends, Performance and Prospects* (Dhaka: Bureau of Economic Research, University of Dhaka, 1982).

⁵ R. Kabir, "Estimating Import & Export Demand Functions: The Case of Bangladesh", *The Bangladesh Development Studies*, Vol. 16, No. 4 (Dhaka: BIDS, 1988).

⁶ Wahiduddin Mahmood, "Possibilities of Export-led Growth in Bangladesh", *The Bangladesh Journal of Political Economy*, Vol. 6, No. 1 (Dhaka: 1982).

Talukdar (1983) analyses the diversification of export with reference to Ready Made Garments (RMG). He points out that Bangladesh has comparative advantage in RMG because of cheap labour. He opines that export earnings could be enhanced through promotion of RMG. This study places more weights on RMG export. But other developing countries have been enjoying comparative advantage in RMG. So, in order to face global challenges Bangladesh should diversify export base⁷.

Roy (1991) analyses the determinants of export performance of Bangladesh using an econometric analysis. He examines the causal relationship of the determining factors and export performance for Bangladesh. His study finds that the export performance of Bangladesh is associated with greater commodity diversification of exports. He shows that commodity exports have been diversified more over the years. Liberalization of trade and industrial policies has important consequences for the composition of exports as well as growth and stability⁸. But this study does not specifically cover the relationship between impact of trade liberalization and trade performance.

Raihan (2007) analyzed the dynamics of trade liberalization in Bangladesh⁹ in the context of policies and practices by using modern tools of economic analysis. He reviewed theoretical evidences between trade liberalization and economic growth, trade liberalization policies and programs in Bangladesh. He conducted a time-series evaluation of Bangladesh's trade liberalization in a changing perspective and in a global perspective, a dynamic panel econometric study on Bangladesh manufacturing industries, Short-run vs. Long-run Macro impacts of trade liberalization: an inter-temporal computable general equilibrium (CGE) model of Bangladesh. He has attempted to investigate the 'Trade Liberalization--Growth Nexus' in the context of the manufacturing industries in Bangladesh and to explore the alternative options for the future direction of trade policy reform in Bangladesh.

Ahmed (2001) analyzes the trends and impact of trade liberalization in Bangladesh. He examines the impact of trade liberalization on import demand, export supply, industrial growth of Bangladesh using modern

⁷ Md. Serajul Islam Talukdar, "Scope for the Diversification of Export Trade in Bangladesh with Special Reference to Ready Made Garments", Bank Parikrama, Vol. 8, Nos. 3, 4 (Dhaka: BIBM, 1983).

⁸ Dilip Kumar Roy, "Determinants of Export Performance of Bangladesh", The Bangladesh Development Studies, BIDS, Vol. 19, No. 4 (Dhaka: BIDS, 1991).

⁹ Selim Raihan, Dynamics of Trade Liberalisation in Bangladesh: Analyses of Policies and Practices (Dhaka: Pathak Shamabesh, 2007).

time series method of co-integration and error correction modeling. In analyzing Bangladesh experience with trade liberalization he addresses a number of key issues such as nature and policy instruments of trade liberalization, the degree of trade liberalization, impact of trade liberalization on import demand, export supply, industrial growth and government revenue, and external constraints faced by Bangladesh. He finds that both at aggregate and commodity level the import is generally less sensitive to import price changes whereas export both at aggregate and commodity level are sensitive to real exchange rate and relative prices. Bangladesh export supply is found as price inelastic at both levels. Using ECM he finds that trade liberalization has significant role in improving the trade performance of Bangladesh¹⁰.

Abedin (2004) analyses the policy measures taken by the Government of Bangladesh in the mid-1980s as the process of globalization. He discusses the origin, implementation process and effects of Structural Adjustment Programs as part of globalization process. He mentions that it has come into implementation since 1991 and the SAP has been partially successful in removing balance of payment problems, keeping inflation rate at reasonable rates, reducing budget deficits, promoting GDP growth rates and raising the growth rates of both exports and imports¹¹. He uses times series data for selected macro economic variables and draws clear comparison between pre-SAP and post-SAP situations.

Datt (2004) defines globalization as the process of integrating all economies of the world so that there is free movement of goods, services, technology, capital and even cross border movement of labour. Globalization has four parameters such as (i) reduction of trade barriers, (ii) free flow of capital, (iii) free flow of technology, (iv) free movement of labour. He explains that the impact of globalization on Indian economy by showing its share in world exports raises from 0.54 per cent in 1990 to 0.67 per cent in 1999. Indian imports increases from 8.3 per cent of GDP in 1991-1992 to 12.3 per cent in 1995-1996¹².

¹⁰ Nasiruddin Ahmed, Trade Liberalization in Bangladesh: An Investigation into Trends (Dhaka: The University Press Limited, 2001).

¹¹ M. Zainul Abedin, "Structural Adjustment programs in Bangladesh: Their Origin, Implementations and Effects", Economic Globalisation-Social Conflicts, Labour and Environmental Issues, ed. by Clem Tisdell and Raj Kumer Sen (UK: Cheltenham, Edward Elgar), 2004, pp. 227-243.

¹² Ruddar Datt, "Globalisation, the WTO and its Impact on India: A Developing Country Perspective", Economic Globalisation-Social Conflicts, Labour and Environmental Issues, ed. by Clem Tisdell and Raj Kumer Sen (UK: Cheltenham, Edward Elgar), 2004, pp. 106-123.

Hossain and Alauddin (2005) examined the process of Bangladesh's trade liberalization and its impact on the growth and structure of exports, imports, GDP and other relevant macroeconomic variables with particular emphasis on exports¹³. This study provides an updated account of the various structural adjustment programs undertaken in Bangladesh including trade, fiscal, industrial and financial reforms, and explains how these reforms supplemented one another to promote greater market and export orientation. Various Indicators of trade liberalization show a substantial shift of the Bangladesh external trade regime and the resultant reduction in anti-export bias.

Rimi, Aziz and Kakoly¹⁴ empirically examined the export-led growth hypothesis on Bangladesh using co-integration and multivariate Granger Causality technique. The study findings support the export-led growth hypothesis that there are strong bi-directional causality between export growth and economic growth in Bangladesh. The bi-variables model with GDP as dependent variable and export as independent variable and the multivariate model with GDP as dependent variable and export and import as independent variables provides the similar result. They suggested for promoting exports to enhance the economic growth of Bangladesh.

Exports of Bangladesh

Exports of Bangladesh in the pre-liberalization (1972-1989) and post-liberalization (1990-2010) regimes are shown in the Table 1:

¹³ Mohammad A. Hossain and Mohammad Alauddin, "Trade Liberalization in Bangladesh: The Process and Its Impact on Macro Variables Particularly Export Expansion", *Journal of Developing Areas*, Vol. 39(1), 2005.

¹⁴ Tamanna Afreen Rimi, Ahmed Tariq Aziz, and Israt Jahan Kakoly, "Export-Led Growth (ELG) Hypothesis: An Empirical Investigation on Bangladesh", *BISS Journal*. vol. 30(3). (Dhaka: BISS, 2009), pp. 335-350.

Table 1 Export of Bangladesh

Regime	Year	Export (Million US\$)	Growth Rate ¹⁵ (%)	5-yearly Moving Average Growth Rate ¹⁶ (%)	Export as % of GDP(%)
	1972-1973	348.42	-	-	4.22
Pre-liberalization	1973-1974	371.76	6.70	-	3.33
	1974-1975	382.68	2.94	3.73	2.79
	1975-1976	380.47	-0.58	7.41	4.47
	1976-1977	417.01	9.60	11.14	6.75
	1977-1978	493.74	18.40	14.77	5.15
	1978-1979	618.82	25.33	13.83	5.16
	1979-1980	749.44	21.11	9.55	5.81
	1980-1981	709.85	-5.28	7.81	5.72
	1981-1982	625.89	-11.83	6.36	5.49
	1982-1983	686.60	9.70	5.19	6.45
	1983-1984	810.99	18.12	3.78	5.86
	1984-1985	934.43	15.22	12.36	6.05
	1985-1986	819.21	-12.33	13.35	5.88
	1986-1987	1073.77	31.07	10.71	5.68
	1987-1988	1231.2	14.66	11.26	6.20
	1988-1989	1291.56	4.90	16.27	6.24
	1989-1990	1523.71	17.97	13.27	6.63
Post-liberalization	1990-1991	1717.55	12.72	14.24	5.49
	1991-1992	1993.92	16.09	14.53	6.35
	1992-1993	2382.89	19.51	18.34	7.39
	1993-1994	2533.9	6.34	18.16	7.46
	1994-1995	3472.57	37.04	17.70	9.13
	1995-1996	3882.42	11.80	17.16	9.54
	1996-1997	4418.28	13.80	16.48	10.41
	1997-1998	5161.2	16.81	10.73	11.70
	1998-1999	5312.86	2.94	10.85	11.60
	1999-2000	5752.2	8.27	6.60	12.16
	2000-2001	6467.30	12.43	5.12	13.76
	2001-2002	5986.09	-7.44	7.75	12.58
	2002-2003	6548.44	9.39	8.86	12.61
	2003-2004	7602.99	16.10	10.70	13.46
	2004-2005	8654.52	13.83	15.33	14.33
	2005-2006	10526.16	21.63	16.62	15.06
	2006-2007	12177.86	15.69	15.47	16.88
	2007-2008	14110.80	15.87	13.52	15.92
	2008-2009	15565.19	10.31	-	18.42
	2009-2010	16204.65	4.11	-	19.45

Source: Source: EPB, Export Statistics (various issues), IMF, International Financial Statistics (various issues), GOB, Bangladesh Economic Review (various issues).

In 1972-1973 the export figure was only 348 million US\$. It has been increased over the years with fluctuations in the trend. It reached to 1523.71 million US\$ in 1989-1990 - the highest figure in the pre-liberalization period. The export was US\$ 1717 million in 1990-1991

¹⁵ Growth Rate = $[(X_t - X_{t-1}) / X_{t-1}] \times 100$

¹⁶ 5-yearly Moving Average = $(Y_1 + Y_2 + Y_3 + Y_4 + Y_5) / 5$, $(Y_2 + Y_3 + Y_4 + Y_5 + Y_6) / 5$ and so on.

which sharply rose to 3472.57 million US\$ in 1994-1995 with 37.04 per cent growth rate. The export growth was very impressive except few exceptions. The export grew to 6467.30 million US\$ in 2000-2001 with 12.43% growth rate. The year 2005-2006 can be marked as an important year for our foreign trade as export reached to 10526.16 million US\$ i.e. one billion US\$ export is achieved for the first time. After that the export continued to grow even in the situation of global economic slowdown. In 2006-2007 the export was US\$ 12177.86 million with the growth rate of 15.69 per cent. The export rose to US\$ 15565.19 million in 2008-2009 from 14110.80 million US\$ in 2007-2008. The export grew at 4.11 per cent and reached to 16204.65 million US\$ in 2009-2010.

Exports as percentage of GDP were very low at single digit figures throughout the entire pre-liberalization period. It was 4.22 per cent in 1972-1973, 2.79 per cent 1974-1975, 6.45 per cent in 1984-1985 and 6.63 per cent in 1989-1990. On the other hand, it was about 7.46 per cent in 1993-1994, 9.54 per cent in 1995-1996, 10.41 per cent in 1996-1997, 13.46 per cent in 2003-2004, 15.06 per cent in 2005-2006 and 19.45 per cent 2009-2010. Therefore, the export as percentage of GDP substantially increased in the post-liberalization period. The 5-yearly moving average growth rates of exports were 3.73 per cent in 1974-1975, 11.14 per cent 1976-1977, 13.83 per cent in 1977-1978, 3.78 per cent 1983-1984, 12.36 per cent in 1984-1985, 16.27 per cent in 1988-1989 and 13.27 per cent in 1989-1990 in pre-liberalization period. Compared to the pre-liberalization period the 5-yearly moving average growth rates of export were higher in post-liberalization period. It was 14.24 per cent in 1990-1991, 18.16 per cent in 1993-1994, 17.16 per cent in 1995-1996. The lowest rates were observed in 2000-2001 (5.12 per cent) and 2002-2003 (8.86 per cent). The 5-yearly moving average growth rates of exports were 15.33 per cent in 2004-2005 and 13.52 per cent in 2007-2008.

Trade Performance and Trade Liberalization

Export Propensity, Import Penetration and Trade Openness

The trade performance of a country can be evaluated by the Export Propensity, Import Penetration and Trade Ratio or Trade Openness. The three indicators are calculated for both pre-liberalization and post-liberalization regimes. The estimates are presented in Table-2.

Table 01: Export Propensity, Import Penetration and Trade Openness

Regime	Year	Export Propensity [(X / Y) x100]	Import Penetration [M / (Y+M-X)] x100	Export as % of Import	Trade Openness [(X+M) / Y] x100
Pre-liberalization	1973-1974	3.33	9.16	40.19	13.08
	1974-1975	2.79	7.35	27.28	10.46
	1975-1976	4.47	13.33	29.84	20.46
	1976-1977	6.75	10.27	47.66	17.42
	1977-1978	5.15	12.06	36.60	18.16
	1978-1979	5.16	12.34	39.77	18.51
	1979-1980	5.81	14.87	54.62	22.26
	1980-1981	5.72	15.14	28.02	22.55
	1981-1982	5.49	16.17	24.33	23.72
	1982-1983	6.45	15.57	29.74	23.70
	1983-1984	5.86	14.10	34.47	21.32
	1984-1985	6.05	13.59	35.30	20.82
	1985-1986	5.88	12.75	34.65	19.63
	1986-1987	5.68	12.47	40.98	19.11
	1987-1988	6.20	13.03	41.23	20.26
	1988-1989	6.24	13.66	38.27	21.07
Post-liberalization	1989-1990	6.63	13.91	40.53	21.72
	1990-1991	5.49	10.60	49.50	16.69
	1991-1992	6.35	10.73	57.58	17.60
	1992-1993	7.39	12.06	59.78	20.09
	1993-1994	7.46	11.80	59.62	19.84
	1994-1995	9.13	14.48	59.52	24.51
	1995-1996	9.54	15.74	55.89	26.44
	1996-1997	10.41	15.87	61.69	27.31
	1997-1998	11.70	16.21	68.60	28.78
	1998-1999	11.60	16.54	66.26	29.12
	1999-2000	12.16	16.82	68.45	29.93
	2000-2001	13.76	18.72	69.28	33.63
	2001-2002	12.58	17.02	70.09	30.54
	2002-2003	12.61	17.55	67.80	31.22
	2003-2004	13.46	18.23	69.73	32.76
	2004-2005	14.33	20.27	65.83	36.11
	2005-2006	15.06	21.92	71.38	38.90
	2006-2007	16.88	23.37	70.98	42.22
	2007-2008	15.92	24.56	65.24	43.30

Notes: X = Export, M= Import, Y = GDP

Source: Estimated from Appendix Table A .

The export propensity is ranged from the lowest 2.79% in 1974-1975 to the highest 6.76% in 1976-1977 in the pre-liberalization regime while it is ranged from the lowest 5.49% in 1990-1991 to the highest 16.88% in 2006-2007 in the post-liberalization regime. The import penetration is ranged from the lowest 7.35% in 1974-1975 to the highest 16.17% in 1981-1982 in the pre-liberalization regime while it is ranged from the

lowest 10.60% in 1990-1991 to the highest 24.56% in 2007-2008 in the post-liberalization regime. The trade openness is ranged from the lowest 10.46% in 1974-1975 to the highest 23.72% in 1981-1982 in the pre-liberalization regime while it is ranged from the lowest 16.69% in 1990-1991 to the highest 43.30% in 2007-2008 in the post-liberalization regime. Export as percentage of import has substantially increased during the post-liberalization period. The lowest value was achieved as 24.33% in 1981-1982. It reaches as high as 71.38% in 2005-2006. The trend growth rate (TGR) of export propensity, import penetration and trade openness of Bangladesh during the pre-liberalization and post-liberalization regimes are presented in Table 3.

Table 02: TGR of Export Propensity, Import Penetration and Trade Openness

Period	Export Propensity (%)	Import Penetration (%)	Trade Openness (%)
Pre-Liberalization	3.25	2.22	2.43
Post-Liberalization	5.87	4.50	5.13
Overall	4.29	1.92	2.63

Note:

1. $TGR = [\text{Anti-log of estimated } b - 1] \times 100$, L means natural logarithm
2. The estimated coefficients are highly significant since the p-value of the estimated coefficients are found 0.000 except Trade Openness Coefficient in Pre-liberalization period (0.013).

Source: Table 2

The trend growth rate of export propensity is found 3.25 per cent during the pre-liberalization period which has significantly increased to 5.87 per cent during post-liberalization period. The trend growth rate of import penetration is found higher in the post-liberalization period (4.50%) as compared to the pre-liberalization period (2.22%). The trend growth rate of trade openness of Bangladesh is found more than double in post-liberalization period (5.13%) as compared to the pre-liberalization period (2.43%). The overall trend growth rates of export propensity, import penetration and trade openness are found 4.29 per cent, 1.92 per cent and 2.63 per cent respectively. It can be concluded that export propensity, import penetration and trade openness of Bangladesh has significantly increased in the post-liberalization period.

Growth Trend of Exports

The trend growth rate (TGR) and compound annual growth rate (CAGR) of exports are estimated separately for the pre-liberalization and post-liberalization regimes as well for the entire study period from 1972-1973 to 2009-2010. The estimates are presented in the Table 4. It is observed

that the TGR of exports in the pre-liberalization regime i.e. from 1972-1973 to 1989-1990 is 8.81 per cent while the same is 11.90 per cent in the post-liberalization period i.e. from 1990-1991 to 2009-2010. The TGR for the whole study period i.e. from 1972-1973 to 2009-2010 is estimated as 11.56 per cent. It indicates that the growth rates of exports are higher in the post-liberalization period.

On the other hand, it is observed from Table 4 that the CAGR of exports in the pre-liberalization regime i.e. from 1972-1973 to 1989-1990 is 8.54 while the same is 11.88 per cent in the post-liberalization period i.e. from 1990-1991 to 2009-2010. The CAGR for the whole study period i.e. from 1972-1973 to 2009-2010 is estimated as 10.63 per cent. It can be concluded that trade reforms or trade liberalization in Bangladesh has positive impact on exports in Bangladesh.

Table 3: Trend of Growth Rates and Compound Annual Growth Rates for Exports

Period	Export Propensity (%)	Import Penetration (%)	Trade Openness (%)
Pre-Liberalization	3.25	2.22	2.43
Post-Liberalization	5.87	4.50	5.13
Overall	4.29	1.92	2.63

Note:

1. TGR = [Anti-log of estimated $b - 1$] X 100, L means natural logarithm
2. CAGR = [Ending Value/Beginning Value]^{1/N - 1}

Source: Estimated from Table 1.

Test of Hypothesis

Using t-test the following hypothesis is tested whether trade liberalization has positive impact on export growth in Bangladesh.

H⁰: There is no change in export growth between pre and post trade liberalization regimes.

H¹: There is significant positive change in export growth between pre and post trade liberalization regimes.

The t-test is performed on the basis of trend regression of the pre-liberalization and post-liberalization periods.

$$t_{37df} = (b_1 - b_2) / \sqrt{(se_{b_1})^2 + (se_{b_2})^2}$$

Here, b_1 = slope coefficient of time variable in the pre-liberalization period, b_2 = slope coefficient of time variable in the post-liberalization period, se = standard error of slope coefficient. Now by putting the values

in the formula the t-statistic is computed as:

$$t_{37df} = (0.037 - 0.049) / \sqrt{(0.002)^2 + (0.002)^2} = -4.26$$

Decision: The table value of t-statistic at 37 degree of freedom is 1.65 and the absolute value of calculated t-statistic is 4.26. Since the calculated value is higher than the critical t-value so the null hypothesis H_0 is rejected and the alternative hypothesis H_1 is accepted at 5 per cent significance level implying that the export is significantly increased in the post-liberalization regime.

Chow Breakpoint Test

The structural change in export of Bangladesh to the liberalization of trade is tested by Chow Test using the F-test :

$$F = \frac{(RSS - (RSS1 + RSS2)/k)}{(RSS1 + RSS2)/(n^1 + n^2 - 2k)}$$

Table 5 Chow Breakpoint Test: 1989

Test	Test Statistics	P-value
F-statistic	14.86	0.000
Log likelihood ratio	23.86	0.000

Chow Breakpoint test is conducted based on 1989-90 and it is found that F-statistic is greater than F critical value at 2, 34 degree of freedom and the p-value 0,000 indicates that the null hypothesis H_0 of structural stability is rejected. Therefore, it can be concluded that there is a structural change in exports of Bangladesh. The growth trends of export and import are presented in Figures 6.1 and 6.2 for pre-liberalization period and post-liberalization period respectively.

Figure 1 Growth Trend of Export and Import in Pre-Liberalization Regime

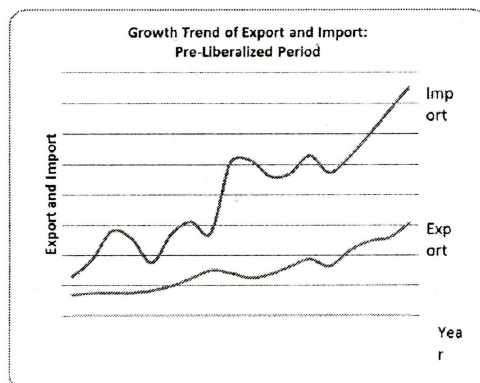
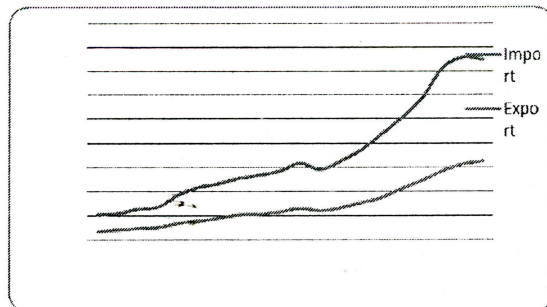


Figure 2 Growth Trend of Export and Import in Post-Liberalization Regime



Instability of Exports

The instability is measured separately by using Coppock's Instability Index (CII) for pre-liberalization period and post-liberalization period. The CII is also measured for the overall study period. The estimate results are shown in the following table. It is evident from the value of CII that the exports of Bangladesh in pre-liberalization period is more instable as compared to post-liberalization period as expected. The CII is computed as 11.56% for the pre-liberalization period and 7.76% for the post-liberalization period. The overall CII is 10.00% for the study period (Table 6).

Table 6 Instability of Exports

Period	Coppock Instability Index(CII) in %
Pre-liberalized 1972-1973 to 1989-1990	11.56
Post-liberalized 1990-1991 to 2009-2010	7.76
Overall 1972-1973 to 2009-2010	10.00

Note: CII = [Anti-log ? log variance- 1] X 100.

Source: Estimated from Table 1.

Growth Trend of Major Export Commodities

The growth trend of major commodities such RMG, Tea, Leather, Frozen Foods, Jute Manufacture, Raw Jute and Pharmaceuticals etc. are estimated. A comparison between the growth rates of RMG and Non-RMG exports as well as Primary and Manufactured exports are also estimated. The structural stability is tested by 'Chow Break point Test'.

Growth Trend of RMG and Non-RMG Exports

The Trend Growth Rates and the Compound Annual Growth Rates for Exports of RMG and Non-RMG Commodities are shown in Table 7.

Table 7 Trend Growth Rates and Compound Annual Growth Rates for Exports of RMG and Non-RMG Commodities

Period	Estimated Trend Regression	TGR ¹ (%)	CAGR ² (%)
Pre-liberalization	LNRMG = 6.22 + 0.042T	4.27	5.63
1976-1977 to 1989-1990	LRMG = -3.86 + 0.834T	130.27	112.13
Post-liberalization	LNRMG = 5.53 + 0.076T	7.89	7.64
1990-1991 to 2009-2010	LRMG = -5.12 + 0.130T	13.91	14.27
Overall	LNRMG = 6.07 + 0.02T	5.65	6.63
1976-1977 to 2009-2010	LRMG = -0.037 + 0.055T	40.21	48.86

Note:

1. $TGR = [\text{Anti-log of estimated } b - 1] \times 100$
2. log means natural logarithm
3. $CAGR = [\text{Ending Value/Beginning Value}]^{1/N} - 1$

Source: Researcher's Own Calculation.

The trend growth rate of RMG in the pre-liberalization regime is 130.27 per cent while the same is 13.91 per cent in the post-liberalization regime. The trend growth of RMG export for the entire study period is 40.21 per cent. The trend growth rate of non-RMG exports was 4.27 per cent in the pre-liberalization regime and 7.89 per cent in the post-liberalization regime. The trend growth of non-RMG export for the entire study period was 5.65 per cent.

Chow Breakpoint Test for RMG Export

The structural change in export of RMG and Non-RMG due to the liberalization of trade is tested by Chow Test (Table 8).

Table 8 Chow Breakpoint Test for RMG: 1989

Test	Test Statistics	P-value
F-statistic	205.18	0.000
Log likelihood ratio	91.33	0.000

The critical value of F at 2 and 30 degree of freedom (Fdf 2, 30) is 19.5 at 5% and 99.5 at 1% level of significance. Since the calculated value of F equals to 205.18 is greater than the critical values of F at both 5% and 1% level of significance, the null hypothesis of no structural change is rejected. It can be concluded that there is presence of statistically significance structural breakpoint in the exports of RMG between pre-liberalization and post-liberalization periods.

Chow Breakpoint Test for Non-RMG Export

The Chow test is also conducted for exports of Non-RMG commodities by using the same procedure and the calculated F is found as 9.78 and p value is 0.000 (Table 9).

Table 9 Chow Breakpoint Test for Non-RMG: 1989

Test	Test Statistics	P-value
F-statistic	9.78	0.000
Log likelihood ratio	17.07	0.000

The calculated F-statistic is greater than the critical value of F at 2, 30 degree of freedom (Fdf 2, 30) is at both 5% and 1% level of significance. Since the calculated value of F is greater than the critical values of F at both 5% and 1% level of significance, the null hypothesis of no structural change is rejected. So it can be concluded that there is also structural breakpoint in the exports of Non-RMG.

Growth Trend of Primary and Manufactured Exports

The Trend Growth Rates for Exports of Primary and Manufactured Commodities are shown in Table 10.

Table 10 Trend Growth Rates for Exports of Primary and Manufactured Commodities

Period	Estimated Trend Regression	TGR ¹ (%)
Pre-liberalization 1972-1973 to 1989-1990	LPEX = 4.90 + 0.053T	5.41
	LMEX = 5.16 + 0.099T	10.45
Post-liberalization 1990-1991 to 2009-2010	LPEX = 4.68 + 0.054T	5.59
	LMEX = 5.18 + 0.119T	12.58
Overall 1972-1973 to 2009-2010	LPEX = 4.94 + 0.046T	4.70
	LMEX = 4.97 + 0.124T	13.20

Note: TGR = [Anti-log of estimated b - 1] X 100

Source: Researcher's Own Calculation.

The trend growth rate of export of primary commodities was 5.41 per cent in the pre-liberalization regime while the same was 5.59 per cent in the post-liberalization regime. The trend growth of export of manufactured commodities was 10.45 per cent in the pre-liberalization period and the same was 12.58 per cent in the post-liberalization period. The trend growth of export of primary commodities for the entire study period was 4.70 per cent while the trend growth rate of the export of manufactured commodities was 13.20 per cent. Therefore, it can be concluded that the export of manufactured commodities increased in the post-liberalization period as compared to the export of primary commodities.

Chow Breakpoint Test for Export of Primary Commodities

The structural stability of the export of primary commodities is tested by chow breakpoint test (Table 11).

Table 11 Chow Breakpoint Test for Export of Primary Commodities: 1989

F-statistic	2.089972	Prob. F(2,34)	0.139297
Log likelihood ratio	4.406096	Prob. Chi-Square(2)	0.110466

The test result confirms that there exists no structural breakpoint in the series of exports of primary commodities from Bangladesh during the study period. Since the F-statistic is 2.089 which is lower than the F-critical value and it is also confirmed by the p-value equals to 0.139 which is greater than any level of significance.

Chow Breakpoint Test for Export of Manufactured Commodities

The structural stability of the export of manufactured commodities is tested by chow breakpoint test (Table 12).

Table 12 Chow Breakpoint Test for Export of Manufactured Commodities: 1989

F-statistic	11.04789	Prob. F(2,34)	0.000201
Log likelihood ratio	19.02660	Prob. Chi-Square(2)	0.000074

The test result confirms that there exists structural breakpoint in 1989 in the series of exports of manufactured commodities from Bangladesh during the study period. Since the F-statistic is 11.04 which is higher than the F-critical value and it is also confirmed by the p-value equals to 0.000 which is lower than any level of significance (?).

Growth Trend of Exports of Selected Commodities.

The growth trend of exports of selected commodities such as leather, jute goods, frozen foods and pharmaceuticals are presented in Table 13.

¹⁷ Tea, Leather, Jute Goods, Frozen Foods and Pharmaceuticals.

Table 13 Growth Trend of Exports of Selected Commodities :¹⁷ 1972 - 2010

Period \ Exports	Estimated Trend Equations		
	Pre-liberalization 1972-1989	Post-liberalization 1990-2010	Overall 1972-2010
Tea	TEA= 2.97 + 0.057T	LTEA=5.70 - 0.093T	LTEA=3.76- 0.025T
	TGR ¹ (%) = 5.85	TGR ¹ (%) = (-) 9.69	TGR ¹ (%) = (-) 2.51
Leather	LLHR=2.91 + 0.122T	LLHR=4.57+ 0.025T	LLHR=3.46- 0.065T
	TGR ¹ (%) = 13.02	TGR ¹ (%) = 2.53	TGR ¹ (%) = 6.66
Jute Manufactures	LJMF=5.29 + 0.034T	LJMF=5.48+ .0075T	LJMF= 5.51 + .007T
	TGR ¹ (%) = 3.46	TGR ¹ (%) = 0.75	TGR ¹ (%) = 0.78
Raw Jute	LJMF= 4.83 - .0080T	LJMF=3.53+ .0365T	LJMF= 4.71 - .002T
	TGR ¹ (%) = (-) 0.81	TGR ¹ (%) = 3.72	TGR ¹ (%) = (-) 0.28
Frozen Foods	LTEA=1.34 + .0235T	LTEA= 4.00 + .06T	LFF= 2.39 + .0119T
	TGR ¹ (%) = 26.48	TGR ¹ (%) = 6.29	TGR ¹ (%) = 12.64
Pharmaceuticals	LPHAR=3.00+ 0.048T	LPHAR=3.89+ .21T	LPHAR=4.31+ .21T
	TGR ¹ (%) = 4.89	TGR ¹ (%) = 22.88	TGR ¹ (%) =23.74

Note:

1. TGR = [Anti-log of estimated b - 1] X 100
2. Log means natural logarithm

Source: Researcher's own calculation.

Market Concentration of Bangladesh Exports

The export of Bangladesh is not only concentrated by products but also by destination. More than 50 per cent of total export is gone to only five countries such as the USA, the UK, Germany, France and Belgium. Here the growth trend of country wise export and the share of total export are analyzed. The share of exports to the above mentioned five countries in total exports is shown in Table 6.14.

Table 14 Share of Exports of Five Countries in Total Exports.

Year	Total Export (in Mn US\$)	Exports to Five Countries (in Mn US\$)	Share in Total Exports (%)
1972-1973	348.42	140.21	40.20
1977-1978	493.74	136.61	27.70
1982-1983	686.60	161.12	23.50
1987-1988	1231.20	559.48	45.40
1992-1993	2382.89	1432.64	60.10
1997-1998	5161.20	3459.28	67.00
2002-2003	6548.44	4462.11	68.10
2007-2008	14110.80	8580.92	60.80
2008-2009	15565.19	9263.82	59.50

Source: Researcher's Own Calculation.

The share of exports of five countries was 40.20 per cent in 1972-1973, 27.70 per cent in 1977-1978, 23.50 per cent in 1982-1983, 45.40 per cent in 1987-1988 during the pre-liberalization regime. On the other hand, the share of exports of the same five countries was 60.10 in 1992-1993, 67.00 per cent in 1997-1998, 68.10 per cent in 2002-2003, 60.80 per cent in 2007-2008 and 59.50 per cent in 2008-2009 during the post-liberalization regime. It is evident that the export of Bangladesh is heavily concentrated in the five markets.

The trend growth rates of exports to major destination is presented in Table 15. The TGR of exports to the USA was 12.84 per cent in the pre-liberalization period and 10.69 per cent in the post-liberalization period. The TGR of exports to the UK was 6.50 per cent in the pre-liberalization period and 13.66 per cent in the post-liberalization period. The TGR of exports to the Germany was 14.3 per cent in the pre-liberalization period and 16.15 per cent in the post-liberalization period.

Table 15 Trend Growth Rates of Exports to Major Destination.

Country	Period	Estimated Trend Equation	TGR ¹
USA	Pre-liberalization	$3.57 + 0.121T$	12.84
	Post-liberalization	$4.61 + 0.102T$	10.69
	Overall	$3.49 + 0.138T$	14.87
UK	Pre-liberalization	$3.11 + 0.063T$	6.50
	Post-liberalization	$2.66 + 0.128T$	13.66
	Overall	$2.59 + 0.127T$	13.57
Germany	Pre-liberalization	$1.38 + 0.135T$	14.39
	Post-liberalization	$2.27 + 0.149T$	16.16
	Overall	$0.99 + 0.190T$	20.95
France	Pre-liberalization	$1.59 + 0.071T$	7.34
	Post-liberalization	$2.40 + 0.123T$	13.07
	Overall	$0.87 + 0.169T$	18.57
Belgium	Pre-liberalization	$2.45 + 0.121T$	9.09
	Post-liberalization	$2.61 + 0.098T$	10.31
	Overall	$2.30 + 0.108T$	11.35
Total Five Countries	Pre-liberalization	$1.37 + 0.209T$	23.23
	Post-liberalization	$0.56 + 0.004T$	0.41
	Overall	$1.42 + 0.325T$	38.40

Note: TGR = [Anti-log of estimated b - 1] X 100

Source: Researcher's Own Calculation.

The TGR of exports to the France was 7.34 per cent in the pre-liberalization period and 13.07 per cent in the post-liberalization period. The TGR of exports to the Belgium was 9.09 per cent in the pre-liberalization period and 10.31 per cent in the post-liberalization period. The overall trend growth of exports to the five countries was 38.40 per cent.

The degree of market concentration of Bangladesh's export is measured

by Herfindhal and Finger-Kreinin market concentration indices is presented in Table 6.16. The higher the value of the index, the high the degree of concentration. The concentration is based on exports to five countries.

Table 16 Market Concentration of Bangladesh Export

Year	Herfindhal (H) Index	Finger -Kreinin(FK) Index
1972-1973	0.162	0.101
1977-1978	*0.076	0.038
1982-1983	0.055	0.017
1987-1988	0.206	0.127
1992-1993	0.361	0.201
1997-1998	0.449	0.235
2002-2003	0.464	0.241
2007-2008	0.369	0.204
2008-2009	0.354	0.198

Note:

Source: Estimated from Table 11.

$$\text{Note: } H = \sum_{a=1}^n \left(\frac{BXa}{BXW} \right)^2 ; 0 < H < 1$$

$$FK = \sum_{a=1}^n \left(\frac{BXa}{BXW} - \frac{1}{n} \right)^2 / 2 ; 0 < FK < 1$$

Source: Estimated from Table 11.

Here H represents Herfindhal Index and FK represents Finger-Krenin Index. BXa means Bangladesh export to country 'a' while BXW means Bangladesh export to the world. Both the indices are constructed based on Bangladesh exports to major five countries. The Herfindhal Index is 0.162 in 1972-1973 which becomes lower to 0.076 in 1977-1978 and 0.055 in 1982-1983. The index has jumped to 0.206 in 1987-1988 and it has been on increasing trend becoming 0.464 in 2002-2003. The Herfindhal Index based on five countries has become slightly lower in recent years such as 0.369 and 0.354 in 2007-2008 and 2008-2009 respectively. On the other hand the Finger-Krenin Index is estimated as 0.101 in 1972-1973, 0.038 in 1977-1978, 0.017 in 1982-1983, 0.127 in 1987-1988. It has sharply increased to 0.201 in 1992-1993, to 0.235 in 1997-1998, to 0.241 in 2002-2003. The Finger-Krenin Index has declined slightly to 0.204 in 2007-2008 and 0.198 in 2008-2009. It is clearly seen in the Table 16 that market concentration has been increased in respect to the five countries concerned substantially during the post-liberalization period.

Econometric Approach of Model Estimation

The aggregate export demand model is specified as:

$$LRX_t = \beta_1 + \beta_2 LRPX_t + \beta_3 LWY_t + \beta_4 LIBD_t + \varepsilon_t, (\varepsilon_t \sim N(0, \sigma^2))$$

[LRX_t = Real Exports in log form, $LRPX_t$ = Relative Price of Exports in log form, LWY_t = World Income in log form, $LIBD_t$ = Liberalization Shift Dummy, ε_t = Error Term, β = Coefficients]

Test of Stationary of the Variables of Aggregate Export Demand Model

To check the Stationarity of the variables, except the liberalization dummy, Augmented Dickey-Fuller (ADF) and Phillips-Perron (PP) tests have been conducted both at levels and at the first difference of each variable of the Aggregate Export Demand Model of Bangladesh.

ADF Unit Root Test

Augmented Dickey-Fuller (ADF) test of the Aggregate Export Demand Model is shown in Table 17.

Table 17 ADF Unit Root Test of Export Demand Model

Variables	Level / First Difference	Intercept	Intercept and Trend	Conclusion
LRX	Level	-0.554 (0.986)	-2.859 (0.186)	I(1) and I(1) Non-stationary
	First Difference	-6.976 (0.000)	-6.971 (0.000)	I(0) and I(0) Stationary
LRPX	Level	-1.122 (0.696)	-3.690 (0.035)	I(1) and I(1) Non-Stationary
	First Difference	-8.591 (0.000)	-8.470 (0.000)	I(0) and I(0) Stationary
LRWY	Level	-4.080 (0.003)	-1.380 (0.849)	I(0) and I(1) Inconclusive
	First Difference	-5.195 (0.000)	-5.944 (0.000)	I(0) and I(0) Stationary

Note:

1. ADF test Critical Values for model with intercept: -3.62 for 1% level of significance, -2.94 for 5% level of significance and -2.61 for 10% level of significance.
2. ADF test Critical Values for model with intercept and trend: -4.23 for 1% level of significance, -3.54 for 5% level of significance and -3.20 for 10% level of significance.
3. Unit Root Tests are performed by Econometric Software E-Views 5.0.
4. Figures in Parenthesis show p-values.

It is observed from the above ADF test (Table 17) that most of the variables are non-stationary at the level for model with intercept and intercept and trend. But it is interesting to note that all the variables are I(0) i.e. stationary at the first difference for model with intercept and intercept and trend.

Co-integration Test

The Co-integration test conducted by maximum eigenvalue is shown in Table 18. The null hypothesis of 'no cointegrating relationship ($r = 0$)' is rejected at 5% level of significance. The other cases of null hypotheses are not rejected at any level. Therefore, it can be concluded that there is only one cointegrating vector at 5% level of significance.

Table 18 Johansen Co-integration Test Based on Maximum Eigenvalue

Trend assumption: Linear deterministic trend

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)

Hypothesis		Eigenvalue	Max-Eigen Statistics	0.05% Critical Value	p-value**
Null	Alternative				
$r^* = 0$	$r = 1$	0.496	24.70	24.14	0.042
$r \leq 1$	$r = 2$	0.338	14.88	17.79	0.130
$r \leq 2$	$r = 3$	0.228	9.32	11.22	0.105
$r \leq 3$	$r = 4$	0.001	0.43	4.12	0.864

Note: Max-eigenvalue test indicates 1 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

The Co-integration test conducted by trace test is shown in Table 19. The null hypothesis of 'no cointegrating relationship ($r = 0$)' is rejected at 5% level of significance. The other cases of null hypothesis are not rejected at any level. Therefore, it can be concluded that there is only one cointegrating vector at 5% level of significance.

Table 19 Johansen Co-integration Test Based on Trace Test

Trend Assumption: Linear Deterministic Trend

Unrestricted Cointegration Rank Test (Trace)

Hypothesis		Eigenvalue	Trace Statistics	0.05% Critical Value	p-value**
Null	Alternative				
$r^* = 0$	$r = 1$	0.496	48.96	40.17	0.005
$r \leq 1$	$r = 2$	0.338	24.25	24.27	0.050
$r \leq 2$	$r = 3$	0.228	9.37	12.32	0.148
$r \leq 3$	$r = 4$	0.001	0.04	4.12	0.864

Note: Trace test indicates 1 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

Granger Causality Test of Export Demand

The casual relationship among the variables of the aggregate export demand model is presented in Table 6.33. It reveals that there is no casual

relationship between Real Export Demand (RX) and Relative Price of Export (RPX). There is no casual relationship between Real World Income (RWY) and Real Export Demand. Real World Income has granger cause to relative price of Export. Relative price has granger cause to liberalization.

Table 20 Granger Causality Test of the Aggregate Export Demand Model

Sl.	Null Hypothesis	F-Statistics	Probability
1	LOG(RPX) does not Granger Cause LOG(RX)	0.81225	0.45308
2	LOG(RX) does not Granger Cause LOG(RPX)	1.31245	0.28370
3	LOG(RWY) does not Granger Cause LOG(RX)	1.47351	0.24473
4	LOG(RX) does not Granger Cause LOG(RWY)	0.32837	0.72257
5	LIBD does not Granger Cause LOG(RX)	1.21910	0.30927
6	LOG(RX) does not Granger Cause LIBD	1.80791	0.18086
7	LOG(RWY) does not Granger Cause LOG(RPX)	4.15660	0.02516
8	LOG(RPX) does not Granger Cause LOG(RWY)	0.22468	0.80006
9	LIBD does not Granger Cause LOG(RPX)	1.71090	0.19733
10	LOG(RPX) does not Granger Cause LIBD	3.65275	0.03763
11	LIBD does not Granger Cause LOG(RWY)	0.79221	0.46180
12	LOG(RWY) does not Granger Cause LIBD	2.34717	0.11241

Note: Lag=2, Observation=35

Table 21 Direction of Causality Based on Granger Test

Null Hypothesis	Results	Conclusion
$H_0: 1$	Accepted	Relative Price of Export has no Granger cause to Real Export Demand.
$H_0: 2$	Accepted	Real Export Supply has no Granger cause to Relative Price of Export.
Direction of Causality		No casual relationship
$H_0: 3$	Accepted	Real World Income has no granger cause to Real Export Demand.
$H_0: 4$	Accepted	Real Export Demand has no Granger cause to Real World Income.
Direction of Causality		No casual relationship
$H_0: 5$	Accepted	Liberalization has no Granger cause to Real Export Demand
$H_0: 6$	Accepted	Real Export demand has no Granger cause to Liberalization
$H_0: 7$	Rejected	Real World Income has no Granger cause to Relative Price
$H_0: 8$	Accepted	Relative Price has no Granger cause to Real World Income
$H_0: 9$	Accepted	Liberalization has no Granger cause to Relative Price
$H_0: 10$	Rejected	Relative Price has Granger cause to Liberalization
$H_0: 11$	Accepted	Liberalization has no Granger cause to Real World Income
$H_0: 12$	Accepted	Real World Income has no Granger cause to Liberalization

Source: Researcher's Own Calculation.

Estimation of Export Demand Model by OLS

The export demand model is run by OLS method because all the variables are stationary at the first difference and they are cointegrated. The estimates are shown in Table 22.

$$LRX = -3.73 - 0.70LRPX + 1.53LRWY + 0.25LIBD$$

Table 22 Regression Results of Export Demand Model

Dependent Variable: LOG (RX)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.73	1.45	-2.58	0.015
LOG(RPX)	-0.70	0.32	-2.22	0.033
LOG(RWY)	1.53	0.32	4.78	0.000
LIBD	0.25	0.12	2.13	0.040
Test Statistics				
R-squared	0.95	Mean dependent var		3.23
Adjusted R-squared	0.94	S.D. dependent var		0.78
S.E. of regression	0.18	Akaike info criterion		-0.50
Sum squared resid	1.09	Schwarz criterion		-0.33
Log likelihood	13.51	F-statistic		226.19
Durbin-Watson stat	1.95	Prob(F-statistic)		0.000

All estimated coefficients are in expected sign and all are statistically significant (Table 6.35). The R² of the model is very high i.e. 0.95 and adjusted-R² is 0.94. It signifies that about 95 per cent variation in the dependent variable i.e. demand of real export (RX) is explained by the independent variables i.e. relative price of export demand (RPX), real income of the World (RWY) and Liberalization Dummy (LIBD). The DW statistic is high i.e. 1.95 and the F-statistics of the model is computed as 226.19. The mean of the dependent variable in logarithm is found as 3.23 and the standard deviation is 0.78. The relative price of real export is negatively related to the demand of real export as expected and the relationship is statistically significant at 5 per cent level meaning that relative price is an important determinant of export demand. The coefficient of real world income is positive meaning that the demand of real export has positively related with real world income and the relationship is statistically significant at 1 per cent level. The estimated coefficient of liberalization dummy is very low (0.25) but it is significant at 5 per cent level meaning that liberalization of trade has significant impact on the export demand performance of Bangladesh. So the policy makers should be more cautious in designing the trade policy reforms in Bangladesh for reaping the full benefit of trade liberalization.

The trend of Real Export, Real World Income and Relative price of Export is shown in Figures 6.6, 6.7 and 6.8. The real export demand has a smooth upward trend with some drifts. The world income has increasing trend with minor fluctuations. The relative price has declining trend.

Vector Error Correction Model for Export Demand Model

The estimated coefficients of VECM for aggregate export demand function is shown in Table 6.36. The short run elasticity of real export demand is -0.250 with respect to real export at one lag and it is statistically significant at 5 per cent. The short run elasticity of real export demand is -0.076 with respect to relative price at one lag and it is statistically significant. The short run elasticity of real export demand is -0.643 with respect to real world income at one lag but it is not statistically significant. The short run elasticity of real export demand is 0.232 with respect to liberalization dummy is 0.15 and it is statistically significant at 5 per cent level of significance.

Table 23 Vector Error Correction Model for Export Demand Model

Dependent Variable: ? Log (RX)

Method: Engle Granger Vector Error Correction

Repressors	Coefficients	T-statistics	Test Statistics	
C (Intercept)	0.092	1.59	R-squared	0.650
$\Delta \text{Log(RX)}(-1)$	-0.250	-0.89	Adj. R-squared	0.423
$\Delta \text{Log(RX)}(-2)$	-0.028	-0.11	Sum sq. resids	0.403
$\Delta \text{Log(RPX)}(-1)$	-0.076	-0.33	F-statistic	16.30
$\Delta \text{Log(RPX)}(-2)$	0.176	0.85	D.W.	1.55
$\Delta \text{Log(RWY)}(-1)$	-0.643	0.48	Ramsey RESET	0.045
$\Delta \text{Log(RWY)}(-2)$	0.397	0.327	HET	2.60
$\Delta \text{LIBD}(-1)$	0.150	2.45	Log likelihood	21.12
$\Delta \text{LIBD}(-2)$	-0.053	-0.539	Akaike AIC	-1.001
ECT(-1)	-0.18	-1.94	Schwarz SC	-0.558

Source: Estimated from Appendix Table A.

The ECT is found negative (-0.18) means that any short run disequilibrium of mode will be converged in the long run. However, the low magnitude of the coefficient indicates the slow speed of adjustment.

Vector Auto Regression Model for Aggregate Export Demand Model

The estimated coefficients of VAR for aggregate export demand function is shown in Table 6.37. The short run coefficient of real export demand is 0.622 with respect to its own value at one lag and it is statistically significant at 5 per cent. The short run coefficient of real export demand is -0.362 with respect to relative price at one lag and it is statistically significant at 5 per cent. The sign of the coefficient is consistent with the usual demand law. The coefficient of real export demand is 1.01 with respect to real World Income at one lag which is statistically significant

at 5 per cent level. The sign of this coefficient is consistent with law of income demand and it is greater than unity means the export demand is highly responsive with foreign income. The short run coefficient of real export demand is 0.095 with respect to liberalization dummy at one lag and it is statistically significant at 5 per cent.

Table 24 VAR Estimates Aggregate Export Demand Model

Dependent Variable: Log (RX)

Repressors	Coefficients	T-statistics	Test Statistics	
C (Intercept)	-1.94	-1.99	R-squared	0.605
Log(RX)(-1)	0.622	2.33	Adj. R-squared	0.366
Log(RX)(-2)	0.196	0.76	Sum sq. resids	0.403
Log(RPX)(-1)	-0.362	-0.15	F-statistic	376.30
Log(RPX)(-2)	-0.266	1.42	Log likelihood	44.01
Log(RWY)(-1)	1.01	0.80	Akaike AIC	-1.94
Log(RWY)(-2)	-0.464	-0.39	Schwarz SC	-1.54
LIBD(-1)	0.095	1.96	D.W.	1.75
LIBD(-2)	0.056	0.57	Ramsey RESET	0.032

Source: Estimated from Appendix Table A 1.1.

Short run and Long Run Elasticity of Aggregate Export Demand

The short run and long run elasticities are shown in Table 6.38. The long run price elasticity of export demand is estimated -0.58 while income elasticity is 1.63. The short run price elasticity and income elasticity are -0.36 and 1.01 respectively. The income elasticity of export found in other studies is 1.58 (Emran and Shilpi, 1996), 1.83 (Islam and Hasan, 2004), 4.19 (Ahmed, 2001). The income elasticity of this study is consistent with other studies except Ahmed's study. The price elasticity of export demand is -0.58 which is consistent with the estimates of other studies such as -0.72 (Emran and Shilpi, 1996), -0.77 (Ahmed, 2001).

Table 25 Long Run and Short Run Elasticity of Aggregate Export Demand

Dependent Variable: Log(RX)		
Variables	Short Run	Long Run
Log(RPX)	-0.36	-0.58
Log(RWY)	1.01	1.63
LIBD	-0.09	-0.152

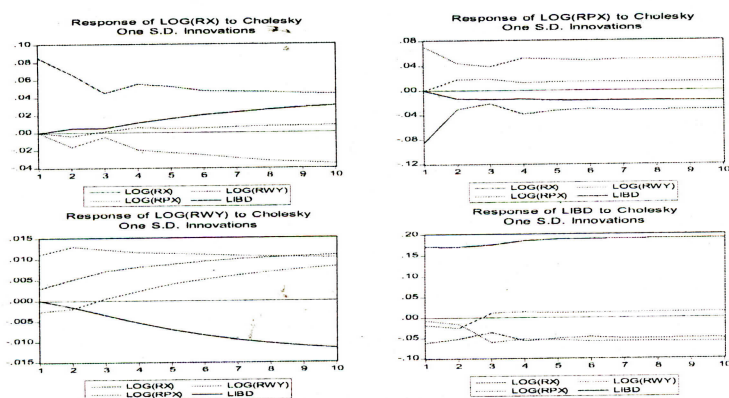
Source: Table 24.

Impulse Responses based on VECM Model

The impulse responses of the variables in VECM are presented in Figure 3. The impulse responses imply that the variables move 'too far away' from each other independently instead of moving together. The

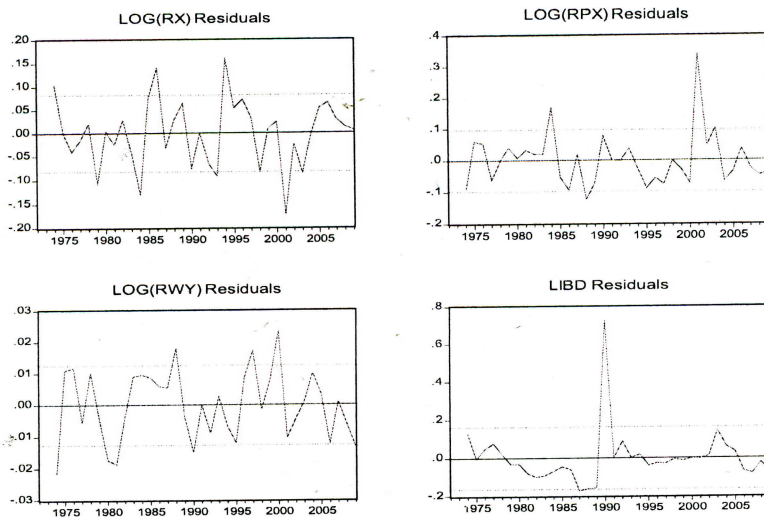
independent variables are responded with real export demand in a divergent way. The response of relative price to other variables is found uncorrelated and divergent. In case of real World Income other variables move independently. The response of liberalization dummy indicates that the variables move independently.

Figure 3 Impulse Responses of the Export Demand Model in VECM



Source: Estimated from Appendix Table A 1.1.

Figure 4 Residuals of Export Demand Model



Source: Estimated from Appendix Table A

Conclusion

This chapter analyses and explains the impacts of trade liberalization on exports in Bangladesh. It is observed that the TGR of exports in the pre-liberalization regime i.e. from 1972-1973 to 1989-1990 is 8.81 per cent while the same is 11.90 per cent in the post-liberalization period i.e. from 1990-1991 to 2009-2010. The TGR for the whole study period i.e. from 1972-1973 to 2009-2010 is estimated as 11.56 per cent. It indicates that the growth rates of exports are higher in the post-liberalization period. On the other hand, it is observed that the CAGR of exports in the pre-liberalization regime i.e. from 1972-1973 to 1989-1990 is 8.54 while the same is 11.88 per cent in the post-liberalization period i.e. from 1990-1991 to 2009-2010. The CAGR for the whole study period i.e. from 1972-1973 to 2009-2010 is estimated as 10.63 per cent. It can be concluded that trade reforms or trade liberalization in Bangladesh has positive impact on exports in Bangladesh. Chow Breakpoint test indicates that there is a structural change in exports of Bangladesh. It is evident from the value of Coppock Instability Index (CII) that the exports of Bangladesh in pre-liberalization period is more instable as compared to post-liberalization period as expected.

The price elasticity of export supply is estimated at 0.25, the income elasticity of export supply is estimated at 0.50 and the gross fixed capital formation elasticity of export supply is estimated at 0.73. The estimated coefficient of liberalization dummy is very low (0.16) which is insignificant meaning that liberalization of trade has not significant impact on the export supply performance of Bangladesh. Therefore, the policy makers should be more cautious in designing the trade policy reforms in Bangladesh for reaping the full benefit of trade liberalization. The relative price of real export is negatively related to the demand of real export as expected and the relationship is statistically significant at 5 per cent level meaning that relative price is an important determinant of export demand. The coefficient of real world income is positive meaning that the demand of real export has positively related with real world income and the relationship is statistically significant at 1 per cent level. The estimated coefficient of liberalization dummy is very low (0.25) but it is significant at 5 per cent level meaning that liberalization of trade has significant impact on the export demand performance of Bangladesh. The next chapter deals with the impacts of trade liberalization on trade balance.

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Appendix Table A

Export, Import, Real Export, Real GDP, Relative Price of Export Supply, Real Gross Capital Formation,
Real World Income, Relative price of Export Demand, Real Effective Exchange Rate of Bangladesh.

Year	Export (million US\$)	Import (million US\$)	RX (million US\$)	RGDP (million Taka)	RPXs (1995-96 = 1.00)	RGCF (million Taka)	RWY (1995- 96 = 100)	RPXd (1995- 96 = 1.00)	REER (1995-96 = 100)	LIBD
1972-73	348.42	650	74.46	19081	0.85	1140	50	1.74	90.00	0
1973-74	371.76	925	57.96	28993	1.15	2240	54	1.96	100.00	0
1974-75	382.68	1403	89.04	27808	1.10	5541	55	1.69	114.00	0
1975-76	380.47	1275	122.89	29382	1.25	4316	58	1.59	90.00	0
1976-77	417.01	875	163.75	30167	1.28	5104	61	1.61	101.00	0
1977-78	493.74	1349	155.51	32301	1.30	6443	63	1.6	138.00	0
1978-79	618.82	1556	159.86	33852	1.37	8106	66	1.68	156.00	0
1979-80	749.44	1372	158.82	34130	1.41	9028	68	1.86	137.00	0
1980-81	709.85	2533	212.08	35288	1.46	10603	69	2	146.00	0
1981-82	625.89	2572	268.61	35722	1.52	11825	70	1.51	155.00	0
1982-83	686.6	2309	337.44	37470	1.56	12783	72	1.34	170.00	0
1983-84	810.99	2353	315.15	39503	1.58	13431	75	1.22	178.00	0
1984-85	934.43	2647	319.76	40693	1.66	14714	78	1.2	172.00	0
1985-86	819.21	2364	475.17	42459	1.68	15601	81	1.36	145.00	0
1986-87	1073.77	2620	516.87	44234	1.69	16641	84	1.12	170.00	0
1987-88	1231.2	2986	534.25	45513	1.70	17998	87	1.13	155.00	0
1988-89	1291.56	3375	635.82	46661	1.72	19092	91	1.16	163.00	0
1989-90	1523.71	3759	722.29	49753	1.74	20431	93	1.11	162.00	0
1990-91	1717.55	3470	724.25	51444	1.78	21723	94	1.11	151.00	1
1991-92	1993.92	3463	879.87	53619	1.79	22031	95	1.05	179.00	1
1992-93	2382.89	3986	961.12	145568	1.85	23010	96	1.02	140.00	1
1993-94	2533.9	4250	1029.09	151514	1.81	25201	98	0.93	120.00	1
1994-95	3472.57	5834	1345.29	158976	1.84	27558	99	0.92	88.00	1
1995-96	3882.42	6947	1385.70	166324	1.00	30067	100	0.92	75.00	1
1996-97	4418.28	7162	1641.95	175285	1.86	33254	103	0.94	90.00	1
1997-98	5161.2	7524	1843.35	184448	1.92	36939	107	0.99	88.00	1
1998-99	5312.86	8018	1773.95	193429	1.93	41395	109	1.2	76.00	1
1999-00	5752.2	8403	2121.29	204928	1.95	45489	112	1.5	78.00	1
2000-01	6467.3	9335	2694.62	215735	1.98	48800	117	2.1	65.00	1
2001-02	5986.09	8540	2511.90	225261	2.10	51616	118	2.5	55.00	1
2002-03	6548.44	9658	2633.45	237101	2.15	55829	120	1.6	62.00	1
2003-04	7602.99	10903	3001.78	251968	2.30	60221	123	1.7	67.00	1
2004-05	8654.52	13147	3686.37	266975	2.38	65740	127	1.8	70.00	1
2005-06	10526.16	14746	4905.18	284673	2.45	72776	130	1.9	72.00	1
2006-07	12177.86	17157	6448.95	302971	2.25	78808	131	1.7	76.00	1
2007-08	14110.8	21629	5773.69	321726	2.20	85481	134	0.99	90.00	1
2008-09	15565.19	22507	6258.98	340197	2.34	87024	136	0.89	85.00	1

Source: IMF, *International Financial Statistics* (various issues).GOB, *Bangladesh Economic Review* (various issue).EPB, *Export Statistics* (various issues).Bangladesh Bank, *Economic Trends* (various issues).

Relationship of Parental Involvement with Child Academic Achievement

Fatema-Tu-Zohra Binte Zaman*
MD. Mostakim & Ranjit Sharma**

Abstract: The present study was designed to investigate the Relationship of Parental Involvement with Child's Academic Achievement. A total of 100 parents were selected purposively from Dhaka city. In order to measure the variables of the study Bangla version (Zaman & Mostakim, 2014) of parental involvement scale (Epstein, 1995) was used. Seven hypotheses were formulated to test in the present study a) Parenting would be positively co-related to the child's academic achievement. b) Learning at home would be positively co-related to the child's academic achievement. c) Volunteering would be positively co-related to the child's academic achievement. d) Decision-making would be positively co-related to the child's academic achievement. e) Collaborating with the community would be positively co-related to the child's academic achievement. f) Communicating would be positively co-related to the child's academic achievement. g) Parenting, learning at home, volunteering, decision making, community, communicating and child's academic achievement are interrelated. In order to analyze the data Mean and Standard Deviation and Pearson product moment correlation was carried out on the obtained scores. Correlation analysis indicated that the correlation of parenting, learning at home, volunteering, decision-making, community and communicating with children's academic achievement is statistically significant.

Key words: Parenting, Learning, Volunteering, Decision-making, Community, Communicating and Child Academic Achievement.

Introduction

Education is essential for the development of society. The more educated the people of a society are, the more civilized and well-disciplined the society might be. Mainly, family has the responsibility to socialize children for making them productive members of the society. The more the parents involve in the process of imparting education to their children, the more the children might excel in their academic career and become productive and responsible members of the society. It has been assumed that academic achievement of students may not only depend on the quality of schools and the teachers, rather the extent of parental involvement has a vital role to play in academic achievement of their kids. The focus of this study is to examine a relationship (if any) between the extent of parental involvement in academic activities of their children

* Assistant Professor, Dept. of Psychology, Jagannath University, Dhaka 1100, Bangladesh

** Ex-student, Dept. of Psychology, Jagannath University, Dhaka 1100, Bangladesh

and the level of their children's academic achievement. The transition from junior school to secondary school may be an overwhelming and stressful experience for young adolescents. Developmentally, students are entering a period in their lives when their physical, cognitive, psychological, and social characteristics are beginning to evolve. Secondary school students experience both a contextual change and a personal change during this transition. It may often be a confusing time for students, their families, and the other adults in their lives who seek to support their healthy development and learning. The secondary school learning environment may be more complex than elementary school and academic achievement expectations increase. According to Bandura (1997), academic achievement consistently relates to positive identity structures, which encompass self-esteem, self-efficacy, and motivation. On the other hand, Zimmerman (2001) revealed that academic achievement can be defined as self-regulated learning, including excellence in sports, arts, culture, behavior, confidence, and communication skills, and it shows how learners control their emotion, feelings, and actions in order to academically achieve. Also, Dweck and Elliott (1983) proposed that "achievement" is conceptualized in terms of "competence." For example, achievement in Western societies tends to be conceptualized as individual, self-defining, accomplishment in the prototypical domains of school, sports, and work (Dweck & Elliott, 1983; Elliot & Dweck, 2005). Children are more likely to have higher academic achievement levels and improved behavior when families are involved in their education (Bryan, 2005). Learning begins at home through interaction with one's family. Parental involvement in school is defined as parent reported participation at least once during the school year in attending a general school meeting; attending a scheduled meeting with their child's teacher; attending a school event, etc.

Parent involvement was defined as the teacher's perception of "the positive attitude parents have towards their child's education, teacher, and school" (Webster-Stratton, 1998). The critical role of parental involvement in a child's education has been examined in countless studies and reports. "Parental involvement, in almost any form, produces measurable gains in student achievement" (Dixon, 1992, p. 16). The concept of parental involvement with the student and the school is a vital one and can produce great rewards for all concerned. However, it has been found that schools do not always know what the term parental involvement really means (Vandergrift & Greene, 1992). According to

Vandergrift and Greene, there are two key elements that work together to make up the concept of parental involvement; level of commitment and active participation. Parent involvement actually declines as students grow older, so that it is less in secondary schools than in elementary (Stouffer, 1992). "Schools must understand that lack of participation by parents does not necessarily mean they are neglecting their responsibilities; they simply may not have the time, resources, or know-how to help out" (Wanat, p. 47). The very nature of the family structure is in a state of change causing confusion and insecurity (Duncan, 1992; Lewis, 1992; Wanat, 1992). The parents may be doing the very best that they can.

Parents often do not feel welcomed at school. This is especially true when the parent may not have a great deal of education (Dixon, 1992; Vandergrift & Greene, 1992). It is also possible that the parent does not have a great deal of interest in the school or his child's education. The parent may not feel that education is important (Vandergrift & Greene). Another reason for lack of involvement is embarrassment. The parents may be illiterate or unable to speak English. This could make communication difficult if not impossible. Another source of embarrassment is memories of the parent's failure in school. The parent would not have much desire to return to a place that only served to remind him of his own failures (Brink & Chandler, 1993; Smith, 1991). Single parents often do not have the time, money, or knowledge to help children with projects. For example, many mothers do not have equipment or skill to plan science fair experiments or construct woodworking projects, and fathers may not be able to help design and sew costumes for the school play (Wanat, 1992, p. 46).

There are many things that can be done to improve parental involvement at the secondary level, but the success of any program will be tied directly to the support and encouragement of the principal (Lewis, 1992). Duncan (1992) argued "Principals are key contributors to helping parents and other educators understand each other". Campbell (1992) found "Ultimate responsibility for creating harmony between the school and the home rests with the principal". By the school being more aware of the circumstances of nontraditional families, better communications can be established. One thing that the school can do is to let the parents handle parenting responsibilities and the school handles the educational responsibilities. Also, by working with the parents more, the school will have a better idea of what the parents can and cannot do. More realistic

expectations for out-of-school projects are an example of this (Wanat, 1992). Another important item is communication. More communication between the school and home are needed, but specific types of communication are important. Two-way informal exchanges between teacher/parent are much more effective than one-way communication from the teacher (Wanat). Also, friendly contact should be established with parents early in the year before something has happened that makes it necessary for the teacher to contact the parent (Wherry, 1992).

Studies of socialization of competence determined that different sorts of parenting would produce different children's behaviors (Baumrind, 1966, 1967). Parenting Typology, Pattern, and Dimension Over two decades, theories of socialization (Baumrind, 1989, 1991) found that parenting styles are crucial in children's academic and other outcomes, and parenting is categorized in nine styles: 1) authoritative, 2) demanding, 3) traditional, 4) authoritarian, 5) undifferentiated, 6) democratic, 7) permissive, 8) nondirective, and 9) rejecting neglecting. Epstein's framework of six major types of parental involvement is among the most useful tools developed by the field thus far for defining parental involvement practices and linking them with certain type's outcomes. This widely accepted framework guides to help educators develop comprehensive family school partnerships. Each type of involvement encompasses a variety of practices to be undertaken by teachers, parents, and students and is theoretically linked with a variety of distinct outcomes for students, teachers, and parents as well. Educators, along with parents, are encouraged to select those practices likely to produce the types of outcomes that coincide most closely with their needs, goals, and capacities. The following is a description of Epstein's six types of parental involvement.

Type one: Parenting

Schools must help families create home environments that support learning by providing them with information about such issues as children's health, nutrition, discipline, adolescents' needs, parenting approaches. At the same time, schools must seek to understand and incorporate aspects of their students' family life into what is taught in the classroom. Schools are challenged to ensure that all families who need this type of information receive it in appropriate ways. Outcomes associated with type one activities include improvements in students' behaviour, school attendance, time management skills, and awareness of

the importance of school. Parent outcomes encompass improved confidence in, and understanding of, parenting practices, awareness of the challenges in parenting, and a sense of support from schools and others. Teacher-related outcomes include foremost a better understanding of, and respect for, their students' families (Epstein, 1995, p.712).

Type Two: Communicating

Some schools have taken special steps to ensure that parents are brought to the schools early in the academic year, before students develop problems, so that their first communication with them may be positive in nature. Outcomes associated with type two activities include students' improved awareness of their own academic progress, more informed decisions about courses, and an understanding of school policies related to their conduct. Parents are likely to grow in their understanding of school programs and policies. They will develop familiarity in interacting with teachers and a greater capacity for monitoring their children's progress and responding to their problems. Teachers are expected to develop diverse mechanisms for communicating with parents and an ability to tap the parent network to elicit family views on children's progress (Epstein, 1995, p.717).

Type Three: Volunteering

Schools enhance their connection to families by encouraging them to volunteer in school activities and attend school events. Families who volunteer grow more familiar and comfortable with their children's schools and teachers. Type three activities are designed to enhance students' skills in communicating with adults; provide them with exposure to a wide variety of adult skills, occupations, etc. and help them develop their own skills with the support of volunteer tutors and mentors. Parents are likely to develop a greater appreciation for the work of teachers, develop their own skills, and grow increasingly comfortable in working with their children and interacting with others at school. Finally, teachers will be able to pay more attention to individual students as a result of volunteer help. They are also likely to become more open to involving parents in varied ways and develop an appreciation for the parental talent base (Epstein, 1995, p.726).

Type Four: Learning at Home

Most parental participation in children's education occurs in the home. Schools must capitalize upon what parents are already doing by helping

them to assist and interact with their children at home learning activities that reinforce what is being taught in school. Outcomes associated with type four activities include improved student test scores and other skills linked to homework. Students are also more likely to view themselves as learners and to see their parents as teachers. Type four activities are also associated with more homework completed and better attitudes toward schoolwork. Parents may begin to perceive their children more as learners and develop confidence in their own abilities to teach and support the educational process. They are also more likely to engage in discussions of schoolwork with their children. Type four practices can help teachers develop better homework assignments. Among other things, teachers are expected to develop greater satisfaction with family involvement as they witness the support all types of families are able to provide students (Epstein, 1995, p.733)

Type Five: Decision-making

Involving parents in governance, decision-making, and advocacy roles is yet another strategy for fortifying links between schools and parents. Outcomes from type five activities include the benefits of policies that are enacted on behalf of students. Students are also likely to become aware of family representation in school decisions. Parents are expected to develop opportunities for input, feelings of ownership, an understanding of policies, and a sense of connection with other families. Teachers will likely become increasingly aware of the role of parents' perspectives in policy development (Epstein, 1995, p.736).

Type Six: Collaborating with the Community

Schools and families must draw regularly upon community resources to support their efforts to educate children. In fact, community representatives and resources may be tapped for each of the other five types of involvement: communicating with families, volunteering, supporting learning, and participating in school committees. Outcomes associated with type six activities include increased skills and talents for those students participating in productive extra-curricular programs. Students may also develop a better understanding of the real world and career options. Parent-related outcomes include an awareness of local resources they can tap to support their children and families. They will also be more likely to interact with other families in the community. Teachers are expected to develop an understanding of resources available to enrich the curriculum. They should also develop a capacity for working

with and tapping a variety of community partners (Epstein, 1995, p.739).

This study has the potential to add support to the knowledge base of research on parental involvement in schools. The issues surrounding parent involvement and child achievement are significant within the theoretical context of identifying relationships that exist and prescribing the inclusion of particular typologies that enhance child achievement. The benefit for schools may be to direct initial efforts to involve parents in programs that support their children's education and schools. Parental involvement in their children's education has been significantly linked with the quality of education and academic achievement of children. It may further contribute in mitigating the mass level failure of students in examinations that may indirectly cause wastage of parents' own resources as well as the public expenditures for imparting formal education in schools. For example, 50 per cent students fail in secondary level education examinations means loss of half of the public budget spent on educating the students and parents expenditures for purchasing books and other allied expenses for educating their children. Besides bearing the financial expenses of educating children, parental involvement in academic activities of their children may not only save personal and public spending but also it would be contributive in improving the quality of education of children at individual and national level. In the light of these views researchers undertook this study to see the factors influencing the academic achievement of students. After going through various studies on sociology of education, researchers have assumed that parental involvement in their children's studies might be a significant factor which enhances the academic achievement of their children. The purpose of this study was to examine the relationship between parental involvement in academic activities of their children and academic achievement in secondary school students. The information obtained by completing this study will be beneficial to parents, students, and educators. If parents are aware of how their involvement in their children's learning activities affects their child's learning ability and future, they may participate more actively in their child's education. The findings of this research may also be beneficial to educational institutions. The results can be utilized to develop school programs associated with parental involvement in school activities, decisions and homework. Programs such as these can be implemented to bridge the gap between home and school while improving student's academic achievement. The result of this study might be useful addition in the existing knowledge of sociology of education.

The findings of the study might be useful for the policy planners in the education planning divisions.

Objectives of the present study:

The main objective of the present study was to investigate the relationship of parental involvement with child academic achievement. The specific objectives were:

- i) To investigate the relationship between parenting and academic achievement of the child.
- ii) To investigate the relationship between learning at home and academic achievement of the child.
- iii) To investigate the relationship between volunteering and academic achievement of the child.
- iv) To investigate the relationship between decision making and academic achievement of the child.
- v) To investigate the relationship between collaborating community and academic achievement of the child.
- vi) To investigate the relationship between communicating and academic achievement of the child.
- vii) To investigate the relationship among parenting, learning at home, volunteering, decision making, community, communicating with academic achievement of the child.

Hypotheses of the study

In the light of the above literature and the objectives, the following hypotheses were formulated:

- H₁: Parenting would be positively co-related to the child academic achievement.
- H₂: Learning at home would be positively co-related to the child academic achievement.
- H₃: Volunteering would be positively co-related to the child academic achievement.
- H₄: Decision-making would be positively co-related to the child academic achievement.
- H₅: Collaborating with the community would be positively co-related to the child academic achievement.

H₆: Communicating would be positively co-related to the child academic achievement.

H₇: Parenting, learning at home, volunteering, decision making, community, communicating and child academic achievement are interrelated.

Method

Design of the study

The present study was conducted by following the cross-sectional survey research-design. This design indicates that all data were collected at a single point of time.

Sample and Sampling Technique

A total of 100 parents (50 mothers and 50 fathers) aged between 40-55 years were used as respondents in the present study. The respondents were selected by purposive sampling method. Only those parents were chosen as respondents whose children were studying in the 9th grade.

Measuring Instruments

The present investigation was conducted to find out the relationship of parental involvement types with child academic achievement. The study required Epstein's (1995) Parental Involvement Questionnaire and the Personal Information Form (PIF) for demographic information.

A biographical questionnaire soliciting information on respondent age, designation or job type, income, socio-economic status, marital status and education level was compiled.

The Bangla version of self-report instruments was used in the study that is described below.

Parental Involvement Questionnaire:

Parental Involvement Scale is a self-report tool originally developed by Epstein (1995) and adapted by Zaman and Mostakim (2014). The standard form of parental involvement consists of 28 items which are distributed into six subscales: Parenting (Items 1, 2, 3, 4, 5, 6, 7 and 8), Learning at home (Items 9, 10 and 11), Volunteering (12, 13 and 14), Decision-making (items 15 and 16), Community (Items 17, 18, 19 and 20) communicating (Items 21, 22, 23, 24, 25, 26, 27 and 28). Responses

were given weights of 1 and 5 the items were answered on to two point response format (yes, no). Total scores were the sum of 28 items that ranged from 28 to 140. High score indicates more parental involvement with academic achievement and low score indicates less parental involvement with academic achievement. Internal consistency for the six subscales was parenting .71, learning at home .74, volunteering .72, decision- making .76, community .81, and communicating .73. The Parental Involvement Scale (PIS) adapted reliability is 0.67. Test -retest and Split-half reliability of the scale are respectively .769 and .595.

Academic Achievement:

According to the educational system in Bangladesh, students have to sit for a Junior School Certificate (JSC) Examination. This examination also acts as a year final test for grade-8 students. Students' academic achievement will be measured using their respective Grade Points Average (GPA) attained in their JSC (2014) examination. These data for student achievement will be collected from the students' respective parents.

Procedure

After taking permission from the authority to conduct this research one standardized self- report questionnaire and one personal information form (which was attached to the first page) were used. The PIF was used to collect data about the demographic variables like age, gender, educational level, socio-economic condition, income, occupation. Before collecting data from the respondents, they were informed about the purpose of the study, their consent was taken and attempts were made to build up good rapport with each of them. Additionally, the respondents were told that their disclosed information would be used for research purpose only and would be kept confidential .To conduct the study, the questionnaires were filled up by the parents from different school in Dhaka City. After the performance all the respondents were thanked by the investigators for their cooperation and participation in the study.

Data Collection and Analysis

Data collection was continued from April 05-04-2014. For analysis, the data were assembled and recorded, and then the data were entered into Windows Data Sheet. Descriptive statistics including mean and correlation were calculated using SPSS Program as data analysis tool. No

incentives were given to the respondents for their participation in this study.

Results

In order to analyze the data Mean and standard deviation and Pearson correlation were applied on the obtained scores. The obtained results are presented in Table 1 through 2.

Table1 Mean and Standard Deviation of the Scores of Parental Involvement and Child Academic Achievement.

Variable	Mean	SD
Parenting	36.6800	4.62073
Learning at home	11.9200	3.54390
Volunteering	8.1200	4.33282
Decision-making	4.1600	2.69200
Community	13.7200	4.03039
Communicating	31.0700	8.76316
Child Academic Achievement	4.3040	2.59147

As shown in the table 1, the mean scores of parenting, learning at home, volunteering, decision- making, community, communicating and child academic achievements of the parents of 9th graders in Dhaka city were 36.68, 11.92, 8.12, 4.16, 13.72, 31.07 and 4.30 respectively.

Table-2 Correlation Matrix among Parenting, Learning at Home, Volunteering, Decision- Making, Community, Communicating and Child Academic Achievements (N = 100)

Variable	1	2	3	4	5	6	7
1 Parenting	1						
2 Learning at Home	.366**	1					
3 Volunteering	.139	.490**	1				
4 Decision-Making	.089	.213*	.109	1			
5 Collaborating with the Community	.029	.409**	.388**	.175	1		
6 Communicating	.326**	.573**	.345**	.216*	.325**	1	
7 Child Academic Achievement	.229*	.340**	.264**	.363**	.283**	.377**	1

Note: *Correlation is significant at the 0.05 level (2-tailed) and **Correlation is significant at the 0.01 level (2-tailed).

Result of correlation indicate that the correlation co-efficient of parenting with learning at home is [$r = .366$, $p > 0.01$] which is statistically significant. Correlation co-efficient of parenting with volunteering is [$r = .139$, $p > 0.01$] which is not statistically significant. Correlation co-efficient of parenting with decision-making is [$r = .89$, $p > 0.01$] which is not statistically significant. Correlation co-efficient of parenting with collaborating with the community is [$r = .029$, $p > 0.01$] which is not statistically significant. Correlation co-efficient of parenting with communicating is [$r = .326$, $p > 0.01$] which is statistically significant. Correlation co-efficient of parenting with student academic achievement is [$r = .229$, $p > 0.05$] which is statistically significant. Correlation co-efficient of learning at home with volunteering is [$r = .490$, $p > 0.01$] which is statistically significant. Correlation co-efficient of learning at home with decision-making is [$r = .219$, $p > 0.05$] which is statistically significant. Correlation co-efficient of learning at home with collaborating with the community is [$r = .409$, $p > 0.01$] which is statistically significant. Correlation co-efficient of learning at home with communicating is [$r = .573$, $p > 0.01$] which is statistically significant. Correlation co-efficient of learning at home with student academic achievement is [$r = .340$, $p > 0.01$] which is statistically significant.

Correlation co-efficient of Parenting with Child Academic Achievement is [$r = .229$, $p > 0.05$] which is statistically significant. Correlation co-efficient of Learning at Home with collaborating with the Child Academic Achievement is [$r = .340$, $p > 0.01$] which is statistically significant. Correlation co-efficient of Volunteering with Child Academic Achievement is [$r = .264$, $p > 0.01$] which is statistically significant. Correlation co-efficient of Decision-Making with collaborating with the Child Academic Achievement is [$r = .363$, $p > 0.01$] which is statistically significant. Correlation co-efficient of Collaborating with the Community with Child Academic Achievement is [$r = .283$, $p > 0.01$] which is statistically significant. Correlation co-efficient of Communicating with collaborating with the Child Academic Achievement is [$r = .377$, $p > 0.01$] which is statistically significant.

Discussion

The general rationale for the present study was to explore the "Relationship of Parental Involvement with Child Academic Achievement". In order to analyze the data of the present study correlation co-efficient applied was on the scores of parenting, learning at home, volunteering, decision- making, community, communicating and academic achievements of the respondents. The results of this study offer a valuable understanding of the intricacies of such a relationship. The results will be discussed in the same order in which they were hypothesized. The first hypothesis states that parenting would be positively co-related to the child academic achievement. The results reported in table-2 indicate that there is a significant positive correlation between parenting and child academic achievement ($r = 0.229$). The obtained results confirm the first hypothesis. The second hypothesis states that learning at home would be positively co-related to the child academic achievement. The results reported in table-2 indicate that there is a significant positive correlation between parenting and academic achievement ($r = 0.340$). The obtained results confirm the second hypothesis. The third hypothesis states that volunteering would be positively co-related to the child academic achievement. The results reported in table-2 indicate that there is a significant positive correlation between parenting and child academic achievement ($r = 0.264$). The obtained results confirm the third hypothesis. The fourth hypothesis states that decision-making would be positively co-related to the child academic achievement. The results reported in table-2 indicate that there is a significant positive correlation between parenting and academic achievement ($r = 0.363$). The obtained results confirm the fourth hypothesis. The fifth hypothesis states that collaborating with the community would be positively co-related to the child academic achievement. The results reported in table-2 indicate that there is a significant positive correlation between parenting and academic achievement ($r = 0.283$). The obtained results confirm the fifth hypothesis. The sixth hypothesis states that communicating would be positively co-related to the child academic achievement. The results reported in table-2 indicate that there is a significant positive correlation between parenting and academic achievement ($r = 0.377$). The obtained results confirm the sixth hypothesis.

The findings of Table-2 reveal that a positive correlation exists among parenting, learning at home, volunteering, decision- making, community,

communicating and child academic achievements. This result also confirms the seventh hypothesis that was formulated for this study. It can be said that parenting, learning at home, volunteering, decision- making, community, communicating and academic achievements are interrelated. However, in explaining these results of the present study it may be argued that parents can improve their children's academic achievement. The correlation that exists in this study among parenting, learning at home, volunteering, decision- making, community, communicating and child academic achievements corresponds with Epstein (1995) who reported that parental involvement improves student's academic achievement.

Limitations

The biggest obstacle felt by the researchers was that they thought that parents are often fearful of submitting to any survey where they have to express their opinion regarding their personal view. Along with not wanting to participate in the survey, the above issue could also lead to responses that do not directly relate how parents want to do for their children performance. Again because they could perceive retaliation for any answer that may cast their superiors in a negative light, some parents could "lie" and list answers that are false, thus skewing the results.

Conclusion

The findings of the present study led to draw the following conclusions: It was concluded from the present study that there was a significant relationship between the two variables i.e. the level of parental involvement in their children's academic activities and the level of academic achievement of children. The present study validated the framework of Epstein's (1995) framework of six types of parental involvement in their children's academic performance because the research hypotheses were formulated within the framework of Epstein's theory.

Parental involvement in a child's education is an advantage that money cannot buy. All parents, regardless of economic status, race, or primary language, can do simple things like asking a child about school or attending a parent-teacher meeting. Being involved in your child's education not only helps your child to achieve more academically, but it also lifts teacher morale and provides you with the satisfaction of making a difference in your child's education.

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Right to Migrant Domestic Workers under Italian and South African Domestic Legislation

Md. Ashraf Hossain*

Abstract: ILO, *Global and Regional Estimates on Domestic Workers 2011* shows that at least 52.6 million women and men above the age of 15 are domestic workers in their main job representing 3.6 % of global wage employment. Women comprise the overwhelming majority of domestic workers: 43.6 million that means some 83% but there is no specific enforced instrument to women migrant domestic workers although they are suffering from lots of harassments. In 2000, there were approximately 1.2 million women domestic workers in Italy comprising 46%, almost half of the total number of domestic workers, but only 18 percent were employed legally. Legislative Decree no. 286 of 25 July 1998 provides the legal framework regarding immigration regulations and work conditions for foreign citizens in Italy. In September 2006, there were 886,000 domestic workers in South Africa, accounting for 7% of the total employment in the country. The figure shows that 96.6 percent of the domestic workers were women. Domestic workers are covered by the labour laws of South Africa under the Basic Conditions of Employment Act No.75 of 1997 which establishes the basic conditions of employment. Countries like Italy, South Africa and Hong Kong Special Administrative Region (SAR) have formulated standard legislation for migrant domestic workers.

Introduction

Migrant domestic workers especially women workers have to face lots of harassments and abuses comparing with other migrant workers because they live in close contact with the employers, they are foreigners and they are women. Beyond this most of them are not well educated; they don't have any forum to share their problems. My study shows that migrant domestic workers are facing various problems like alteration of employment contract; over charged by the agencies; works beyond household affairs; confiscation of passport and employment contract; restriction in communications and movement; under payment and delay in payment; insufficient food; lack of accommodation; physical, verbal and sexual abuse; absence of legal recognition and access to justice, etc. Thus host countries require standard legal framework to reduce the vulnerabilities of migrant domestic workers. Italy and South Africa are among the pioneers in this regard.

* Senior Assistant Secretary, Ministry of Public Administration, Government of the People's Republic of Bangladesh working as Cantonment Executive Officer (CEO), Jahanabad Cantonment, Khulna.

2. Background of the Study:

ILO has established around 50 conventions out of 189 addressing discrimination, gender-based violence, nationality, ethnicity, employment terms and conditions, etc. Regional organizations are also on the move to establish mechanism to reduce the vulnerabilities. For example, ASEAN's Declaration on the Protection and Promotion of the Rights of Migrant Workers emphasizes the obligation of countries of employment and the origin in terms of access to justice and social welfare services, decent working and living conditions, access to legal and judicial system, regulation of recruitment agencies, repatriation and reintegration, and adoption of employment contracts. Council of Europe focuses on the link between domestic work and slavery and provision for a domestic worker to file a complaint before the European Court of Human Rights if a state has not effectively protected her rights under the European Convention on Human Rights. European Commission for Human Rights conducts dialogues with governments regarding human rights issues. Inter American Commission on Human Rights has established the Special Rapporteurship on Migrant Workers and their families. Inter-American Court of Human Rights has emphasised that States must not allow private employers to violate the rights of workers or the contractual relationship. The Protocol on the Rights of Women in Africa requires State Parties to protect women from exploitation by their employers and to establish a system of protection and social insurance for women working in the informal sector.

Article 34(2) of the Revised Arab Charter on Human Rights adopted 22 May 2004 recognises the right of every worker including migrants to enjoy just and favourable conditions of work "which ensure appropriate remuneration to meet his essential needs and those of his family and regulate working hours, rest and holidays with pay, as well as the rules for the preservation of occupational health and safety and the protection of women, children and disabled persons in the place of work." Unfortunately the Convention on Preventing and Combating Trafficking in Women and Children for Prostitution adopted by SAARC does not cover migrant domestic workers. However, countries like Italy, South Africa, Hong Kong SAR, Jordan, etc have formulated favourable legal framework for migrant domestic workers. But many countries like Saudi Arabia, United Arab Emirates, Kuwait, Lebanon, Bahrain, etc have not yet formulated special legal mechanism to establish the rights of migrant domestic workers and those countries may follow the Italian and South African domestic legislation.

3. Rights Of Migrant Workers Under National Legislation Of Italy

3.1 National labour legislation of Italy

In general, laws in Italy are required to be approved by the two chambers in the legislative branch, the Senate and the Camera. Less important laws may be approved by Commissions of both chambers, without the plenary assembly. Collective agreements, which are concluded between main trade union confederations and relevant employer' association, are also binding on all employers and employees in the specified sector, regardless of whether they have been directly or indirectly involved in drafting and ratification of the agreement (ILO Profile of National Legislation). Its provisions may be enforced by the courts.

Domestic work is covered by the following laws and regulations: Articles 2240 to 2246 of Section II of the Civil Code' Law 339 of 2 April 1958' Law 1403 of 31 December 1971, on insurance, and the national collective agreement for domestic workers. Law 339 of 2 April 1958 applies exclusively to domestic workers who provide continuous services for at least four continuous hours per day to the same employer and who are remunerated in money or in kind. Below this minimum number of hours, the Civil Code applies.

Under law 339 of 2 April 1958, a domestic workers is someone who "provides his/her services for the functioning of family life, whether the persons concerned have specific skills or are assigned to generic tasks." It distinguishes between workers with 'white collar' tasks (tutors, instructors, housekeepers, qualified nannies, butlers, companions) and specialist and generic manual workers (cooks, gardeners, wet nurses, linen maids, nursemaids, housemaids, general maids, caretakers, private porters, labours, grooms, washerwomen).

3.2 National collective agreement 2007 for domestic workers

On 13 February 2007, sectoral trade union organizations and employer organizations signed a new national collective agreement for domestic workers, which is binding on all workers and employers. The 2007 national collective agreement on domestic workers created a bilateral body to monitor the employment of domestic workers. The body, which is composed of representatives of employers and workers, is tasked with studying and providing analysis of trends in domestic work and promoting measures regarding training and professional qualifications

(Rinolfi 2007). The 2007 national collective agreement for domestic workers provides comprehensive terms and conditions of employment for domestic workers, including migrant domestic workers, in Italy.

3.3 Minimum age and wage

Act no. 345/99 established the minimum age for employment as 15 years. Law 39 of 2 April 1958 allows children to be employed as domestic workers as long as the employer obtains written consent from the parents or legal guardians signed by the Mayor of the place of residence of the child worker. Under the 2007 national collective agreement for domestic workers, children aged 16 and above may be employed for domestic work subject to certain conditions. There is no national minimum wage rate in Italy, but domestic workers are covered by the minimum wage established under the 2007 national collective agreement for domestic workers. The minimum wage varies according to the category of work performed by domestic workers. The minimum wage per month for live-in-domestic workers who perform general housework is EUR550 (USD743) which is reviewed yearly (Article 33).

The 2007 national collective agreement for domestic workers also classified domestic workers into categories, depending on their skills. Domestic workers with less than 12 months of professional experience, security guards, laundry persons, common labourers, and animal caretakers belong to the first category; domestic workers with the necessary experience and who perform specific duties, such as waiters, gardeners, caretakers of private rooms, belong to the second category; the third category refers to domestic workers who perform specific skills and operate with complete autonomy and skills, such as cook and assistants to persons who are not self-sufficient; the fourth category refers to domestic workers with specific diploma or professional certificate and whose functions are characterized by responsibility, autonomy and coordination.¹⁵ The distinction is relevant in determining the applicable minimum wage rate.

3.4 Standard employment contract

The 2007 national collective agreement for domestic workers requires an employment contract between the employer and worker with the following provisions (Article 6).

- a. Starting date of employment

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- a. Starting date of employment

- b. Job category and seniority in this category
- c. Duration of the trial period
- d. Whether employment is live-in or not
- e. Residence of the employee
- f. Number and distribution of working hours
- g. Working uniform to be provided by employer
- h. Provision of half-day off per week in addition to Sunday (or some other day agreed upon).
- i. Wages agreed upon
- j. Statement of any temporary moves for holidays or other family reasons
- k. Period of annual holiday
- l. Presence of adequate space where the worker can store personal effects
- m. Other terms

The 2007 national collective agreement for domestic workers provides the minimum terms and conditions for the protection of domestic workers. The employment contract cannot provide for terms and benefits which is less than what is provided under the national collective agreement (Maraya).

3.5 Terms and conditions of employment

3.5.1 Accommodation and food

Under Article 2242 of the Civil Code, employers are required to provide live-in domestic workers with wage, food and board, and in case of short periods of illness, medical treatment. Law 339 of 2 April 1958 requires employers to provide the worker with accommodation that does not damage the worker's health and morals, and provide the worker with sufficient and healthy food, in case food and board are to be provided under the contract. The 2007 national collective agreement for domestic workers requires a meal break for domestic workers who need to work for six hours or more. The cost of the meal is reimbursed by the employer in case he or she does not provide food. The duration for the meal break, which is unpaid, is determined by agreement of the employer and domestic worker (Article 15).

2.5.2 Working hours

The Civil code and Law 339 of 2 April 1958 do not specify the maximum working hours for domestic work. The 2007 national collective agreement for domestic workers specifies the following maximum working hours for domestic workers: ten non-consecutive hours per day with a total of 54 a week for those providing live-in assistance to a family member who is self-sufficient, eight non-consecutive hours per day with a total of 40 hours a week for live-out assistance; 30 hours a week for part-time, live-in assistance to self-sufficient individuals (Rinolfi).

3.5.3 Overtime work

The 2007 national collective agreement provides the following rates, in addition to the regular rate, for work performed in excess of the daily maximum working hours: 25 percent for work performed between 6.00 am to 10.00 pm; 50 percent for work between 10.00 pm to 6.00 am and 60 percent for work on Sundays and public holidays (Article 6).

3.5.4 Night work

The 2007 national collective agreement for domestic workers defines night work as those performed between 10.00 pm. and 6.00 am and is paid the normal hourly rate plus 20 percent (Article 15).

3.5.5 Rest and leisure

Article 2243 of the Civil Code recognized the right of domestic workers to customary weekly time off. Law 339 of 2 April 1958 recognizes the right of domestic workers to a 'convenient break' during the day and at least eight hours of rest per night. It also specifies the right to a whole day off per week, usually on a Sunday, or two half-days off, one of which is a Sunday. The 2007 national collective agreement requires live-in domestic workers to have at least 11 consecutive hours of rest during the same day and one and a half days off during the week (Article 14 & 15).

3.5.6 Holidays with pay

Legislative Decree no.66 of 8 April 2003 guarantee workers the right to an annual paid holiday for a minimum of four weeks, without prejudice to more favorable condition under national collective agreements. The 2007 national collective agreement guarantees the right of domestic workers to 26 working days of paid vacation for every year of service provided to the same employer. The right to vacation may not be waived

and the schedule has to be agreed upon by the employer and worker. Each vacation day consumed is paid the amount equivalent to 1/26 of the monthly salary (Article 18).

3.5.7 Thirteenth month pay

Both Law 339/58 and the 2007 national collective agreement guarantee the right of domestic workers to 13th month pay, which is a payment for an additional month given in December. If the domestic worker has worked for less than a year, the payment is given pro-rata in accordance with the actual months worked (Article 37).

3.5.8 Marriage leave

Law 339/58 provides for 15 consecutive days leave in case of marriage. Article 23 of the 2007 national collective agreement also provides domestic workers a paid leave of 15 calendar days in case of marriage.

3.5.9 Maternity protection

The Consolidated Act on Maternity (Art. 62 of Law 151/01) recognizes the right of domestic workers to maternity and paternity leave. The maternity leave is paid with an amount equal to 80 percent of the worker's salary. Article 24 of the 2007 national collective agreement prohibits women domestic workers from working two months prior to the presumed date of delivery and three months following the date of birth. The 2007 national collective agreement also prohibits the termination of employment contracts during the pregnancy of domestic workers (Rinolfi 2007).

3.6 Other benefits

Law 1403 of 30 December 1971 provides that domestic workers, regardless of the length of work performed, are entitled to insurance against invalidity; old age; and involuntary unemployment. They are also entitled to family allowances; maternity insurance; insurance under the National Health Service; and insurance against industrial accidents and occupational diseases.

3.6.1 Family reunification

Migrant domestic workers are also covered by the family reunification program where they can petition their spouse, children and parents to join them in Italy. Under certain conditions elderly parents are allowed to

avail of the program if they are dependent on their child and they have no other children. Spouses of migrant workers are also allowed to work (CIPS¹, 2004).

3.7 Regulation of employment agencies

Migrant domestic workers in Italy are hired directly by employers and do not go through employment agencies. As such, there are no regulations for employment agencies which recruit migrant domestic workers.

3.8 Immigration policies

A decree from the President of the Council of Ministers specifies maximum annual quotas for migrant workers for the following year, including domestic workers (Pizarro, 2005). A visa for subordinate employment, which covers migrant domestic workers, is issued by the Italian embassy in the countries of origin pending issuance of entry clearance which is requested by the employer. The Unified Immigration Desk in Italy then issues the entry clearance. On 6 September 2002, a decree regularized the status of illegal migrant workers employed as domestic workers. Those who registered received a residence permit valid for the duration of their employment contract, but for a maximum term of two years.

3.8.1 Right to change employers

The Civil Code and Law 339 of 2 April 1958 specify a period of notice for the resignation of the domestic worker or dismissal by the employer ranging from eight days to 30 days, depending on seniority. Indemnity is paid in case either party fails to give notice, unless the grounds are so serious as to make it impossible to continue the employment relationship. Article 38 of the 2007 national collective agreement provides for a period ranging from 15 to 60 days, depending on the seniority of the worker. The work permit for migrant workers, including domestic workers, allows the worker to look for another job in case they lose their initial employment. The migrant worker is given a six-month grace period to find a new job otherwise the permit cannot be renewed (Pastore as incited in UNIFEM 2009).

3.9 Available redress

According to the Philippine Embassy, they receive very few complaints from the estimated 28,000 documented Filipino domestic workers in

¹ Centre for International Policy Studies

Italy. In the event that there are complaints, they usually involve non-payment of overtime pay, pay-in-lieu of notice in case of termination and holiday pay (Maraya 2007).

3.10 Conciliation

Article 45 of the 2007 national collective agreement for domestic workers provides that in case of disputes, conciliation will be attempted before judicial action is resorted to. Conciliation is conducted by the appropriate territorial Commission of Conciliation, which is composed of the representatives of labour organizations and the association of employers.

3.11 Right to work while case is pending

The legal status of migrant domestic workers is not dependent upon the employment relationship with a particular employer. The worker may legally stay in Italy and work for another employer in case a complaint is filed against the previous employer.

4. Migrant Domestic Workers' Legislation Of South Africa

Domestic work is recognized by the labor laws of South Africa. In 2002, the Department of Labor approved Sectoral Determination No.7, the law which provides for the basic conditions of employment for domestic workers. The minimum wage of workers depends on the number of hours worked per week and the areas of employment. It is adjusted every year, depending on the inflation rate. An employment contract signed by the employer and worker is required by the law before the start of employment. Maximum working hours of domestic workers per week is 45 hours. Employers are required to provide domestic workers with a daily rest period of at least twelve consecutive hours. Women domestic workers are entitled to four months of unpaid maternity leave. Domestic workers are covered by the Unemployment Insurance Fund which provides relief in cases of dismissal, retrenchment or illness. Although no statistics are available, reports show the presence of migrant domestic workers in South Africa from Lesotho, Zimbabwe, Mozambique, Botswana, Swaziland, Malawi and Zambia (Pederby 2005).

4.1 National labour legislation

Labour law in South Africa is derived from legislation, judicial precedents, including arbitration awards; collective agreements; common law; and custom and legal writings. In general, employers and workers

are not allowed to contract out of employment protection provided by the labour law, unless the law itself permits such (Bhoola 2002). Domestic workers are covered by the labour laws of South Africa. The Basic Conditions of Employment Act No.75 of 1997 is the major legislation which establishes the basic conditions of employment in South Africa. A domestic worker is defined as in section 1:

An employee who performs domestic work in the home of his or her employer and includes

- (a) a gardener;
- (b) a persons employed by a household as driver of a motor vehicle;
and
- (c) a person who takes care of children, the aged, the sick, the frail or the disabled, but does not include a farm worker;

Domestic workers are also covered by the Labour Relations Act No.66 of 1995. The Act aims to promote orderly collective bargaining; collective bargaining at sectoral level; employee participation in decision-making in the workplace; and the effective resolution of labour disputes.

Compensation for Occupational injuries and Diseases Act No.190 of 1993 excludes domestic workers from the definition of employees covered.? However, domestic workers are covered under the Occupational Health and Safety Act No.85 of 1993 as amended.

4.2 Basic conditions of employment for domestic workers

Section 51 of the Basic Conditions of employment Act No. 75 of 1997, the main labour law in South Africa, authorizes the Minister of Labour to establish basic conditions of employment for employees in a particular sector. On 1 September 2002, the basic conditions of employment for domestic workers under sectoral Determination No. 7 Domestic Worker Sector became effective (Regulation 1068). It was later amended on 11 November 2005 (Regulation 1104). This subsidiary legislation issued by the Minister of Labour is binding and covers employment of all domestic workers in South Africa, including domestic workers employed or supplied by employment agencies and those employed as independent contractors (Section 1, Sectoral Determination). But Sectoral Determination No.7 does not regulate transport allowances; bonuses, increases; probationary periods; right of entry to the employers premises;

premises; afternoons off; weekends off and pension schemes; medical aid schemes; training/school fees; funeral benefits and savings account. The aforementioned may be negotiated between the parties and included in the contract of employment.

4.3 Minimum age and wage

The Basic Conditions of Employment Act No. 25 of 1997 provides that no child under the age of 15 may be employed. The government requires employers to verify the age of the domestic worker by requesting a copy of the identity document or birth certificate. The minimum wage for domestic workers has been in effect since 1 November 2002. The wage depends on the number of hours worked per week and the areas of employment. A higher minimum wage is provided to domestic workers who work 27 hours or less per week and to those who work in rural areas. The minimum wage is automatically adjusted every year, depending on the inflation rates. Some reports suggest that there is "substantial apparent non-compliance" with minimum wage for domestic workers (Hertz 2004).

Permissible and impermissible deductions from the wages of domestic workers are also enumerated under the law. Permissible reductions mean and include medical insurance; savings; pension fund; trade union subscription; order of account payment to a financial institution; rentals; loan or advance (not more than 10% of total wage). Impossible deductions include: amount greater than the actual remuneration received; breakages (crochery, electrical appliances); damages (ironing); meals provided during working time; clothing and work equipment. The accommodation of domestic workers may be deducted from the wages provided it complies with the minimum standards set by the law. The Congress of South African Trade Unions objects to deducting accommodation from the wages of domestic workers as it "...ignores the inconveniences to domestics and convenience to employers, of workers living in. If anything, employers should be charged a premium for this."

4.4 Standard employment contract

Sectoral Determination No.7: Domestic Worker Sector requires the following information and terms to be included in the employment contract.

- a. The full name and address of the employer

- b. The name and occupation of the domestic worker, or a brief description of the work for which he/she is employed.
- c. The place of work, and where he/she is required or permitted to work
- d. Date of employment
- e. The domestic worker's ordinary hours of work and days of work
- f. The domestic worker's wage or rate and method of payment
- g. The rate of pay for overtime work
- h. Any other cash payment he/she is entitled to
- i. Any payment in kind he/she is entitled to and the value of payment in kind
- j. How frequently to be made from wages
- k. Any deductions to be made from wages
- l. The leave he/she is entitled to
- m. The period of notice required to terminate employment, or if employment is for a specified period, the date when employment is to terminate.

As previously stated, Sectoral Determination No.7 requires the execution of an employment contract between the employer and domestic worker. The Ministry of Labour provides a sample employment contract, which includes a detailed job description, free of charge (APPENDIX H). The employer and worker may decide to draft their own employment contract as long as it contains the minimum terms and conditions of work under Sectoral Determination No.7. A contract of employment may be terminated upon four week's notice if domestic worker has been employed for six months or more or one week's notice if domestic worker has been employed for six month or more or one week's notice if employment is for six weeks or less.

4.5 Terms and conditions of employment

The employment contract is required to incorporate the following minimum terms and conditions of work under Sectoral Determination No.7

4.5.1 Working hours

Domestic workers can work up to a maximum of nine hours per day if he or she works five days a week and eight hours per day if work is more than five days per week. Sectoral Determination No.7 limits the total number of hours worked per week to 45 hours. Domestic workers may work beyond abovementioned limit provided they are paid overtime pay. However, the overtime should not exceed three hours in a day or 15 hours per weeks. In effect, the maximum number of working hours per day is 12 hours if the domestic worker works five days a week and 11 hours if work is more than five days per week. The maximum number of working hours per week, including overtime, is 60 hours.

4.5.2 Overtime pay

Overtime pay is equivalent to one and a half times the hourly wage. Night work standby and meal intervals are also regulated by Sectoral Determination No.7

4.5.3 Night work

Night work is defined as work performed after 18:00 and before 06:00 the next day. It is allowed under Sectoral Determination No.7 provided that there is an agreement in writing; the domestic worker is compensated by an allowance agreed upon by the employer and worker; and the worker resides at the workplace or transportation is available between the worker's place of residence and the workplace at the beginning and end of the working shift (Section 13).

4.5.4 Standby

Standby is defined as any period between 20:00 and 06:00 the next day when a domestic worker is required to be at the workplace and is permitted to rest or sleep but is available to work. A domestic worker is allowed by law to be on standby if it is agreed in writing; the domestic worker is compensated by the payment of an allowance of at least ZAR20 (USD2) per shift; and the number of standby does not exceed five times per month or 50 days per year.

4.5.5 Meal intervals

An employer is required to provide a domestic worker who works continuously for more than five hours a meal interval of at least one continuous hour. If the domestic worker is required to be available for

work during meal intervals, he or she must be paid. The meal interval may be reduced to less than 30 minutes provided there is an agreement in writing between the employer and worker.

4.5.6 Rest and leisure

An employer is required to grant a domestic worker a daily rest period of at least 12 consecutive hours between ending work and starting work the next day and a weekly rest period of at least 36 consecutive hours which, unless otherwise agreed upon, must include a Sunday (Section 16).

4.5.7 Severance pay

The domestic worker is also entitled to the severance pay under Sectoral Determination No.7 subject to certain requirements: severance pay which is equivalent to at least one week of pay for every completed 12 months of continuous service is paid when the domestic worker is dismissed due to the operational requirements of the employer. Operational requirements refer to the requirements based on the economic, technological, structural or similar needs of an employer.

4.5.8 Other benefits

Since 1 April 2003, domestic workers have been covered by the unemployment insurance fund. The fund provides relief to contributors who become partially or fully unemployed through dismissal, retrenchment or illness. Maternity, adoption and dependant's benefits are also covered by the unemployment of fines or imprisonment according to the Unemployment Insurance Act, 2001. Employers and domestic workers contribute one percent each of the monthly salary to the fund.

4.5.9 Available redress

A study of domestic workers in Johannesburg, reports that there are domestic workers who experience long working hours are paid below the minimum wage; live in shacks; and have no access to a bathroom with running water (Pederby). Another challenge faced by domestic workers is dismissal because of ill-health, including HIV. There are also employers who are reluctant to employ workers with HIV some employers even add a provision in the employment contract requiring domestic workers to undergo HIV tests (Witbooi 2007). The inspectors of the Department of Labour handle violations of the sectoral determination and they have the power to issue compliance orders in case of violations. If still unresolved,

the case will be filed to labour courts. Cases referred to the labour courts may have to wait six to 12 months before it is heard and delays are increasing.

4.6 Conciliation

A dismissed employee or an employee alleging the unfair labour practice may refer the dispute in writing to a bargaining council, which is composed of representatives from trade union and employers organizations and tasked with handling labour-related disputes; or if there is no council, the Commission for Conciliation, Mediation and Arbitration has jurisdiction. The council or the Commission first attempts to resolve the dispute through conciliation. In case the dispute remains unresolved, the employee may elect to request the council or commission for Conciliation, Mediation and Arbitration to arbitrate or to refer the case the labour Court for adjudication.

In the December 2006 report of the Commission for Conciliation Mediation and Arbitration, referrals from the domestic sector constitute nine percent of the total referrals, the fourth highest among seven employment sectors covered. One advantage of the Commission for Conciliation Mediation and Arbitration process is that the domestic workers are able to express their complaints and situation unhampered by strict legal proceedings. The most common complaint of domestic workers involve unjust dismissal by employers and due to the nature of their relationship, reinstatement is difficult to order by the Commission for Conciliation Mediation and Arbitration. Also, there are still employers who plead ignorance of the provisions of the law applicable to domestic workers.

Undocumented migrant domestic workers have also referred employment disputes to the Commission for Conciliation Mediation and Arbitration although the latter is without jurisdiction to handle the disputes due to the status of the worker as migrants. In instances where employers agree, efforts are still undertaken to mediate the case. However, even through immigrant domestic workers are protected, they would rather not avail of the available remedies due to lack of understanding of the laws which contribute to their fear of being deported.

5. Conclusion and Recommendation

5.1 Conclusion

Migrant domestic workers have to face so many hazards in their recruitment policies and practices. They are also the victim of illegal recruitment, trafficking, servitude and forced labour due to the absence of a written contract of employment and lack of legal recognition of domestic work. But from the socio-economic point of view migrant workers are the part and parcel of both country of origin and the host country. That's why legal recognition to the work done by migrant workers or migrant domestic workers is a must, and both the countries should develop access to information, reporting and protection mechanisms for migrant workers.

The overall study of the legal instruments of Italy and South Africa shows that migrant domestic workers are covered by the main labour laws of the country; minimum age for migrant domestic workers is 15 years; written contract with the approval of the concerned ministry or department is required; social security is covered by laws; right to change employer is effective; freedom of movement is noticeable and finally migrant domestic workers can stay in Italy and South Africa while their case is pending or under trial in the Court. But most of these mechanisms are absent in the case of country like Bahrain, Jordan, Lebanon, Malaysia and Singapore. Protection mechanism of Filipinos is more explicitly described in their national legal instrument than those of Bangladesh although both the countries have ratified almost similar number (Philippines 34 and Bangladesh 33) of ILO Conventions.

5.2 Recommendations

The protection of the rights of the migrant domestic workers requires a sound legal foundation based on international law and standards, as well as active cooperation among governments, employers' organisations, workers' organisations and civil society including the media. Governments may ratify and fully implement concerned international legal instruments that promote human, labour and gender equality rights of migrant workers, in particular ILO Conventions No. 97 and No. 143; the eight fundamental Conventions, and the 1990 UN Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. To prevent illegal migration and to ensure rights of migrant domestic workers countries of origin and the host countries should:

- (i) launch campaigns against illegal migration which might include awareness building regarding the risks of illegal migration and providing information about legal migration channels. Involvement of embassies and consulates from countries of employment in such campaigns is considered effective;
- (ii) take initiatives to avoid indebtedness of migrant domestic workers, including the adoption of agreements which provide that their recruitment costs be covered by the employer and/or recruitment agencies, and State credit programs for migrant workers should be ensured like Bangladesh;
- (iii) arrange training programs for migrant domestic workers prior to their departure which includes basic lessons in the language of the country of employment and practical tips on communication technologies and how to transfer remittances;
- (iv) ensure that workers' migrant status does not depend directly on the employment relationship with an employer and that, under certain circumstances and conditions, workers may change employers;
- (v) develop mechanisms to monitor the work of recruitment agencies; specific rules governing fees should be established and its enforcement should be monitored; recruiting agencies should have to renew their licenses periodically and watchdog arrangements should be established to ensure that only those agencies which observe specific criteria relating to migrant domestic workers' rights can continue to operate;
- (vi) take monthly periodic feedback from the domestic workers and arrange programmes to reduce vulnerabilities;
- (vii) ensure affordable equal protection based on the terms of the contract of employment, including working hours, wages, boarding and lodging.
- (viii) require a written contract, giving particulars of the employer and employee and details of the employee's monthly wages, duties and working hours, free time and vacations, board, lodging, medical insurance, transport to the country employment, conditions for terminating the contract, complaint procedures and provision for the eventuality of the employee's death or illness; when the contract is signed in the language of the country of employment, a translation should be required for the benefit of the migrant domestic worker.
- (ix) provide shelter to women fleeing from abusive employers and to provide them with assistance in filing complaints against the employers

and finally ensure their stay in the host country to deal with cases as necessary.

Most of the above recommendations are covered by laws in countries like Italy and South Africa but the question of effective implementation especially for South Africa like the Italian instrument.

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