

ISSN 1911-2017 (print)
ISSN 1911-2025 (online)

ASIAN SOCIAL SCIENCE

Vol. 6, No. 11
November 2010



Canadian Center of Science and Education®

Editorial Board

Abd. Rahim Md. Nor	Universiti Kebangsaan Malaysia, Malaysia
Balakrishnan Muniapan	Swinburne University of Technology, Sarawak Campus, Malaysia
Biswajit Satpathy	Sambalpur University, India
Daisy Inyingi Dimkpa	Niger Delta University, Nigeria
David John Clark-Murphy	Edith Cowan University, Australia
Emine Özmete	Ankara University, Turkey
Ernest Chui	The University of Hong Kong, Hong Kong
Fen-ling Chen	Yuan-ze University, Taiwan
Guang-Xu Wang	University of Nottingham, UK
Haslinda Abdullah Bennet	University Putra Malaysia, Malaysia
Hazman Shah Abdullah	Universiti Teknologi MARA, Malaysia
Hyung Seok Lee	Sahmyook University, Korea
I-Tsun Chiang	National Changhua University of Education, Taiwan
Jenny Zhang	Canadian Center of Science and Education, Canada
K. G. Viswanadhan	NSS College of Engineering, India
Mahdi Salehi	Zanjan University, Iran
Mahdy Mohammad El-Kassas	Mansoura university, Egypt
Maniam Kaliannan	Universiti Teknologi Mara, Malaysia
Mohd Hamdi Abd Shukor	University of Malaya, Malaysia
Mohd Salehuddin Mohd Zahari	Mara University of Technology, Malaysia
Ong Puay Liu	Universiti Kebangsaan Malaysia, Malaysia
Paulito Valeriano Hilario	San Beda College Alabang, Philippines
Peter Kien-hong Yu	Swinburne University of Technology, Australia
Rohana Kamaruddin	University Teknologi Mara, Malaysia
S. Alexander Takeuchi	University of North Alabama, USA
Sabry M. Abd-El-Fattah	Minia University, Egypt
Shi Li	University of New England, Australia
Wichian Sittiprapaporn	Mahidol University, Thailand

Contents

Embodiment and Emotionality of Women Credit Clients: Scrutinizing Agency Constraints of Microcredit Clients in Sunamganj, Bangladesh <i>A.H.M. Belayeth Hussain</i>	3
Statutory Central Bank Independence in Taiwan <i>C. James Hueng</i>	17
China's Reform and Opening Process – A Fundamental Political Project <i>Christian Ploberger</i>	28
Discussion on Issues of Food Security Based on Basic Domestic Self-Sufficiency <i>Shutao Gao</i>	42
Health Factors in Islamic Perspectives and Its Relation to Sustainability with Case Study at Traditional Kampung Hulu Mosque, Malaysia <i>Ahmad Sanusi Hassan</i>	49
Competitive Strategy and Business Environment: The Case of Small Enterprises in China <i>Shigang Yan</i>	64
An Analysis of “Jordan Opportunities” Objectives in the General Secondary Certificate Examination of English: A Case Study in Jordan between 2008 and 2010 <i>Dr. Mahmoud Sulaiman Bani Abdelrahman</i>	72
A Regional University-Industry Cooperation Research Based on Patent Data Analysis <i>Hui Xu</i>	88
Financial Resources Mobilization Performance of Rural Local Government: Case Study of Three Union Parishad in Bangladesh <i>Md. Anwar Ullah & Soparth Pongquan Ph.D</i>	95
Research on Green Logistics System Based on Circular Economy <i>Liwen Zheng & Juan Zhang</i>	116
Physical Education at Secondary School Level in Gujranwala, Pakistan <i>Dr. Muhammad Sarwar, Dr. Shafqat Hussain, Tariq Mehmood & Dr. Riffat-un-Nisa Awan</i>	120
Development of Textile Industrial Clusters in Pakistan <i>Muhammad Shahzad Iqbal, Faiz. M. Shaikh, Dr. Babak Mahmood & Kamran Shafiq</i>	123
“Autonomy” Replacing “Heteronomy”: Transfer of Management Model of Urban Community <i>Jie Ma</i>	141
Attachment Patterns and Separation Anxiety Symptom <i>Sakineh Mofrad, Rohani Abdullah & Ikechukwu Uba</i>	148
How Financial Enterprises Deal with Crisis Public Relation <i>Hongxin Li & Chunfeng Yang</i>	154
Street Vendors and the Dynamics of the Informal Economy: Evidence from Vung Tau, Vietnam <i>John Walsh D.Phil.</i>	159

Contents

The Relationship between Alexitymia and Emotional Intelligence <i>Fataneh Naghavi, Marof Redzuan & Mariani Mansor</i>	166
On the Dynamic Adaptability of Chinese Public Signs <i>Yaming Jin</i>	171
Rhetorical Structures in the Language of Vietnamese Advertisements <i>Luu Trong Tuan</i>	175
Gender Discourse Analysis on Intergender Miscommunication between Carrie and Big in <i>Sex and the City</i> (2008) <i>Wensi Xue</i>	183
University Teachers' Job Satisfaction in the North West Frontier Province of Pakistan <i>Dr. Safdar Rehman Ghazi, Dr. Riasat Ali, Gulap Shahzada & Muhammad Israr</i>	188
On Enterprise Pre-Tax Deduction Ways for Charitable Donations <i>Kexin Zheng & Juan Zhang</i>	193
Iranian Diaspora: With focus on Iranian Immigrants in Sweden <i>Asadulah Naghdi</i>	197
Analysis and Strategies of College Physical Education Reform <i>Yuping Chen</i>	209
Research on the Athlete Growth Evaluation Model <i>Jiixin Wang</i>	213
Local People Perceptions toward Social, Economic and Environmental Impacts of Tourism in Kermanshah (Iran) <i>Mostafa Mohammadi, Zainab khalifah & Hasan Hosseini</i>	220
A Cultural Comparison of English and Chinese Family Names <i>Hongmei Zhu</i>	226
Study on Status Quo of Dance Education among University Students and Countermeasures <i>Yujuan Bi</i>	229
The Influence of Low Carbon Economy on Corporate Social Responsibility <i>Jin Lv, Jing Ma & Jianting Li</i>	233
The Determinants of Gender Wage Discrimination in Pakistan: Econometric Evidence from Punjab Province <i>Ghulam Yasin, Imran Sharif Chaudhry & Saima Afzal</i>	239
Do Female Enrolment Rates Cause Economic Growth in Pakistan? <i>Khalid Zaman, Muhammad Mushtaq Khan, Mehboob Ahmad & Waseem Ikram</i>	256
The Role of Intention in the Construction and Updating of Situation Model <i>Li Wang</i>	269
Research on the Fair Assignment of Router's Bandwidth <i>Zifen Yang</i>	273
Problems and Countermeasures in Establishment and Construction of College Students' Credit Files <i>Shuzhen Xia</i>	277

Embodiment and Emotionality of Women Credit Clients: Scrutinizing Agency Constraints of Microcredit Clients in Sunamganj, Bangladesh

A.H.M. Belayeth Hussain

International Center for Development and Decent Work
Graduate School of Socio-ecological Research for Development
University of Kassel
Kurt-Schumacher Strasse 2, 34117 Kassel, Germany
Tel: 49-561-804-7388 E-mail: belayeth.hussain@gmail.com

The research was a part of Master of Arts at the Institute of Development Policy & Management, University of Antwerp, Belgium and was financed by the Belgian Directorate General of Development Cooperation (DGDC) and Flemish Inter-university Council (VLIR).

Abstract

This paper unfolds how the agency practices of microcredit clients are produced and reproduced by the intended actions of agents in terms of ‘embodiment’ and ‘emotionality’. To justify the process, data of the present study were collected through in-depth informal interviews and an interview guideline was used for specific questions and issues in the view of analytical framework approach. Socio-cultural constructions within any particular society typify the agency exercise of a particular group of people involved in the process. In this regard, the study finds that ‘emotionality’ and ‘embodiment’ related issues are the confine factors of the clients; hence, are considered as socio-cultural barriers that are so important to grasp before development intervention and implementation. And the study also finds that the repayment pressure of credit brings emotional stress and anxiety in the everyday life of clients involved with microcredit system. Therefore, replication of microcredit operations should consider the internal structure of the particular social locale.

Keywords: Agency, Microcredit, Embodiment, Emotionality, Bangladesh

1. Introduction

Microfinance, as an effective poverty alleviating instrument, is the core of the largest NGO programs in Bangladesh. In recent years there have been significant advances in the ideas of poverty reduction policies and programs, but poverty reduction is not a simple formula; rather it is connected with larger socio-cultural and institutional complexities. Despite the NGOs and microfinance institutions boom in Bangladesh, the poverty situation in the country has not significantly improved (Sen, 2002). This is not only due to the failure of neo-liberal development strategy and discourse but also the lack of sociological understanding and research. Literature on microcredit clients underscoring both subjective and objective factors are really in dearth. Thus, it is important to uncover the relationships between structural constraints and enablement and the ability of exercising human agency by the micro-credit consumers. For the sake of this intention, the present study reveals the constraining factors of human agency as aftermath of microcredit program in Bangladesh villages. In other words, this research tries to explore the factors related to human agency that may hinder their practice of agency in a socio-institutional atmosphere. In doing so, Frances Cleaver’s (2007) theory on *Understanding Agency in Collective Action* is incorporated here. Specifically, this study shows interest to explain how *embodiment* and *emotionality* may affect microcredit clients’ agency and are also influenced by the social structure. More precisely, it does not concentrate on measuring; rather understands the process of poverty reduction in terms of the ability to exercise agency by the microcredit consumers. The present study selected BRAC (Bangladesh Rural Advancement Committee) microfinance clients because of its diversity in programs and people it reached. BRAC is an NGO which delivers ‘credit plus’ services to the poor. Its members have access to microcredit and savings which will further help them reduce vulnerability and support their self-employability through its ‘credit plus’ approach. In general, the study endeavors to understand the meaning of events, situations, experiences, beliefs and actions of the agents (credit clients) that may create implicit/explicit constraints in exercising agency and how agents’ own understanding influence their behavior.

2. Sampling and Data Collection

The present research prefers BRAC's 'dabi' (credit ladder) clients as unit of analysis. *Derai* Upazila of Sunamganj district in Bangladesh was selected because this is one of the initial areas where BRAC took its first microcredit inception in 1974. Therefore, impact of microcredit program on the clients' agency could be verified efficiently. Present study has employed convenience sampling in order to select respondents. There are 32 villages outside the municipal corporation out of 43 villages in total. Thus, according to one criterion of the research 3 villages were selected where regular and irregular clients are available. Under *Derai* branch, 2,518 of 3,468 clients are regular and rest of them (950) are irregular. The study identified each VO leader for all three villages (Hornagar, Rajanagar, and Hajaripur). Then respondents were purposefully selected for the interviews. For this study, 16 in-depth informal interviews were conducted. Among them, 4 from Hornagar, 5 from Rajanagar, and 7 from Hajaripur, Nayagaon. Data of the present study were collected through in-depth informal interviews under the interview guideline for specific questions and issues. Same basic style of inquiries was followed for each microcredit client. Researcher and two field investigators have used local dialects that lead a great advantage to understand clients' real life actions, attitudes, beliefs and motives. All interviews were recorded through voice tracer along with field notes. During field work period, interviews were being processed to the portable computer for transcribing the data. After accomplishing the field work and transcription of data, each issue was categorized separately. After ending up transcribing and categorizing interviews, analysis of the data initiated under the auspices of Analytical Framework Approach through which data were organized to describe important processes of clients' everyday life. For the analysis, this study divided each issue interviewed into two parts- descriptions and interpretations.

3. Conceptual Framework

Frances Cleaver (2007) puts forward an eclectic idea of understanding human agency in the management of natural resources. The core hypothesis is that through participation in collective resource management people can renegotiate norms, challenge inequalities, claim their rights and broaden their access where the central idea seems to know how agency shapes and, is formed by, social relationships and institutions (Cleaver, 2007). This idea has brought into the present study from Cleaver, but implies for different propositions. She applies six enabling/constraining factors in working out human agency, these are- *local moral world views (cosmologies), complex individual identities, unequal interdependence of livelihood, structure and voice, embodiment and emotionality* (Cleaver, 2007). The present research looks for the impact of rural microfinance on the clients in terms of two enabling and/or constraining factors namely, *embodiment* and *emotionality*. Undoubtedly, the research considers important to shed light on the theories germane to and concepts avowed by two influential theorists; Pierre Bourdieu and Anthony Giddens.

3.1 Embodiment, Habitus and Body Hexis

Cleaver (2007) applies *embodiment* as one of the enabling and/or constraining factors in understanding agency in the management of resources. She incorporates *habitus* (Note 1) from Bourdieu in order to explain that accessing and using natural resources is often a very physical activity but human agency through 'corporeal' self is mostly neglected in social analyses (Cleaver, 2007). Able-bodied and disable-bodied could have different capabilities to exercise agency in terms of participating in the public event, accessing resources, interacting with other members of the society. Agents' physical states, for instance, being hungry, tired, feeling cold, warm, wet etc. have detrimental effects on the agency (Cleaver, 2007). Therefore, this paper would rather be interested to see whether *embodiment* affects microcredit clients' agency positively or negatively. In so doing, two connected concepts - *habitus* and *body hexis* (those are culturally inculcated and hence reproduced embodied world-views that may hinder people's capability to exert agency in the social milieu) must be incorporated here. As explained by Bourdieu, *habitus* is the universalizing mediation which causes individual agent's practices without either explicit reason or signifying intent (Bourdieu, 1977). Citing Bourdieu, Baert (1998) clarifies this concept as a generative scheme of disposition, tacitly acquired through early childhood and, therefore, considered durable. As a result, these dispositions, he adds, generate people's practices, improvisations, attitudes or somatic movements (Baert, 1998). Bourdieu (1977) further asserts that *habitus* provides a 'practical sense' that allows people to develop an infinite numbers of strategies to cope with an unlimited numbers of situations. Hence, Bourdieu believes that *habitus* transmits without conscious intention (Throop & Murphy, 2002). On the other hand, *body hexis* is used by Bourdieu to indicate a variety of socially repeated ways an individual moves, carries, and positions his or her body in the lived world (Throop and Murphy, 2002). Bourdieu (1977) says that *body hexis* is the performing aspect of *habitus* as a durable organization of one's body that is charged with the host of social meaning and values. As Throop and Murphy (2002) explain, *body hexis* is a collection of ways in which our bodies are conditioned to habitually stand, speak, walk and move, and, hence our identities become corporeally informed and grounded.

They also put forward, echoing Bourdieu's opinion, that these forms of bodily automatism are the main sources of our institutions, feelings and common sense. Moreover, the cultural distinction is reproduced in a society on the basis of spatial division between 'male space' and 'female space' (Bourdieu, 1977). The opposition between movement outwards (fields, markets, production and circulation of goods etc.) and movement inwards (accumulation and consumption of the products of work) corresponds to the opposition between 'male' and 'female' body (Bourdieu, 1977). Bourdieu (1977) says that the opposition between the *centrifugal* (male orientation) and *centripetal* (female orientation) is the true principle of the domestic space and this is the very basis of the relationship of each of the sexes to their 'psyche', consequently to their respective 'bodies'.

The present research discusses whether people suffering from disease and other physical incapability have constraining or enabling impact on their agency as a result of rural microcredit. Cleaver (2007) also notes that frequently *gendered bodies* are constraining factors for women in accessing natural resources. Taboos around women's behavior may also restrict appearance in the public place which may hinder their agency; therefore, this paper seeks to investigate as to how far rural microcredit programs affect these taboos. Moreover, this study seeks to explore whether pregnancy, child birth, caring for sick family members, large number of small children affect clients' agency to attend social events and group meetings and other public events. How do they feel about these constraints? And do they explain their 'practical sense' defending their psychic situation?

3.2 Emotionality

Another potent and/or constraining factor is *emotionality*. For this factor, Cleaver (2007) recognizes the importance of unconscious motivations of conscious action as well as unconscious self disciplining of agents and internalization of hegemonic norms. Social theorists believe that not all individual acts are the consequences of conscious strategy; rather are the outcome of habit, routine and functions of the unconscious mind (Cleaver, 2007). We find this conclusion from both Bourdieu and Giddens's theories on *habitus* and *stratification model of action* (Note 2) respectively. Cleaver (2007) says that both conscious and unconscious emotions are crucial in shaping people's understanding of self-efficacy and social relationships; hence 'imagined autonomy' is an important factor in peoples' understanding of their own agency. Thus, the present paper examines the processes and extent of the impacts of microcredit programs on the emotional bearing of the clients; and consequently their ability to cope with such situations. It is to note here that, ability to deal with the situation determines the degree and level of exercising agency. Cleaver (2007) remarks Giddens's and Long's affirmation that emphasizes the structural constraints within which agents act, the non-reflexive nature of much of everyday practice, and the intended and unintended effects of individual action. An individual actor has the capacity to practice social experience and to plan ways of coping with the situation even under the most coercive form (Cleaver, 2007). Giddens (1979) inclines towards an emphasis about the nature of agency as reflexive action. At this stage he conceives three types of consciousness- *discursive*, *practical* and *unconscious* (Giddens, 1979). According to Giddens, *discursive consciousnesses* are the actions and beliefs that agents are able to bring with reasoned scrutiny; *practical consciousnesses* are taken for granted everyday practices that are part and parcel of routine habit and are rarely subjected to scrutiny (Giddens, 1979). Giddens mentions that structures are unintended consequences of our daily practices and they also feed back into our everyday practices as unacknowledged conditions of next actions (Baert, 1998). In understanding agency of the microcredit clients, this paper also seeks to identify the emotional aspects of repayment conditions and its subsequent results on the individual and household matters. How do they discipline themselves and internalize the hegemonic norms of the society? Whether these forms of minimizing techniques are discursive or practical consciousness of the agents?

4. Description and Analysis

As a basic qualitative research, the conceptual framework of the present paper closely shapes the analysis of the data. Two primary sources of data for this analysis are—question guidelines that generated before field work and analytical insights and interpretations completed during data collection including observations. The paper describes different aspects of *embodiment* and *emotionality* followed by their specific interpretations for enhanced understanding of the facts. Thus, this study takes into consideration only those issues and matters which are central to the proposed conceptual framework. Therefore, an 'analytical framework approach' is used to describe and interpret data. The description of the present analysis starts with the 'cross-case analysis' (Note 3) and ends with the 'case analysis' (Note 4).

4.1 Sick Caring, Embodiment and Emotionality

In order to explore the *embodiment* related constraints to exercise agency by the female clients, several questions were asked through in-depth informal interviews. From the observations during field work, it was found that almost all of the BRAC female clients do not have direct control over their credit based activities; rather either their

husband or adult son uses the credit. Therefore, health related problems of other members of clients' families affect the overall household activities (rearing children, poultry feeding, kitchen gardening etc.). The study explains some vital quotes of interviewees in relation to their daily lives. A client named Sumana who lives in Rajanagar village gives her testimony that if any of her children falls ill she faces trouble due to her unavoidable involvement in family matters (in the form of maintaining household's interior activities). Sumana further adds that this has long been a common problem for many women who fail to show up in weekly meetings due to these kinds of family difficulties. This indicates that BRAC transfers their institutional transaction costs of lending to men through women in this way. Another BRAC VO member Jahanara, who lives in Hajaripur, village, says that her husband is paralyzed, and he cannot pull rickshaw (Note 5) regularly. Jahanara points out:

“Therefore, I feel pressure and I must do more works to maintain my cows”, she says. “I cannot give attention to other things. When my husband does not pull rickshaw I arrange *kisti* (premium) for repayment of loan by selling ducks. Even, sometimes, I arrange *kisti* by borrowing from others.”

Shahina cites another former BRAC client (Saleha) who works (as a chef) for BRAC office now. She says that her husband had gone (as and when she is talking with the researcher) outside to pull rickshaw in the rain. She scared off, if her husband falls ill, she will not be able to repay the loan's premium due in the next week. Shahina says:

“Saleha took many named loans from BRAC and that is why she was unable to repay the loans in the due course. Now, she is working for BRAC staffs. Her husband was sick; therefore, she worked in many others' homes.”

Sometimes, BRAC gives credit to a woman who has a physically disabled husband provided that she has an able son who can work. Sneha of Hajaripur village says that her husband is sick, aged and paralyzed. She says that she is lucky because she has an adult son. That is why they (BRAC) gave her loan. Now, if her son falls in sudden ill, she will have no way to continue her household activities. Karimunnessa relates her experience on these facts in a little different tone than others as she reveals:

“While my husband was unwell I tried maintaining all things for my household well-being. I worked in others' households even though I had small children. I think if one wants to work, nothing can stop him/her. Stopping a work showing excuses is tantamount to thieving. When there was no *chaal par deya* (machine for grinding rice), I did it manually. And in many homes, I weaved *kantha* (Note 6) (quilt) also.”

An irregular client, Shamsunnahar, who is 32 years old, lives in *Guchchagram* village says:

“Usually, we did not miss the *shaptahik kisti* (weekly premium repayment). Once, my husband was affected by *hridroog* (heart-disease) and then we had to spend around Taka 30000 to Taka 40000 (Note 7) for his treatment. We faced really a serious trouble in repaying since at that time he could not work for his health condition. Therefore, we were unable to continue credit. Finally, we repaid them as I collected another credit from ASA (Note 8) to repay BRAC.”

Amina of the same village says that if someone in the family falls ill, she borrows money with imposed *shud* (Note 9) (high rate of interest) from a *mahajan* (money-lender) of her locality.

Concerning *embodiment* and *emotionality* this study gathered some embodiment-related issues that constrain clients' room to exercise agency. Clients feel that loan repayment is the most crucial indicator of their human capability as other daily activities depend on the promptness of credit repayment. But, it was observed and found that this capability is constrained by disease and sick caring of family members. Because, women are only borrowers and their capable adult male family members are the users of these credits. Therefore, able-bodied clients' agency may be constrained by diseases of other family members. Moreover, women clients sometimes cannot attend their VO meetings due to these difficulties; hence they are not able to share their experiences and problems in the gatherings. On the other side, there are very few clients who can work during their pregnancies or with small children. One client was found who copes with her difficult times through reflexive consciousness as she sees ‘there is no problem if one wants to work’. This woman sustained her capability to work even though she had little children while her husband was sick. In his theory, Giddens (1979) sees reflexive consciousness as agency of individual agent. Therefore, it can be said that this woman can, at least, exercise a part of emotional aspect of agency which seems to be exceptional. This study also explores the embodiment-related constrains of a former BRAC client during their membership to VO. They also say that they were let down by the failing health of their male family members which, in turn, forced them to borrow credit from another NGO in order to repay

BRAC *kisti*. Sometimes, they collect money borrowing from the *mahajan* (money-lender) available in their villages to pay back the *kisti* (premium or installment), which, in fact, adds to their tally of the existing loans. This strategy, in a sense, can be dubbed as *discursive consciousness* but it gives further constrains to them in the form of repaying more credits than before (multiple in place of a singular shot), which, nevertheless, can be seen as unintended consequences of that conscious action.

4.2 Health Practice, Embodiment and Emotionality

At the time of illness of clients themselves or their nearest family members, visiting doctors/hospital/healthcare center etc. is a kind of exercising agency. But, frequently, these practices are handicapped by the traditional and routine beliefs/attitudes of the clients. Therefore, the role of traditional health behavior, knowledge and attitude to illness and disease hang on existing health problem which, in turn, affect exercising agency by the clients. Disease is often conceptualized as the notion of being in suffering caused by 'illness' because it refers to the functional capability of the body. From the field visit, it was found that the common traditional treatments (Note 10) include *pani para* (water incantation), *jhar foo* (oral incantation), *tabij kabaj* (sacred amulet), *tel para* (oil incantation) etc. Most of the credit clients practice the traditional treatments followed by comparatively modern treatment (allopathic treatment). As Karimunnessa briefs:

"We go to doctor if we have disease. Look, this child (showing a young boy nearby her) is affected by diarrhea. My son will take him to a doctor. We do not go to *kabiraj* (ayurvedic practitioner); rather we go to the hospital. They (that child's family) collected *pani para* but it did not work. Does this *pani para* work nowadays? We always go to doctor long before we started taking credit from BRAC. When there was no doctor in the past, we went to *bangali kabiraj* (Note 11) (ayurvedic practitioner). They are not available now. Bangali Kabiraj medicates for *upri roog* (Note 12) (invisible disease). Now, people go to doctor for all diseases. People do not take *tabij kabaj* (sacred amulet) nowadays."

Another client Rupbanu says that usually they are not suffered from any diseases by the grace of Allah (God). If they feel feverish, they usually go to doctor, she adds. Anwara and Afia of the same village (Hornagar) give the same opinion. Women of the studied area gave justification that they do not go outside alone for the treatment of their small children. They allege that sometimes doctors give them wrong treatment. If they visit a doctor, they usually go with the senior male member of their family. As Sneha of Hajaripur, Nayagaon says, "we do not go outside. Their (children's) father would have done this if he does not feel sick. He is now paralyzed." The same testimony is given by Sharnalata of Hajaripur, Nayagaon. Amina, who was a client of BRAC few years back, says that she goes to the government health complex in *Derai Upazila*. She explains:

"In this village BRAC has no health program. We know it is available in other villages. Sometimes people from 'Family Planning' come to us and they give few medicines to us. There is no program from *pusti* (Note 13). People from *pushti* give vaccines to the pregnant women of those villages."

During the field visit it was remarked that clients seem to be affected by many diseases. Recurrently, if they feel sick, they are used to practicing traditional treatment for disease. Although traditional health practice beliefs sometimes work for people, but the study shows that these conventional approaches result in prolonged illness which consequently may intensify constrains over practicing conscious treatments. This is significant in understanding clients' agency because illness of family members constrains women to exercise other economic and noneconomic agency. Additionally, erroneous conception (grew through everyday practice) about disease also promotes to practice traditional treatments. Visiting doctor during illness is hampered by these traditional and routine beliefs of treatments. One of the most frequently used traditional treatments, as mentioned above, is 'water incantation' which is regarded as the first hand treatment for all diseases in the majority of the villages. The notion of this type of practice is, in fact, tacitly acquired, habituated and is transmitted to their beliefs without any conscious scrutiny. Sometimes, the habitual conception of the causes of disease constrains somatic movement of female clients. Therefore, relationships of 'body-space' and disease are culturally constructed. Not only for *pardah*, but women cannot go to some unacceptable places at any undesirable time in the day to avoid the risk of *upri roog* (unknown diseases affected by invisible spirit). Because, young women's uncontrolled corporeal movement may affect them by invisible spirit ('*upri roog*'). Thus, the notion or cause of disease is acquired and is transmitted through everyday social life without any reflexive meaning and values. But, interestingly, former BRAC clients (those who are not BRAC clients anymore) go to the hospital in the study area. They know that BRAC and other NGOs have no program on health facilities in their own village or the other. This conscious information about health care provided by NGOs is quite contradictory to the BRAC's announcement.

4.3 Clients' Disability, Embodiment and Emotionality

The study also took a look at possible illness or disablement of the female clients themselves. The present study did not find any BRAC client who is mentally impaired, single-widowed, aged couple, disabled and pregnant women. But, there are clients who are widowed with adult children who get credit from BRAC. It is one of the objectives of the present study to find out whether there is any client with above mentioned criteria. Furthermore, the study also explores opinion of current and former BRAC client about those cases. Current BRAC client Sumana of Rajanagar says:

“BRAC does not help widowed and pregnant women. Though there is no woman with this type in this village, I think they must be given credit because they have nobody in their family who can take care of themselves.”

Bimala from the same village says that she continued credit during her pregnancy. She worked with BRAC credit during her pregnancy and at that time she had small children also, but she did not face any problem. Shahina informs that BRAC gives credit to pregnant women too. She says:

“If they (BRAC) think that credit will not be lost, they give it to the women those who are poor. Saleha had two young children and that is why Saleha got credit from BRAC during her pregnancy.”

Maleka lives in Hajaripur, Nayagaon. She mentions that BRAC had a policy to give credit to widows. Now, BRAC verifies who will run (take care of) credit before finalizing credit scheme, as she further adds on this: “*there must be a man with those women to be eligible for credit.*” “*The fact that at least one must be 'male' and capable in the family which is not fair*”, she views. Karimunnessa of Hornagar says:

“As far I know BRAC did not give loan to a woman who has not husband and adult children. These women do not draw credit from BRAC. How will they return the money? I think if a woman thinks that she will be able to maintain the credit BRAC should give her credit. If these women work hard they will be able to repay BRAC's credit.”

In the studied villages, no client was found who is mentally impaired, widowed, aged or pregnant. Therefore, the present study does not support the results found by Matin and Hulm (2003) about widows and abandoned wives. They considered a better personal agency for these kinds of clients in IGVD program of BRAC in Matlab (Matin & Hulm, 2003). Note that, the BRAC staff says that they give credit to all women who, at least, seem to be capable. In the present study area, some of them were pregnant previously and they have experience of running credits during their pregnancies. Other clients give their opinion on delivering credit to pregnant and widowed women. One client utilized BRAC credit *discursively* (through conscious emotion and insight) during her pregnancy as well as while rearing a little child at the same time. Others give mixed opinions on that issue. Some of them think women are not capable during their pregnancy and the rest of them consider that it is not fair if BRAC does not give credit to women who are expecting. In Matin and Hulm's (2003) study, it is also found that the priority of delivering credit goes to widowed and abandoned wives in terms of sympathy which stems from social values. But, for this present study, empathy goes to those women not from BRAC but from women clients. It might be that BRAC do not trust on women's ability of running business/ enterprise successfully; rather they use them to deliver the credit to the capable male members of the society. Through this strategy BRAC reduces its transaction costs in recovering credit installments. This idea can be found in Rahman's (1999) study where he termed Grameen Bank's strategy of loan repayment and targeting women as 'hidden transcript'. In rural Bangladesh, women are commonly identified with modesty and purity and this social reputation is closely connected with the responsibility of social collateral described by Rahman (1999). Therefore, BRAC would have applied this idea as their 'hidden transcript' to collect repayment of the credit with the highest success (According to BRAC Annual Report 2007, their loan recovery rate is 99.54%).

4.4 Clients' Physical States, Embodiment and Emotionality

Opinion about the relation between physical state and credit utilization and attending group meeting were given by BRAC clients of studied area. They also expressed their attitude about attending social and public events. Generally, a group meeting is held in the VO leaders' homes. All other VO members attend the meeting weekly. Sumana has some literacy (primary education) and knows sewing. She earns extra money by sewing inside the home. Sumana says:

“Group leader is my 'jaa' (wife of husband's brother). She is our neighbor; therefore, I do not feel any problem attending the group meetings. Usually, VOs are located inside the village so that women can easily attend the meeting every week. If a VO

meeting is held far away from our home then other people might comment otherwise if they see me walking on the village street.”

Karimunnessa says that she attends weekly meetings regularly. She says, women who live little far away from group leader’s (president of VO) home also attend meetings regularly. She adds that does not feel tired or annoyed and must attend meeting as she takes credit from them (BRAC). She gives important information about attending meeting of those members who fall sick:

“Those who are sick or even pregnant request others to take care of their *kisti* (credit premium). Sometimes we all arrange their *kisti* then they repay us later on. The most important thing is to repay the credit; therefore, if one does not appear in the meeting it does not bring any problem if she pays her *kisti* through other.”

When women clients were asked about attending social and public events, almost all of them said that they do not get invitation for social events (marriage ceremony or the like events). Some say there is no custom to invite women in their village. They relate these phenomena with their movement outside home. As Suchitra says:

“We do not go to social events, but, if an event is organized by nearest relatives, then we go. In this village, people invite only male family members. We have no tradition to invite women here; we will go if and when the time (generational tradition) comes in our society. Our father-in-laws did not bring us to any home even four homes away from our home to attend social events. Now we can go even beyond four homes. Our sons’ wives will enjoy this if ‘time’ comes.”

Another villager of Rajanagar, Bina, shares the same line of thinking. She states apparently that people invite males only. She says that she does not get upset for this because it is the tradition of the society. VO leader Jahanara says that no practice of inviting formally exists in this village. Bimala expresses her opinion about this phenomenon in the following way:

“I do not go to social events because of so many difficulties in my family. I must take care of family matters, and if I go outside my husband will ask me how the family will be run.”

In understanding human agency, it is also important to explore the physical states and freedom of movement of clients because these may hinder their presence in weekly group meetings and other social events. Clients do not face any trouble in attending the meeting because all VOs are placed inside the villages (sometimes, very near to their homestead) so that they do not have to walk a far. Therefore, they see, there is no constraint to attend the meeting. However, practically they think that they might face problem if a VO resides far away from their home. In this case, pregnancy of a woman obstructs to attend meeting. Here, mutual trust among the clients plays a role. If any woman cannot turn up in a VO meeting due to physical states, other members take care of her *kisti* which she later pays through another. Alternatively, the woman who is pregnant cannot share her participation in the meeting and hence may lose her agency in shaping the social relationships. In the studied area, women clients do not attend any social events even inside their village territory. There is no custom to invite women for social events which constrains women’s movement outwards. They see it as a regular and routine phenomenon. Even they do not feel unhappy when they get invitation in their husband’s name. Therefore, clients internalize themselves for this routine phenomenon through the hegemonic norms (‘male orientations’) of the society. Quite interestingly, some of them yet seem to be optimistic for an evolution towards more freedom of movement for the next generations which indicates their conscious disciplining by themselves with a conscious hope. With respect to these phenomena, women cannot interact with other villagers except for some authorized individuals. As a result, even though weekly meetings give women a chance to show up their own identity outside family, they are not exposed to other social events.

4.5 Work, Embodiment and Emotionality

Women clients of BRAC in the studied area provide their attitudes/opinion, specifically, their psyche about the relationship between ‘sex’ and the preference to do a ‘type’ of work. Almost all of the interviewed women clients opine that women have a different type of work than that of men in the society. In the society, they perceive recognized customs of doing work by each of the sexes. It was observed from the field that those women who are widowed work outside the home. On the other hand, those who are poorest of the poor also work outside. They work in the soil digging, tree plantation and constructions sites. One VO leader of Hajaripur, Nayagaon, Jahanara, says:

“I have leased a piece of land from another villager but I do not work in the field. In our society, women do not work in the field. If I feel confident then I work only in the interior of the home, for instance, household tasks, maintaining cows which I bought by the credit, etc. We have no *purdah* because we are poor.”

Shahina, who lives in the same village, says that she works in the field. If she works in her own (family owned) land nobody will say anything, she adds. Maleka says carefully:

“Women can work together but the form would be rather different. If a woman wants to survive along with her children, she must work. But, I must say that women cannot plough, they can at best assist their husband by bringing food in the field at the time of lunch.”

Karimunnessa says that men can do all kinds of work but women cannot. She points out that women can do some works such as cutting soil, planting tree on the roadsides, building construction, etc. along with working at other's homes. But, she identified some works not for female as she says:

“Some of the works I mentioned are actually for men. Some women can go outside and work. A widow can work outside. Nobody will treat her as a bad woman. I think everybody works with her *maan shomman* (social honor). I worked at peoples' houses during my tough time before. I maintained my *maan shomman* too.”

Amina of *Guchchagram* village says that she looks after their cows as she illustrates:

“I and my husband, we both, look after our household matters. If my husband comes home late, I bring in cows from the grazing land. We cannot keep our cows in the *haor* (Note 14) overnight, can we?”

Shamsunnahar says that she faces problem in rearing child, and hence she has not much time to help her husband's business (her husband's business is a kind of petty trade of dry fish. He ferries business door to door). She says in her own language;

“Should I help my husband in his business? It is not possible. Even, I did not do this kind of work when I was in my father's house before my marriage. I only do work inside the homestead area.”

In the study area, women are the borrowers and their male members of households are the major users of that credit. It was observed from the field that barely a few clients assist their husbands' activities (for instance, collecting raw materials for their enterprise or assisting them in the field). It was found that women clients run their enterprise, if it is close to their homestead area, and help their husbands or other male members of the family. Thirty eight years old Rupbanu who lives in Hornagar says that they have small grocery shop close to the home area. Her husband runs a business. She claims:

“I help my husband when he goes to the *bazaar* (Note 15) (market place). I do not face any trouble because the shop is adjacent to our home. We do not go outside. I have a son by the grace of Allah. He goes to bazaar also.”

Some other clients do their different works. Sumana is quite different since she is the only client who seems to be sufficiently independent. She says:

“After finishing household task, I do *shelai kaaj* (sewing). I got sewing training from IRA (Note 16) (Integrated Rehabilitation Approach). When I have spare time I do it and that is why I can assist my husband financially and mentally. We cannot meet our daily necessity with his income only. He sells *sit kapor* (low cost cloths) from door to door in the villages. When my husband goes to the town for different purposes, he buys raw materials for sewing. Moreover, he is experienced because frequently he buys things (cloths) from the town.”

It was discovered during interview that she does not buy any raw material for her sewing activities. Her husband brings these things. Other clients (Jahanara and Shahina) maintain cows and sell milk to the villagers. Some others do not use the credit for productive purposes (for Anwara and Afia). They take credit to rebuild their house or for accomplishing their girls' marriage ceremonies or the like events. A very few use this credit in order to arrange funerals (*shraddya*) of close relatives (Bimala's father-in-law) and to maintain personal temple (*house of worship* for Arpana). Some of them work at others' houses in order to sustain and repay the credits.

From the above description, another constrain in exercising human agency for microcredit clients is identified as the customary conception of the relationship between the 'sex' and the type of work. This kind of psyche of women clients about *gendered occupation* constrains them to exert agency in broader public spaces. Particularly,

there are institutionalized customs of doing work by male and female differently. There are some exceptions also. Among the clients, relatively poorer and single widows can work outside and at other's houses. Note that, social honor is very much important for all clients and it depends on the type of work. Women do not, and obviously, cannot challenge these norms. 'Public' and 'private' spaces for women clients are socially constructed by themselves and all other members of society. Therefore, this is a kind of *body hexis* because clients pattern their behavior through culturally constructed and informed spatial configuration bringing social meanings and values. They interiorize themselves by the prevailing norms, but do not think microcredit is positive for them. In this point of view, a little different result was found for this study. Because Kabeer (2001) observes, according to testimonies of women clients, that women are happy with their adherence to *purdah*. Kabeer prefers to call it *doxa* because of the systematic difference between 'male' and 'female' occupation and their consequent confinement towards inside household. This is true for former BRAC clients also. Occasionally, they go to the field. They are circumscribed by their everyday learning about 'male' and 'female' work and their acceptable and unacceptable spaces. Clients assist their active credit users on the basis of the same distinction between two spaces. Thus, the distinction between *centrifugal* (male orientation or public space) and *centripetal* (female orientation or private space or domestic space) is habitually conditioned to clients' everyday somatic movement. Even, those who are relatively efficient do not assist their male credit users outside home though they help them doing some extra income generating works inside home. Clearly, these kinds of performing aspect of *habitus* create constraints on clients' economic agency; therefore, they remain dependent on their male household members.

4.6 Land Ownership, Embodiment and Emotionality

In the selected villages, very few of the credit clients enjoy lands albeit these are owned by their husbands. It was revealed from the fieldwork that women who were inherently favored by the religious and state law (Note 17) have their own lands. Clients give their opinions and attitudes about the land ownership and possession. As Sumana observes:

"We have no lands except homestead. I do not possess any land because in our religion woman cannot have land unless she does have any sibling. But, I think women can possess land irrespective of stated or not stated in my religion about land possession by women. I can own land; even I can buy land in the name of my children."

Arpana has 10 acres of lands. Her husband died few years back and that is why she is owner of those lands according to the state law. She avows that women must obey the rules of the religion. On the other, Sneha says that all lands are owned by her husband. She asserts:

"Women do not have any access to land in 'Hindu Shastra' (Note 18) (Sacred texts in the Hindu Mythology). This is the rule of the religion. Women who are Muslim can get land at the time of marital contract. We do not raise any question about it because it is the matter of religion."

Generally, ownership and possession of lands are additional indicators of agency. Most of the clients believe that they cannot own and possess land due to the strictures in religion. Although the state law of inheritance favors some of them, nevertheless, most of them discipline themselves by the hegemonic norms of the religions. Here, the present study finds a strong cultural association between 'men' and 'land ownership' like what Kabeer (2001) finds in her research. Very few clients come up their reasoned opinion on the existing inheritance law in Bangladesh which contradicts with Kabeer's (2001) findings that women have better knowledge on inheritance law due to the credit program.

4.7 Repayment Pressure and Emotionality

Emotionality is a subjective state of agents. It was observed that women clients show up their emotion in many different ways rather than just uttering. However, this study explores some of the emotional situations of the clients. The major emotional matters are attached to clients' many-faceted difficulties in everyday life in which they try to cope. As Suchitra views:

"We have many problems. *Kisti* is one of them. But, by the grace of Thakur (one of the Goddesses), we overcome the problem. Bhagwan (God) shows us the ways."

One of the most remarkable respondents of this study is Arpana who maintains a personal temple. She says that, she invests the credit to maintain the temple. At first glance anyone may think she is affected by many critical diseases. But, she elucidates:

"I do not feel sick. Thakur takes care of me. Look, a lady of the next home is going to pass this evening without taking food because she does not have work for today. But I do not have any

problem. I invest my money for 'Thakur'. You can ask anyone, I do not have any *kisti* left or dropped even in the month of 'Chaitra' (twelfth month in Bengali calendar which also represents the sunny-dry season). 'Baba' (another identity of God) manages my *kisti*. Worshipers donate money to maintain this temple. I am happy. Many people from unknown places come here for worshipping. A lady came here to worship with her husband because she is infertile. If they worship here they will have a child and it happened before for many others."

Bimala of Rajanagar says that she is passing her life in a well manner by the grace of God ('Thakur'). Just after few seconds, she utters that it is very tough life for her; and, therefore, she must pressurize herself physically. But she believes it is better off than before. In her past time, it was her life maintained from mere hand to mouth. Now, she can change life to a better track (she says- 'bochhor ghurano'). She says that using the first credit she observed first funeral of her father-in-law. She justifies her belief by telling that it is the most important task for her. On the other, Bina says that she prays to God for her better life free of credit. She says having a deep sigh:

"It (credit) burdens extra pressure on me. Sometimes, it brings chaos in our family. We are poor. Credit does not do anything good for us. Now, it is a routine duty to take credit and pay back to BRAC, we do not have any significant change."

Jahanara says that *kisti* is the main problem for her. She says that if her husband cannot go out to pull rickshaw she borrows money from others. Moreover, if someone fails to repay the credit she faces trouble because she is the leader of the VO. She shows her helplessness in asking "can poor people lead a good life?" She also informs that sometimes failure to repay interrupts domestic peace in many families. She cites example of Anwara of Hajaripur, Nayagaon. Clients also explain their strategic mode to get release from that stressful situation. Shahina gives more severe information as she says that some clients pass their daily life without taking food if they fail to repay their *kisti*. She informs that approximately 30% of women clients are in this type. Furthermore, Maleka says that BRAC does not give them any chance to defer the date of weekly repayment. Even they did not do it when we were preparing for the funeral of my mother-in-law, she adds. Maleka also shows her naïve confession that *kisti* creates hue and cry in the family. She says that there is no way to quit from this *kisti*. Another VO member Sneha opines:

"If we do not give their *kisti* they (BRAC staffs) will be sitting here even till 10 pm at night. We give the *kisti* even without taking food because we do not want to lose our *maan-shomman* (dignity in the society). People will taunt us if they see BRAC staffs are waiting at my door."

Sharnalata says that loan be obliged to be paid in due time. She says sometimes they pay credit in exchange of selling household things to others. Exceptionally, Karimunnessa tells quite comfortably that she can repay the *kisti* regularly without any pressure. But, she also admits that one must repay even if it takes quitting food. Rupbanu says that it is natural to repay because they take credit from BRAC. She says, clients must repay even if they face trouble.

It was observed from the field that clients do not know why women are the target clients for microcredit. Few of them say that women are available to BRAC staffs for credit repayment. Some say that women are reliable to the BRAC. Others say that if women fail to repay the credit and then BRAC staffs come for *kisti* to their home, other people of the society will treat this incident badly. Therefore, that family rushes for credit repayment to keep their *maan-shomman* to other people in the society. Rupbanu and Karimunnessa express their opinion that if BRAC officers come at home and ask for *kisti* senior male members in the family see it as *shomman hani* (loss of dignity in the society). They say that men give *kisti* back under the pressure of retaining *maan-shomman*. Karimunnessa states that sometimes BRAC staffs report to the office also. Fifty years old Sneha says that she does not think about why they give credit to women only. It is their system, she thinks. Maleka says that she takes credit from BRAC for her brothers because she lives with her brothers. She illustrates her attitude:

"I do not know about *kisti* and credit because my brothers give the *kisti* to the BRAC. I went to BRAC Derai Upazila office for taking photographs because they have new rules to provide pictures of women and men (who takes care of this credit)."

One former member of BRAC VO is Shamsunnahar, who lives in Guchchagram, informs that she is no longer with BRAC credit because they pressurize her when her children fell sick and was planning to go to the doctor. She shows her anger telling about this occurrence:

“I told them I will return the *kisti* just after coming back from doctor. BRAC officer said that *kisti* was more important than visiting doctor. Thus, I took another credit from ASA and paid back the *kisti* to BRAC.”

Amina of the same village gives description of a dramatic event. Amina says that her husband called upon other villagers to let them know the facts of that event. She faced uproar in her family due to this event. She elucidates the incident:

“It was second time I took credit from BRAC. This time I could not run the *kisti*. Sometimes, other VO members run *kisti* when a member fails for any particular *kisti*. Once I failed to repay the *kisti* and then BRAC officers quarreled with me at the door of my house. In order to avoid this unbecoming event I went to my father’s home far away from here. But, BRAC officers along with my other VO members also went to my father’s home and they quarreled with me.”

Regarding credit repayment pressure, most of the clients show their practical consciousness. Some clients overwhelmingly rely on the grace of the God rather than their *imagined autonomy*. People’s understanding of their own efficiency is undermined by their non-reflexive actions and beliefs. Because according to Cleaver (2007), both conscious and unconscious emotions are decisive in shaping people’s own agency. The present study shows clients’ conscious and practical actions which support Ahmed, Chowdhury and Bhuiya’s (2001) findings where they find only few clients try to be active in order to get rid of the stress. In present study, the most expected way of coping with that situation was found to be praying to the God for a life free of trouble and sorrow. Some clients also discipline themselves without taking food. Other put their physical labor stressfully in order to tackle the hardship. Former BRAC clients of this study are among them who give BRAC up by borrowing credit from other NGOs. So far, most of the clients are not conscious about why BRAC offers credit only to women. Still some clients draw relations between giving credit to women and their social standing in rural Bangladesh society in terms of social honor, collective responsibility and mutual trust. If we understand these phenomena under the auspices of ‘public’ (Note 19) and ‘hidden’ transcript, we find that BRAC has its public transcript to empower women through micro lending. But, on the other hand, like Grameen Bank (as Rahman finds in his study) BRAC also applies ‘social collateral’ as a strategy for ensuring credit repayment. The cultural foundation of this idea is that women’s honor and its protection is highly valued in rural Bangladesh. Therefore, women want to repay their installments in timely manner to avoid humiliation in society (Rahman, 1999).

5. Conclusions

After a brief overview about the elements related to embodiment and emotionality, it can be concluded that clients are constrained by multi-faceted difficulties around their social surroundings. A widespread dilemma for many of the female clients is that they cannot show up their agency due to the health related problems of their family members. It influences clients develop their habitual tendency to borrow money from other formal and informal lenders. This ‘practical sense’ seems to be a very common strategy to handle the troublesome situations both for regular and irregular clients. Paradoxically, clients think this practice as their conscious action. However, it has unintended consequences also, for instance, more credit from other lenders may multiply their further hardship in the daily life. Therefore, even if a woman is able-bodied she may not be punctual to repay the credit installments. Moreover, traditional health practice behaviors are seen as constraining factor which prolongs the illness of the clients and their active family members. Consequently, these habitual health practices intensify constraints over practicing comparatively modern treatment. Actually, this learning and believing of customary health practices are acquired implicitly through the cultural settings without any conscious reason. Sometimes these kinds of beliefs establish cultural relations between the ‘body-space’ and the ‘causes’ of disease. Female clients cannot go outside to some unpermitted spaces at some unrecognized time in the day. Thus, women’s somatic movements are also affected by the traditional notion of the causes of disease which can be seen as a non-reflexive action of the clients and their families. The study also concludes that the clients’ physical status is also connected to their utilization of credit and participation in group meetings, social events and the like. Attending group meetings is not problematic for the clients because of its adherence to clients’ home location. But, pregnant women cannot attend meeting; hence fail to share any difficulties with the fellows. Pregnancies of female clients are seen as incapability by clients themselves. Another cultural aspect that creates constraining condition for women’s movement outwards is that females do not attend any social events in the studied area and they discipline themselves by internalizing the hegemonic norm of the society feeling that it is a natural and regular phenomenon. Clients have their own embedded beliefs that there are systematic differences between ‘male’ and ‘female’ work. Thus, the relations between ‘sex’ and the ‘type’ of work play a decisive role against women’s chance to open up their potential agency. The ideas are constructed through *body hexis*. These distinctions between *centrifugal* and *centripetal* meaning of *gendered mobility* hinder women’s practical movement toward public spaces. As a result, they lose their economic

agency which leads them to be remaining dependent on their male counterpart. With few exceptions, female clients cannot own lands in the studied villages. They closely and unconsciously control themselves by the stricture of religion though the religion does not prohibit owning lands. Clients believe in a strong corollary between men and the land ownership. This is because women's loyalty to their husband is highly valued in rural society in Bangladesh. The last, but not the least, factor of emotional stress of the clients is connected to the loan repayment pressure. Clients are unable to rely on their 'imagined autonomy'. The most frequently practiced coping strategy is to praying to the God in order to get rid of the grief. This can be seen as a practical consciousness of the clients. Clients also skip themselves without taking food to protect their social dignity. Failure to repay the credit is the loss of the dignity to them. Even, clients do not feel or think discursively about loan repayment pressure. They see it as routine activities to borrow and pay back their credit repayment to the BRAC. Taking embodiment and emotionality of the microcredit clients into consideration, this research suggests some recommendations and avenues in order to achieve better efficacies in the poverty reduction strategies. Social embeddedness of any particular society is existed with its specific nature. Therefore, microfinance institutions should pay attention on the program design, performance and local social context for every locale differently. There are numbers of replications of microcredit projects around the world. But micro-lending institutions must consider the local institutional complexities before any development intervention. It is claimed that 'credit plus' approach might be a successful model for microcredit institutions. But outcomes of the present research demand a re-thinking on its effects to the poor people at least considering their opportunity to exercise agency. Therefore, 'credit plus' approach also needs to be adapted to the particular contexts. 'One formula fits all' may not be a magical solution to eradicate poverty.

Acknowledgement

Dr. Johan Bastiaensen, Institute of Development Policy & Management, University of Antwerp, Belgium.

References

- Ahmed, S. M., Chowdhury, M., & Bhuiya, A. (2001). Micro-credit and Emotional Well-being: Experience of Poor Rural Women from Matlab, Bangladesh. *World Development*, 29 (1), 1957-1966.
- ASA. *ASA*. [Online] Available: <http://www.asabd.org/> (July 20, 2008).
- Baert, P. (1998). *Social Theory in the Twentieth Century* (1st Edition ed.). New York: New York University Press.
- BMRG. *Pushti*. [Online] Available: <http://www.pushti.org/background.htm> (July 15, 2008).
- Bourdieu, P. (1977). *Outline of a Theory of Practice* (1st Edition ed.). Cambridge: Cambridge University Press.
- BRAC. *BRAC*. [Online] Available: <http://www.brac.net/> (July 1, 2008).
- BRAC. (2007). *BRAC Annual Report 2007*. Dhaka: BRAC Center.
- BRCT. *Bangladesh Rehabilitation Center for Trauma Victims*. [Online] Available: <http://www.brct.org/> (July 15, 2008).
- BWDB. *BWDB*. [Online] Available: <http://www.bwdb.gov.bd/> (July 17, 2008).
- CEE. (2005). Environmental Auditing of Sunamganj-Chhatak Road via Dowarabazar: Applying Remote Sensing and GIS Integration. *Environmental Auditing of Sunamganj-Chhatak Road Via Dowarabazar: Applying Remote Sensing and GIS Integration* (pp. 1-11). Sylhet: Civil and Environmental Engineering, SUST.
- Cleaver, F. (2007). Understanding Agency in Collective Action. *Journal of Human Development*, 8 (2), 223, 226, 237-240.
- Giddens, A. (1979). *Central Problems in Social Theory: Action, Structure and Contradiction in Social Analysis* (1st Edition ed.). London and Basingstoke: The MacMillan Press Ltd.
- Hulme, D. (2000). Impact Assessment Methodologies for Microfinance: Theory, Experience and Better Practice. *World Development*, 28 (1), 79-80.
- Kabeer, N. (1999). Resources, Agency, Achievements: Reflections on the Measurement of Women's Empowerment. *Development and Change*, 30 (3), 435-436.
- Kabeer, N. (2001). Conflict over Credit: Re-evaluating the Empowerment Potential of Loans to Women in Rural Bangladesh. *World Development*, 29 (1), 65-69, 76.

- Khan, M. I., Bhuiya, A., & Chowdhury, M. (1996). *Cultural Construction of Health and the Institutional Measures of Changes in Rural Bangladesh: The Cases of BRAC Village Organization and the ICDDR,B MCH-FP Programmes in the Selected Villages of Matlab*. Dhaka: BRAC-ICDDR,B Joint Research Project.
- Mahbub, A., & Roy, R. D. (1997). *An Emic Towards Well-being*. Dhaka: BRAC-ICDDR,B Joint Research Project.
- Mahmud, S. (2003). Actually How Empowering is Microcredit? *Development and Change*, 34 (4), 577-578.
- Matin, I., & Hulme, D. (2003). Programs for the Poorest: Learning from the IGVGD Program in Bangladesh. *World Development*, 31 (3), 657-659.
- Maxwell, J. A. (2005). *Qualitative Research Design, An Interactive Approach* (2nd Edition ed.). Thousand Oaks, London and New Delhi: Sage Publications.
- Patton, M. Q. (1990). *Qualitative Evaluation and Research Methods* (2nd Edition ed.). Newbury Park, London and New Delhi: Sage Publications.
- Patton, M. Q. (2002). *Qualitative Research and Evaluation Methods* (3rd Edition ed.). Thousand Oaks, London and New Delhi: Sage Publications.
- Rahman, A. (1999). Micro-credit Initiative for Equitable and Sustainable Development: Who Pays? *World Development*, 27 (1), 70.
- Scott, J. S. (1990). *Domination and the Art of Resistance: Hidden Transcripts*. New Haven and London: Yale University Press.
- Sen B. (2002). Growth, Poverty and Human Development, In Rounaq Jahan (Eds.), *Bangladesh: Promise and Performance* (pp. 267-308). Dhaka: the University Press Ltd.

Notes

- Note 1. Bourdieu (1977) emphasizes the body in his discussion on 'habitus'. According to his opinion, human body is an important signifier in social interaction.
- Note 2. Replacing the traditional psycho-analytic distinction between 'ego', 'super ego' and 'id', Giddens argues for his 'stratification model of action', as he asserts that practical consciousness requires to be distinguished from discursive consciousness or the unconscious.
- Note 3. Cross-case analysis is the grouping of answers from different people to common questions or analyzing different perspectives on any central issues. Patton (2002) says that for open-ended interviews or interview guide approach, it is easy to do cross-case or cross-interviews analysis.
- Note 4. Case analysis means writing a case study for each person interviewed or each unit studied (e.g, each critical event, each group or each location, etc.).
- Note 5. A three-wheeler vehicle runs without engine and driven by an individual who push the pedals physically. This vehicle is very common and cheap mode of transportation for a short distance in Bangladesh.
- Note 6. Kantha is embroidered quilt. Sometimes it is made with traditional fashionable design which is also known as Nakshi Kantha. Nakshi Kantha is a folk art that has been passed down through generations of Bangladeshi families. The art of Nakshi Kantha or embroidered quilt has been flourishing in rural Bengal for centuries. Its exquisite beauty was brought to the notice of city-dwellers, and to some extent, to the outside world. An embroidered quilt said to be indigenous to Bangladesh.
- Note 7. Taka is the currency of Bangladesh. One Taka is equivalent to 0.01457 USD as of August 19, 2008.
- Note 8. ASA is one of the mainstream Microfinance Institutions in Bangladesh. ASA stands for Association for Social Advancement. ASA is already recognized as an International Technical Service Provider (ITSP) under UNDP's MicroStart Program in The Philippines and Nigeria. Please refer <http://www.asabd.org> for more information.
- Note 9. 'Shud' comes from 'Mahajan' or money-lender who gives credit to the villagers with a very high rate of interest in rural Bangladesh. In Bengali lexical meaning, 'interest' is termed as 'shud' in Bangladesh.
- Note 10. Religious verses and other sacred books are the main sources of different types of incantation in the Indian sub-continent. These incantations are believed to infuse the spiritual influences into the body of a patient.
- Note 11. Bangladesh is characterized by the availability of multiple facets of treatments. There are well-known practices of *ayurveda*, *unani*, *hekimi* and many more.

Note 12. It is attributed to various diseases. It is an intangible spirit, sometimes considered a disembodied soul, devoid of any corporeal existence. It wanders through wind, penetrates human body (especially young girl) through its unlimited apertures.

Note 13. 'Pushiti' is a program run by Biomedical Research Group (BMRG) of BIRDEM (the central institute of the Diabetic Association of Bangladesh) in Bangladesh. BMRG of BIRDEM started back in 1997, a comprehensive program on nutritional evaluation of local food materials with particular focus on chemical analysis and on glycemic index (GI) which has direct implication for prevention and management of DM (Diabetes Mellitus) and metabolic syndrome in general. For more details, please see website of 'Pushiti' <http://www.pushiti.org>

Note 14. 'Haor' is a large saucer-shaped flood plain depression located mostly in north-eastern region of the country covering about 25% of the entire region. In the dry season, it is partially used as a grazing land also. There are altogether 411 haors comprising an area of about 8000 km² dispersed in the districts of Sunamgonj, Sylhet, Moulvibazar, Hobigonj, Netrokona & Kishoreganj. For more information please consult official website of Bangladesh Water Development Board. <http://www.bwdb.gov.bd/haor.htm>

Note 15. Bazaar is a permanent marketplace where goods and services are exchanged and sold. A bazaar is located commonly in the city center or center of any locality. The word derives from the Persian word 'bazar'.

Note 16. This approach has come to be known as the integrated rehabilitation approach (IRA). The IRA consists of services at BRCT (Bangladesh Rehabilitation Centre for Trauma Victims) including counseling, medical care, physiotherapy, psychotherapy, and legal assistance. The IRA also involves group and family therapy, follow-ups including home visits. For more information please see BRCT website <http://www.brct.org>

Note 17. State law for land possession varies on the basis of inheritance laws on Muslim and Hindu Family Laws in Bangladesh.

Note 18. Shastras are the sacred texts in the Hindu Mythology which contain rules of conduct and rites.

Note 19. James Scott (1990) defines *public transcript* as the way of describing open interaction between subordinates and those who dominate.

Statutory Central Bank Independence in Taiwan

C. James Hueng

Associate Professor of Economics, Western Michigan University

1903 W. Michigan Avenue

Kalamazoo, MI 49008-5330, U.S.A.

Tel: 1-269-387-5558 E-mail: James.Hueng@wmich.edu

&

Fulbright Visiting Scholar

Institute for Advanced Studies in Humanities and Social Sciences

National Taiwan University

Taipei, Taiwan

This research is sponsored by the 2009/2010 U.S. Scholar Fulbright Program, the Council for International Exchange of Scholars, U.S.A., and the Foundation for Scholarly Exchange, Taiwan.

Abstract

This paper critically reviews the *Central Bank of the Republic of China (Taiwan) Act* and finds that the level of legal independence of the central bank is relatively low compared to the rest of the world. However, Taiwan has been able to combine low inflation with a legally dependent central bank. We provide possible explanations to this low inflation/low independence puzzle in Taiwan and argue that Taiwan should still follow the trend of creating a more independent central bank.

Keywords: Central bank independence, Legal CBI Index

1. Introduction

Backed by academic research, it is a broad practical consensus that the primary responsibility of the central bank is to assure price stability. The time inconsistency models by Kydland and Prescott (1977) and Barro and Gordon (1983) show that a public-elected monetary authority suffers from an inflationary bias. To reduce this bias, studies such as Rogoff (1985) suggest insulating monetary policy from the political pressures. Since the establishment of this theoretical foundation, a bulk of research has been devoted to the study of central bank independence (CBI). (Note 1)

In the empirical research, whether or not CBI is responsible for low inflation is still up for debate. On the one hand extensive cross-country studies have suggested that CBI increases the likelihood of fostering a lower and more stable inflation at no real cost [see for example, Grilli et al. (1991), Cukierman et al. (1992), and Alesina and Summers (1993)]. On the other hand critics find evidence that CBI is an endogenously determined variable, not an exogenous variable that causes low inflation [see for example, Posen (1993), Forder (1996), and Hayo (1998)].

This divergence in opinions, however, does not stop the trend that more and more countries in the world have implemented institutional reforms to grant their central banks more independence over the last two decades. Polillo and Guillen (2005) find that during the 1990's alone, "as many as 17 countries in Eastern Europe and the former Soviet Union made statutory changes toward greater independence; so did 13 countries in Western Europe, 11 countries in Latin America, 9 countries in Africa, and 4 countries in Asia." The culmination of this trend is the European Central Bank established in 1999. Most central banks today enjoy substantially higher levels of independence than twenty years ago.

Disinclined to the trend, the level of legal independence of the Central Bank of the Republic of China (Taiwan), hereafter the CBC, has not changed for several decades. Most of the available indices of CBI refer to the level of independence as specified in the law. The *Central Bank of the Republic of China Act*, hereafter the *CBC Act*, was first promulgated in 1935. The structure of the current *CBC Act* was not established until the first amendment in

1979. Since then the *CBC Act* was revised twice in 1997 and 2002. However, the articles being added or amended in these two revisions are not related to the legal dependence of the CBC. Therefore, the statutory dependence of the CBC has not changed for more than three decades. Based on the most popular CBI index developed by Cukierman, Webb, and Neyapti (1992, hereafter CWN), the CBC had the ninth lowest score in the 1980's among the 72 countries included in that study. This index is updated in Crowe and Meade (2007) for 96 countries at the end of 2003. (Note 2) Based on the updated data, the CBC's CBI index is only higher than that of the Monetary Authority of Singapore (the central bank of Singapore).

Although not following the global trend of granting central bank independence in the laws, Taiwan has been successfully combining low inflation with little legal CBI. The first step this paper takes is to critically review the *CBC Act* to confirm that the CBI index for Taiwan in the literature is properly measured. Country-specific studies on CBI often provide a more accurate index than cross-country studies because legislations relevant to CBI in addition to the central bank law are usually more carefully reviewed. This study reevaluates the CBC's legal independence by surveying available legal documents in Taiwan that are related to CBI.

To numerically measure the legal CBI, we use the CWN index, which is probably the most comprehensive and popular index in the literature. Other indices, such as those used by Bade and Parkin (1988), Alesina (1988, 1989), Grilli et al. (1991) and Eijffinger and Schaling (1993) can, for the most part, be approximated by subsets of the components of the CWN index. In addition, CWN is one of few studies that include Taiwan in the analysis. Therefore, we are able to review whether there is a misunderstanding on the level of legal independence for the CBC in the literature.

We only focus on legal independence and leave out the measure of actual independence because the latter is often exposed to subjective explanations. It is well known that de facto independence may often deviate from de jure independence. Such deviations may be significant in developing countries due to poor enforcement of the law, i.e., actual independence is much lower than what is specified in the law. However, this is not our concern because it is often claimed by the CBC that its de facto CBI is much higher than de jure CBI. The purpose of this paper is neither to discuss the practical independence enjoyed by the CBC nor to derive the effects of independence on the performance of the Taiwanese economy. Rather, our goal is to study the legal independence of the CBC, with the assumption that improving legal independence helps maintain factual independence and long-run stability.

After confirming the validity of the CBI index for Taiwan in the next section, Section 3 provides possible explanations to the low inflation/low CBI puzzle in Taiwan and argues that Taiwan should still follow the trend of creating a more independent central bank. We then discuss changes on the *CBC Act* that can increase the statutory independence of the CBC in Section 4. Section 5 concludes the paper.

2. Review of the CBC's legal CBI index

In the most comprehensive study of central bank institutional arrangements, Cukierman, Webb, and Neyapti (1992, CWN) create an index of central bank independence (CBI) based on readings of central bank laws for a large sample of countries, including Taiwan. Only the written information from the charters in various legal dimensions is used. Their index is aggregated from sixteen legal characteristics of central bank charters, which are grouped into four clusters of issues (the followings are directly quoted from Table 1 in CWN):

- (1) The term of office, appointment, and dismissal of the chief executive officer (CEO) of the central bank: a central bank is more independent if the CEO has a longer term of office and if the government has little legal authority to appoint or dismiss the CEO.
- (2) The central bank's authority to formulate and finalize monetary policy: a more independent central bank has a wider authority to formulate monetary policy and is able to resist the government in cases of conflict.
- (3) The legal mandate of the central bank to pursue the objective of price stability: a more independent central bank has a higher prominence given to price stability compared with other stated objectives that may conflict with price stability. This variable is usually referred to as the measure of the "conservativeness" of the central banker.
- (4) Limitations on the ability of the central bank to lend to the government: a more independent central bank has tighter limits on its lending to the public sector. This cluster encompasses five more detailed variables: (4.1) limitation on nonsecuritized lending; (4.2) limitation on securitized lending; (4.3) who determines the terms of lending (maturity, interest, and amount); (4.4) potential borrowers from the CB; and (4.5) type of limits (maturity, interest, amount, and whether the CB is prohibited from the primary market of the government securities).

Eight legal variables are constructed from these four clusters of characteristics (the first three clusters plus five variables in the fourth cluster of characteristics) and then aggregated into the weighted-average index. We proceed with reviewing the articles in the *CBC Act* that are related to CBI based on the categories used by CWN, and then analyzing the validity of CWN's coding for the CBC.

Cluster (1) – CEO:

Term of office: Based on Article 5 in the *CBC Act*, the governor of the Board of Directors is appointed for a term of five years. This gives a numerical code of 0.5, which is the same as that assigned by CWN.

Who appoints CEO? Based on Article 5, the governor of the CBC is an ex officio member of the Executive Board of Directors, members of which are nominated by the Executive Yuan and appointed by the President of the Republic. Therefore, strictly speaking, the CEO is appointed by the president alone, which earns a score of zero. Even if we take account for the input from the Executive Yuan in the decision, the CEO is still appointed by “one or two members of the executive branch” (the president and the Premier of the Executive Yuan). CWN assign a score of 0.5 (Legislature appoints CEO), which is apparently a mistake. The CWN index for Taiwan in this category is overvalued.

Dismissal: There is no provision for dismissal of the governor of the CBC. Therefore, the score for this variable is one, which is the same as that assigned by CWN.

May CEO hold other offices in government? There is no rule against CEO holding another office. Thus, the score for this variable is zero, consistent with that assigned by CWN.

Cluster (2) - Policy formation:

There are three legal variables in this cluster: (i) Who formulates monetary policy? (ii) Who has final word in resolution of conflict? and (iii) Role in the government's budgetary process. CWN assign a score of zero to all three variables for the CBC. This numerical coding is understandable because according to Article 1 of the *CBC Act*, the CBC is “a government bank and an agency under the Executive Yuan.” Therefore, it seems that the executive branch of the government has the power to coordinate its fiscal and monetary policies.

However, Article 6 of the *CBC Act* indicates that the Board of Directors of the CBC has the power “to examine policies concerning money, credit and foreign exchange.” In addition, as mentioned above, the directors have tenure of five years, which is longer than that of the President of the Republic. Therefore, the CBC should enjoy certain degree of independence in monetary policy making. But this independence is not complete because Article 5 of the *CBC Act* states “. . . the Minister of Finance and the Minister of Economic Affairs shall be ex officio directors and executive directors.” That is, the government has two representatives, whose term is determined by the Executive Yuan, in the Board of Directors of the CBC. For the variable “Who formulates monetary policy?” the coding is 1 for “Bank alone” and 0.67 for “Bank participates, but has little influence.” Therefore, a better coding should be in between these two classifications, which is not provided by CWN.

For the second variable (Who has final word in resolution of conflict?), the *CBC Act* does not contain a provision on the resolution of conflict. Based on Article 10 of the *Rules and Regulations of the Board of Directors Meetings*, the decision of the board is determined by a majority vote of directors in attendance (the quorum required for the meetings is more than one half of the directors). Since there are eleven to fifteen directors and only two of them are representatives from the government, the directors with tenures have majority votes. With this alternative interpretation, we would assign a numerical coding of 1 to the CBC.

Cluster (3) - Objectives:

Article 2 of the *CBC Act* states “The primary objectives of the Bank's operations shall be: 1. To promote financial stability; 2. To guide sound banking operations; 3. To maintain the stability of the internal and external value of the currency; 4. To foster economic development within the scope of the above objectives.” Therefore, the numerical coding for the CBC in this cluster should be 0.40 (“Price stability is one goal, with potentially conflicting objectives, such as full employment”). CWN instead assign a score of 0.6 (“Price stability is one goal, with other compatible objectives, such as a stable banking system”) to the CBC. Since the potentially conflicting objective of fostering economic development is only in effect within the scope of the other three objectives, the numerical coding by CWN is also acceptable.

Cluster (4) - Limitations on lending to the government:

There are eight legal variables under this cluster. The only article in the *CBC Act* that is related to the government financing is Article 26: “The Bank may, in the light of financial conditions, purchase and sell in the open market the bonds issued or guaranteed by the government . . .” and no condition of lending is specified in

the law. (Note 3) Together with the fact that the CBC is defined as a national bank and a government agency, it is not surprised that CWN assign zero to all but one variable for the CBC. The only nonzero score is for the variable “potential borrowers from the bank,” which is not clearly defined in the laws but, since the CBC is a national bank, should include all levels of government and public enterprises. Therefore, the score of 0.33 assigned by CWN is proper.

However, there is a law that is related to another variable in this cluster (“central bank prohibited from buying or selling government securities in the primary market?”) and may be ignored by CWN. Article 9-1 in the *Central Government Development Bonds and Loans Act* states that “The Central Bank of China (“the Central Bank”) may not assume the responsibility as issuer of the government bonds or act as lender referred herein. However, its eligibility to be the issuer and lender that are presented by the Executive Yuan and voted in favor by the Legislative Yuan shall lift the restrictions.” Therefore, this law can be interpreted as the restriction for the CBC to purchase government bonds from the primary market.

In sum, even though there is improper coding for the CBC by CWN, it is not far away from alternative coding that we provide. That is, the legal independence index is indeed very low for the CBC based on the current *CBC Act*.

3. Low Inflation/Low CBI Puzzle in Taiwan

Although the legal independence index is very low for the CBC, inflation in Taiwan has been well under control. Cover, Hueng, and Yau (2002) show that the CBC has been very close to conducting optimal policies in controlling inflation. Figure 1 plots the average inflation against the CWN index for Taiwan along with 24 OECD countries during the period 1980-1989. (Note 4) Conventional wisdom predicts a negative slope for this relationship. That is, the higher the CBI index is, the lower the rate of inflation becomes. Taiwan is apparently an outlier of this relationship. The CWN index for Taiwan is only higher than that of Japan, Belgian, and Norway. However, Taiwanese inflation rate is among the lowest, at an annual rate of 4.5%. Compared to Mexico, Iceland, Greece, and Portugal, who all have a higher CBI but an annual inflation rate well above 15%, the CBC is very successful in maintaining a low inflation environment.

The same conclusion can be made from Figure 2, which plots the same relationship during a more recent period. The inflation rates are averaged over 2000-2007 and the CBI index is measured as of 2003, obtained from Crowe and Meade (2007). It is clear that most OECD countries have improved their legal CBI, and that the overall inflation rates have been significantly reduced, all below 7% annually. Even with the lowest CBI index among these countries, Taiwan has enjoyed the trend of “great moderation of inflation” with the other industrialized countries.

How could the legally quite dependent CBC maintain a relatively low inflation over the years? Does the observation above imply that there is no need for an independent central bank in Taiwan? This paper offers possible explanations to the first question and argues that Taiwan should still follow the trend of creating a more independent central bank. The perception of Taiwan being an outlier in the above figures arises from a simple correlation between inflation and CBI. Studies against this link argue that CBI is not the only determinant of inflation. Therefore, this paper tries to provide explanations to this low CBI/low inflation puzzle by surveying this literature for reasons resulting in low inflation in Taiwan.

The first possible explanation is that the CBC is actually much more independent than specified in the laws. This is, however, hard to justify because the actual independence is unobservable and often exposed to subjective explanations. More importantly, higher de facto independence is not a legitimate excuse for not having de jure independence. De facto independence can easily be removed if it is not protected by the laws. Therefore, even if the CBC has indeed enjoyed independence in the past few decades, legal independence is still in need to preserve the factual independence.

An alternative mechanism to CBI for controlling inflation is to peg the domestic currency to that of a major trade partner who has a reputation of low inflation. This is a reasonable explanation of the result in Figure 1. During the 1980's, Taiwan could anchor domestic price levels by pegging the New Taiwan dollar (NTD) to the U.S. dollar. By “delegating” her monetary policy to the U.S., Taiwan had basically identical inflation rate to that of the U.S. during the 1980's.

This alternative mechanism, however, is no longer available to Taiwan. Pressure from the U.S. to appreciate the NTD is part of the reasons for the deflationary spiral after the 1980's. After the Asian financial crisis in 1997-1998, the IMF has requested Asian member countries to float their exchange rates. Although Taiwan is not a member of the IMF, the recent financial liberalization in Taiwan has made her economy more exposed to

external shocks from the global financial market. Without a fix exchange rate, an independent central bank is even more important than ever because a low degree of CBI allows politically motivated depreciations. Politicians have electoral motivations to delay politically costly depreciations until after an election [Cermeño, Grier, and Grier (2010)].

In addition, with an independent central bank, Taiwan can shelter herself from the critics of her exchange rate policy. Baines (2001) finds that there is a negative relationship between foreign exchange intervention and CBI. That is, a dependent central bank has the reputation of intervening the foreign exchange market for the government. Kuttner and Posen (2001) show that CBI is associated with a more stable exchange rate. Therefore, legal independence serves as a signal to trade partners that exchange rate movements (or even foreign exchange interventions) are aiming at the goal of low inflation, rather than being politically manipulated and market distorting.

The original argument for an independent central bank is to avoid inflation bias generated by political business cycles. Therefore, it is intuitive to look into the incentives for the Taiwanese government to inflate the economy. Walsh (1997) provides an argument that may help explain the low inflation/low CBI puzzle in Taiwan. He argues that a higher natural rate of unemployment increases the incentive to engineer an economic expansion and therefore, raises the inflation bias. Groenewold and Tang (2004) estimate the natural rate of unemployment for Taiwan and find that it ranges from 2.1% to 2.9% during the period 1982-2000, which is probably only half of that of the United States. Therefore, with a low natural rate of unemployment, and thus a low incentive to inflate, the Taiwanese government might be able to maintain a low inflation reputation without delegating monetary policy to an independent central bank.

However, according to a research in the Directorate General of Budget, Accounting and Statistics of the Executive Yuan, the natural rate of unemployment in Taiwan has been increasing over the past decade (over 3% in 2002). (Note 5) Therefore, with the incentives to inflate getting higher, a more independent monetary policymaker becomes more important.

Another explanation of the low inflation/low CBI puzzle can be found in the political science literature. It is argued that delegation is not necessary if policies are controlled by a long-lived government, especially a conservative government. This government can focus on long-run growth and has no incentive to create political business cycles to inflate the economy. Before 2000, Taiwan is basically ruled by one party – the KMT, a conservative party. With a high possibility of reelection, the government is capable of maintaining low inflation even without delegating monetary policy to an independent central bank.

This hypothesis is supported by Figure 3, which plots the growth rates (from the same quarter a year ago) of Taiwanese government expenditure/GDP ratio from 1980Q1 to 2008Q1. The vertical bars indicate the quarters where there is a national election. (Note 6) If political business cycles exist in Taiwan, we would expect this ratio to grow higher right before the elections. This is not observed in Figure 3. Indeed, this ratio is declining over the sample period. The average growth rate is -2.5% in the election quarters; the one-quarter-ahead average is -4.9%; the two-quarter-ahead average is -2.0%; the three-quarter-ahead average is -2.7%; and the four-quarter-ahead average is -1.2%. There is no sign of political business cycles in Taiwan.

However, starting from the 1990's the political system in Taiwan has undergone significant changes and moved toward a two-party system. Partisan turnovers are expected to be the norm in the future. A potential threat of politically induced inflation by governments trying to improve their reelection chances cannot be ignored. Because of lower reelection probabilities, the maintenance of low inflation requires that monetary policies be delegated to a more independent central bank. Therefore, a central bank free from political contingencies is in urgent need.

The low inflation in Taiwan may also be explained by an argument provided by Romer (1993), who states that the incentive to inflate will be smaller in an open economy. Since real exchange rate depreciation hurts a more opened economy, the benefit of inflating the economy, which causes real depreciation, is a decreasing function of the degree of openness. Campillo and Miron (1997) show that the degree of openness is an important factor in explaining inflation. Taiwan is well known as an open economy (see Sachs and Warner's "Trade Openness Indicators" - http://www.cid.harvard.edu/ciddata/warner_files/sachswarneropen.xls). Gwartney, Lawson, Park, and Skipton (2001) build a measure of "Trade Openness Index" and rank Taiwan seventeenth among 91 countries in the study during the period 1980-1998. Therefore, the incentive to inflate is relatively low in Taiwan.

However, in today's world, CBI becomes even more important for open economies. CBI is frequently associated with the push for economic and financial globalization. According to the conventional economic wisdom, an

integrated world market can operate more successfully if there is a high degree of institutional convergence. CBI is in particular an institutional design that is required for a stable international financial system. For example, an independent central bank has become one of the conditions for the member countries to safeguard resources from the IMF. Only an independent central bank is able to show that its commitment to price stability is credible. Therefore, CBI becomes a symbol of group membership. Facing the demand and pressure of globalization, Taiwan is in a critical position to improve her institutional design so as to catch up with the global trend of pursuing a higher level of CBI.

4. Moving toward a higher level of legal independence

Due to the rapid political and economic development in the past few decades in Taiwan, an independent central bank has become an undeniable necessity for the future of the economy. Based on the analysis in Section 2, it can be seen that there exist conflicts in the *Central Bank of the Republic of China Act*. On the one hand the CBC enjoys certain degree of independence because its directors of the Board are protected by tenure. On the other hand, however, the fact that the CBC is a government agency under the executive branch of the government overshadows this independency. In particular, being an agency under the Executive Yuan, the CBC's budget is under the supervision of the government. Any attempt to resist inflationary public debt is not credible. Therefore, the first step to improve CBI is to make the CBC an independent agency outside the executive government so that it can function autonomously without the supervision of the government.

In the followings, we discuss, using again the CWN clusters, the possible changes in the *CBC Act* that should improve its statutory independence.

Cluster (1) - CEO:

CBI is characterized by insulation from influences and pressures by public-elected government officials. The supposedly nonpartisan and depoliticized approach to policy making is the core idea. However, the board members of central banks are usually appointed by the executive branch of the government. Therefore, central banks that are formally independent can still be influenced politically via the appointment procedure.

To be free from political contingencies, the members of the Board of Directors should serve for longer terms than that of the government executives who appoint them. In Taiwan, it is the President of the Republic who appoints the members of the Board of Directors of the CBC. The term of Taiwanese presidents is four years, and any president can be re-elected once. Therefore, the ideal term of office for the CBC directors is longer than eight years. A long tenure for the monetary policy makers is also a necessary design because the virtue attributed to CBI is that it helps to pursue the objective of long-term price stability. Long tenures make policies more consistent and reduce the volatility of the policy shocks due to turnovers of office.

To be further immune from political pressures, the directors should serve staggered terms so that any president does not have the opportunity to appoint the majority of the board members of an independent central bank. Furthermore, if the president cannot appoint the majority of the board members, electing the governor of the central bank by the board members further reduces the political influence from the executive government. This way of CEO appointment also reduces the degree of tenure overlaps between the central bank governor and the political authorities.

There is no rule against the CBC governors to hold another office in the government. Indeed, it has happened before. As to the board members, the Minister of Finance and the Minister of Economic Affairs are ex officio directors and executive directors. These clearly show the political influence of the government on the CBC. Therefore, building rules in the laws that prohibit the executive government to appoint a minister of the government to the central bank is necessary for a legally independent CBC.

Cluster (2) - Policy formation:

Recall that there are three legal variables in this cluster: (i) Who formulates monetary policy? (ii) Who has final word in resolution of conflict? and (iii) Role in the government's budgetary process. Politicians have the intention to manipulate policy instruments to improve their electoral prospects or to respond to the preferences of their own party. To avoid politically induced price volatility, one of the simplest solutions is to delegate monetary policy away from the politicians. If governments are not able to set monetary policy, neither are they able to pursue political business cycles using this instrument. Therefore, revising the *CBC Act* to make the CBC an independent agency that has sole responsibility for the monetary policy without the supervision of the government is the way to improve the coding in these variables.

Cluster (3) - Objectives:

A more independent central bank has a higher prominence given to the objective of long-term price stability. Any other stated objective in the law reduces CBI because, once there exists conflict of interests, the central bank faces trade-offs among goals and may generate unnecessary inflation bias.

Recall that the objectives stated in the *CBC Act* are “1. To promote financial stability; 2. To guide sound banking operations; 3. To maintain the stability of the internal and external value of the currency; 4. To foster economic development within the scope of the above objectives.” Among these objectives “the stability of the internal value of the currency” is the goal of price stability. The “external value of the currency” is the exchange rate.

The objective of economic development is clearly the goal that hinders the CBI because this is where the government puts pressure on the central bank. It is a consensus that monetary stability is an important key for the long-run economic development. The role that the central bank can play as an agent of development is to create a context of monetary stability. Due to the existence of short-run trade-offs between output and inflation, the specified goal of economic development provides politicians with an alternative interpretation. Governments trying to improve their reelection chances have the intention to induce inflationary shocks that could momentarily boost output. Without the responsibility of short-run economic growth, the central bank can be heralded as a necessary check to self-interested politicians.

For the financial stability and the exchange rate stability, research in the literature has shown that the central bank’s monetary policy should not react to asset price movements and financial imbalances over and above their impact on the inflation outlook [e.g., Bernanke and Gertler (1999, 2001), Goodfriend (2002), and Greenspan (2002)]. Therefore, when there is a conflict of interests between maintaining stabilities of asset prices and controlling inflation, putting these objectives in law would complicate the task of the central bank.

More recently, both in academia and in the practice of central banking, there are many supporters of the view that the task of supervising banks should be taken away from the central banks. The separation of supervision from central banking is a feature of the European Central Bank. There are at least three arguments that support this view. First, again, when there is a conflict of interest, the attrition of the bank supervision function to the central bank would damage its anti-inflation credibility. For example, in case of a rising inflation, a central bank with responsibility of supervising the banking system may be reluctant to impose a monetary restriction because it may have negative effects on the banking system.

Second, supervising and regulating the banking system increase the possibility that the banking sector would seek to lobby the government to reduce the central bank’s independence. Finally, understanding the behavior of price dynamics and building macroeconomics models to forecast inflation are very complicated tasks and therefore, require full-time specialists in the conducts of monetary policies. The responsibility of regulating and supervising the banking system should be delegated to another group of experts in financial markets who have a thorough understanding of all facets of financial markets, including financial assets and financial market regulations.

In Taiwan, the Financial Supervisory Commission was established in 2004 to take over the responsibility of the supervision of the banking sector. Therefore, the second objective (to guide sound banking operations) can be removed accordingly.

Cluster (4) - Limitations on lending to the government:

A central bank free from political intervention is able to boost fiscal discipline by preventing the governments from engaging in inflationary deficit spending. An independent central bank is barred from lending to the government, thus imposing austerity and stability on the economy. As shown in Section 2, there is basically no limitation on lending to the government specified in the *CBC Act*. Adding to the fact that the CBC is defined as a government agency, without having specific restrictions on financing the government makes political inflationary bias very possible.

5. Conclusion

Like most of the central banks in the world several decades ago, the Central Bank of the Republic of China (CBC) was established as a government bank, functioning as a development bank that provided funds to government for the financing of public expenditures and addressed balance of payments problems. In the past thirty years, however, economic theories on central banking have attributed significant importance to the concept of credibility of monetary policy and central bank independence (CBI). Nowadays it is widely believed that price stability is the most important monetary policy objective, and that a necessary condition for monetary policy to successfully achieve this goal is the policymaker’s credibility of commitments to price stability. Even if it is not conclusive that CBI is a necessary and exogenous cause of low inflation, it is well accepted that an independent

central bank with explicit mandate to stabilize inflation is an important institutional device to increase the central bank's credibility and to assure price stability. As a result, most central banks in today's world have substantially higher levels of legal independence than twenty years ago. The role of central banks as a development bank has mostly disappeared. The CBC, however, has not changed its statutory independence for more than thirty years.

This paper critically reviews the *Central Bank of the Republic of China Act* and finds that the level of legal independence of the CBC is relatively low compared to the rest of the world. In particular, being a government agency under the Executive Yuan and having no specified restrictions on lending to the government are the key aspects that reveal the dependence of the CBC.

Although Taiwan has been able to combine low inflation with a legally dependent central bank, this paper argues that institutional reforms to grant the CBC more independence are in urgent need. Domestically, the fast changes in the political system moving toward a two-party system justify the need for a legally independent central bank free from political influences. Partisan turnovers are expected in the future and potential threats of politically induced inflation cannot be ignored.

In addition to the benefit of establishing credibility to the public, a more independent CBC can help Taiwan signal credibility to the international financial system and boost her status and prestige in the international community. CBI plays an important role in today's global market. Monetary policy convergence across countries is the most effective way to fight financial turbulence in the global markets. To integrate into the global economy and excel in the age of globalization, Taiwan needs to conform to the global standard of CBI. Furthermore, monetary and exchange rate policies controlled by an independent central bank are anti-inflationary and free from the intervention from the politicians. A more independent CBC helps Taiwan reduce the skepticism of foreign observers and increase credibility of her currency in the international exchange markets.

As a final note, in addition to improving its legal independence, the issue of transparency of the CBC cannot be overlooked. In the absence of independence, transparency is not necessary because the conduct of monetary policies is subject to the supervision of the executive government and legislature. Once an independent central bank is established, however, delegation of authority to this non-elected institution should be accompanied by transparency. A transparent central bank communicates its intentions to the public and reduces the public's uncertainty about its policies and goals. Transparency and good communication with the public not only make the monetary policy more effective by anchoring the public's inflation expectations, but also reduce the likelihood that the government may revoke the independence of the central bank for political reasons.

References

- Alesina, A. (1988). Macroeconomics and Politics. *NBER Macroeconomic Annual*. MIT Press, Cambridge, MA, 13–52.
- Alesina, A. (1989). Politics and business cycles in the industrial democracies. *Economic Policy*, 8, 57–98.
- Alesina, A., Summers, L. (1993). Central bank independence and macroeconomic performance: some comparative evidence. *Journal of Money, Credit and Banking*, 25, 151–162.
- Bade, R., Parkin, M. (1988). Central Bank Laws and Monetary Policy. University of Western Ontario. Manuscript.
- Baines, A. C. (2001). Capital mobility, perspective and Central Bank independence: Exchange rate policy since 1945. *Policy Sciences*, 34(2), 171-193.
- Barro, R.J., Gordon, D. (1983). Rules, discretion, and reputation in a positive model of monetary policy. *Journal of Monetary Economics*, 12, 101-121.
- Bernanke, B. and Gertler, M. (1999). Monetary Policy and Asset Price Volatility. Federal Reserve Bank of Kansas City *Economic Review*, 84(4), 17-51.
- Bernanke, B. and Gertler, M. (2001). Should Central Banks Respond to Movements in Asset Prices? *American Economic Review*, 91(2), 253-257.
- Berger, H., de Haan, J., Eijffinger, S.C.W. (2001). Central bank independence: an update of theory and evidence. *Journal of Economic Surveys*, 15, 3-40.
- Campillo, M., Miron, J.A. (1997). Why does inflation differ across countries? In: Romer, C.D., Romer, D.H. (Eds.), *Reducing Inflation: Motivation and Strategy*. University of Chicago Press, Chicago, 335 – 357.
- Cermeño, R., Grier, R. and Grier, K. (2010). Elections, Exchange Rates and Reform in Latin America, *Journal of Development Economics*, forthcoming.

- Cover, J. P., Hueng, C. J. and Yau, R. (2002). Are Policy Rules Better than the Discretionary System in Taiwan? *Contemporary Economic Policy*, 20 (1), pp. 60–71.
- Crowe, C. & E. E. Meade. (2007). The Evolution of Central Bank Governance around the World. *Journal of Economic Perspectives*, 21(4), 69-90.
- Cukierman, A., Webb, S. B. and Neyapti, B. (1992). Measuring the independence of central banks and its effects on policy outcomes. *The World Bank Economic Review*, 6, 353-398.
- Eijffinger, S., Schaling, E. (1993). Central bank independence in twelve industrial countries. *Banca Nazionale del Lavoro Quarterly Review*, 184, 64–68.
- Forder, J. (1996). On the measurement and assessment of ‘institutional’ remedies. *Oxford Economic Papers*, 48, 39–51.
- Goodfriend, M. (2002). Interest Rate Policy Should Not React Directly to Asset Prices, in *Asset Price Bubbles: The Implications for Monetary, Regulatory and International Policies*, (eds. William Hunter, George Kaufman and Michael Pomerleano), MIT Press, 427-444.
- Greenspan, A. (2002). Opening Remarks, in *Rethinking Stabilization Policy*, Federal Reserve Bank of Kansas City, Kansas.
- Groenewold, N. and Tang, S. H. K. (2004). The Asian financial crisis and the natural rate of unemployment: Estimates from a structural VAR for the newly industrializing economies of Asia. *Pacific Economic Review*, 9 (1), 45-64.
- Grilli, V., Masciandaro, D., Tabellini, G. (1991). Institutions and policies. *Economic Policy*, 6, 341-392.
- Gwartney, J., Lawson, R., Park, W. and Skipton, C. (2001). Economic Freedom of the World: 2001 Annual Report. Vancouver, BC: The Fraser Institute. [Online] Available: www.freetheworld.com.
- Hayo, B. (1998). Inflation culture, central bank independence and price stability. *European Journal of Political Economy*, 14, 241 –263.
- Hayo, B. and Hefeker, C. (2002). Reconsidering central bank independence. *European Journal of Political Economy*, 18, 653–676.
- Kuttner, K.N., and Posen, A. S. (2001). Beyond Bipolar: A Three-Dimensional Assessment of Monetary Frameworks. *International Journal of Finance and Economics*, 6, 369-387.
- Kydland, F.W., Prescott, E.C. (1977). Rules Rather Than Discretion: The Inconsistency of the Optimal Plans. *Journal of Political Economy*, 85, 473 –491.
- Polillo, S. and Guillén, M. (2005). Globalization Pressures and the State: The Worldwide Spread of Central Bank Independence. *American Journal of Sociology*, 110(6), 1764-1802.
- Posen, A.S. (1993). Why central bank independence does not cause low inflation. In: O’Brian, R. (Ed.), *Finance and the International Economy*, vol. 7. *The Amex Bank Review Prize Essays*. Oxford Univ. Press, Oxford, 40 –65.
- Rogoff, K. (1985). The optimal degree of commitment to an intermediate monetary target. *Quarterly Journal of Economics*, 100, 1169 –1190.
- Romer, D. (1993). Openness and Inflation: Theory and Evidence. *Quarterly Journal of Economics*, 108 (4), 869–903.
- Walsh, C. E. (1997). Inflation and central bank independence: is Japan really an outlier? *Bank of Japan Monetary and Economic Studies*, 15, 89-117.

Notes

Note 1. For a detailed survey of this literature, see Berger, de Haan, and Eijffinger (2001) and Hayo and Hefeker (2002).

Note 2. Even though the CBC is not included in this study, its CBI score from Cukierman, Webb, and Neyapti (1992) is still applicable because its statutory independence has not changed since.

Note 3. The only implicit limitation on lending to the government is embedded in the government’s public debt constraint. This is specified in Article 4 of the *Public Debt Act*: “The forecast outstanding of public debt extending more than one (1) year as taken out by the central and local governments, on the general budgets, special budgets, and in the form of extraordinary fund budgets beyond the operating funds and trust funds, shall

not exceed forty-eight percent (48%) of the average gross national product (GNP) of the previous three years as forecast by the Executive Yuan Directorate General of Budget.”

Note 4. Those are current OECD countries whose GDP deflator data are available, including Australia, Belgium, Canada, Denmark, Finland, France, (West) Germany, Greece, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, UK, and USA.

Note 5. <http://www.bas-association.org.tw/catalog/arts/09401034.pdf>, unpublished internal research, in Chinese.

Note 6. These include the general elections of the President in 1996, 2000, 2004, and 2008, and the elections of the legislators of the Legislation Yuan in 1980, 1983, 1986, 1989, 1992, 1995, 1998, 2001, 2004, and 2008.

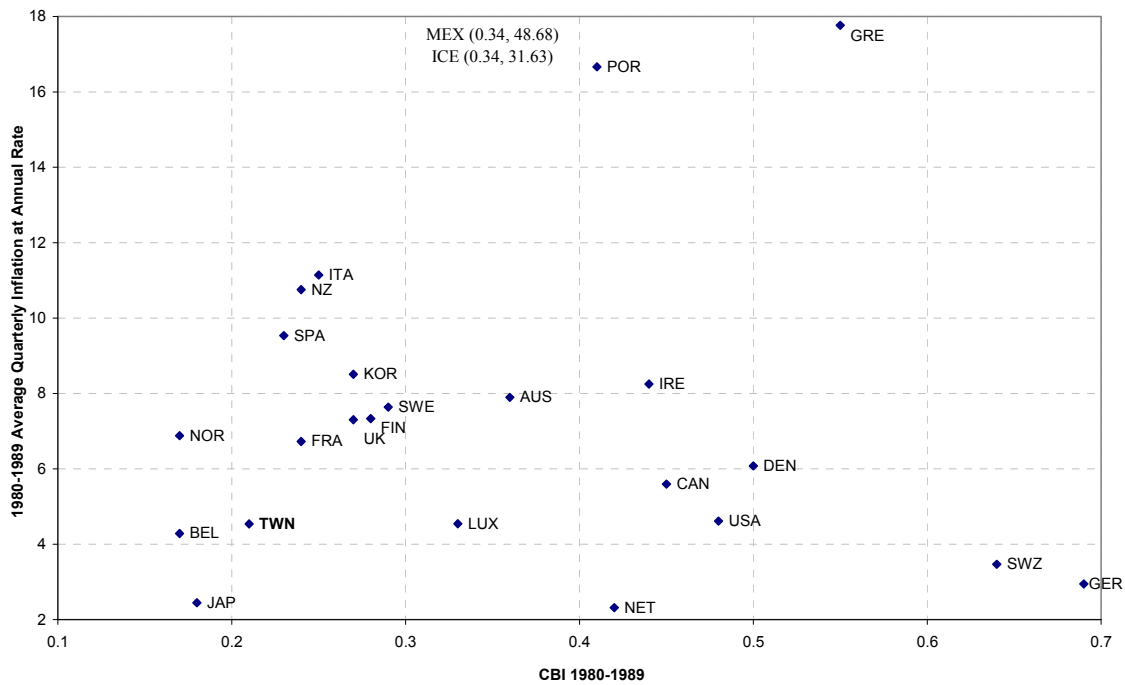


Figure 1. Average Inflation against CBI (1980-1989)

** See Endnote 4 for the countries included in this figure

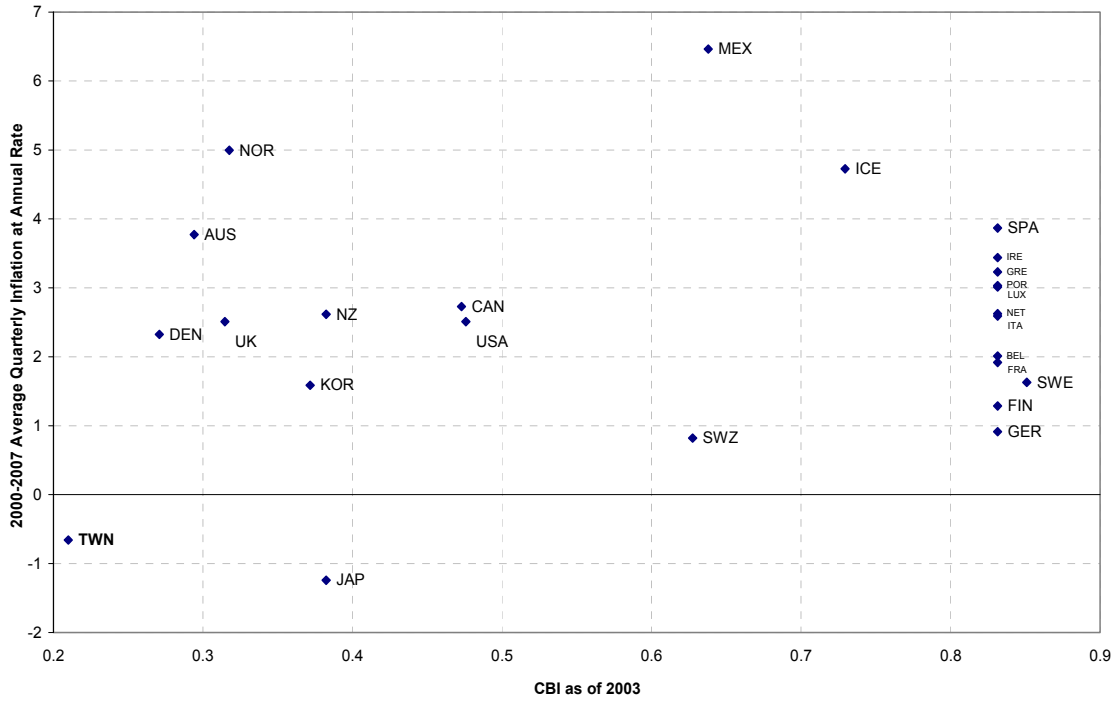


Figure 2. Average Inflation against CBI (2000-2007)

** See Endnote 4 for the countries included in this figure.

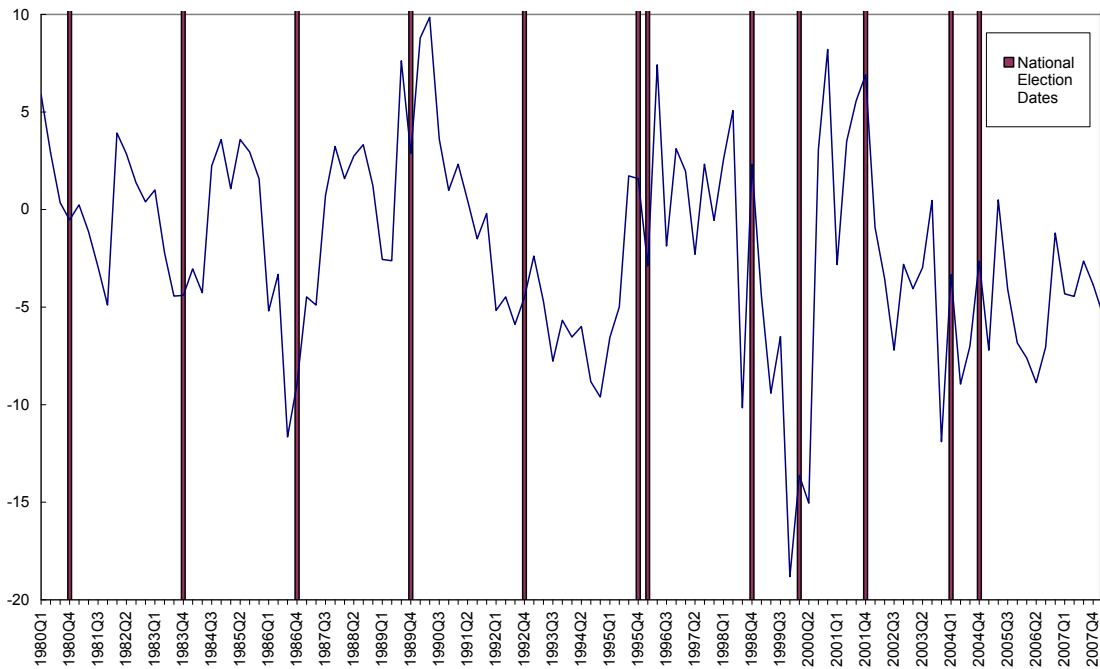


Figure 3. Growth rate (% change from the same quarter a year ago) of government expenditure/GDP ratio

China's Reform and Opening Process – A Fundamental Political Project

Christian Ploberger

Department of Political Science and International Studies

University of Birmingham

4 Moorland Rd, Edgbaston, Birmingham, B 16 9 JP, Great Britain

Tel: 44-781-036-3780 E-mail: cploberger@hotmail.com

Abstract

The reform/opening process led to a dramatic and persistence economic growth and catapulted China among the major economic nations in the world. Yet, when focusing on this economic success it is all too easy to neglect the crucial role politics played in this process. It is critical to remember that in the aftermath of the Cultural Revolution the Chinese Communist Party (CCP) faced a fundamental political crisis, which informed the underlining dynamics of the subsequent reform process. Consequently, it should be emphasised, that the reform/opening process provides an illustrative example of a political project. In order to develop a deeper insight into the complex political-economic changes we observed in China since the reform process begun, I am focusing on particular issues encompassing the change in ideology; changes in the role of the market; and the response to the political-economic challenges arising in rural China.

Keywords: Political change, Political legitimacy, State theory

1. Introduction

The aim of this paper is to evaluate the underlining rationale of the reform/opening process and the specific political-economic impact the reform/opening project had on the developments in China. Albeit the reform process generated tremendous economic success, it also led to the development of increasing disparities in income and development between and within provinces and between the rural and urban areas thereby generating various social and economic fractions within China. It is of critical importance, to remember that the reform/opening process was launched with the aim of addressing an increasing legitimacy deficit the Chinese Communist Party (CCP) and its leadership faced in the aftermath of the Cultural Revolution as well as in addressing serious economic underdevelopment. In facilitating the reform/opening process, the Party had to re-formulate crucial aspects of its guiding ideology, this process did not happen without tense internal conflicts. So far, the Party showed an astonishing ability of doing so, yet the question remains: will the Party be able of adapting its guiding ideology in the future as well? In order to develop a deeper insight into the complex political-economic changes we observed in China since the reform process began and the political-ideological challenges these changes represent, a comprehensive analysis is required. This paper will use a variety of primary resources, especially documents from various Party Congresses since the begin of the reform process to analyse, identify and trace the numerous innovations which accompanied the reform/opening process and which were necessary to align concrete developments with the guiding ideology of the Party. In addition, there is also a specific focus on particular issues encompassing changes in ideology and changes in the role of the market.

To begin with, it is crucial to develop a comprehensive understanding of the political-ideological and economic challenges the Party faced in the aftermath of the Cultural Revolution, as these challenges underlined its reform/opening agenda.

2. Pressure for reforms

To identify the underlining dynamics of the reform/opening project, it is critical to remember that the CCP faced a fundamental political-ideological crisis in the aftermath of the Cultural Revolution, as the excesses of the Cultural Revolution undermined to a considerable extent the political legitimacy of the CCP to rule. These challenges became very explicit, as the popular trust in its moral and political virtue was almost completely eroded and the disillusionment with the Party increased dramatically not only within the wider population but among its members as well. Consequently, the pressure to re-legitimise its dominant political position in the

aftermath of the Cultural Revolution generated a formidable political challenge for the CCP. Additionally, the backwardness of China's economy, especially in the international context, not only presented a political-economic challenge but also inherited a significant political-ideological component, by challenging the assumption that, as maintained by the CCP, socialism represented not only an alternative, but a more successful avenue of economic development than capitalism does. Accordingly, the superiority of socialism should present itself in the speed of economic development. Yet, the situation we can observe in the late 1970s represented a quite different economic reality as non-socialist states are clearly developing at a much faster rate than China did at that time. Overall, China's underdevelopment became further accentuated when compared with the economic development in other parts of East Asia. Undeniably, if socialist inspired economic growth could not surpass capitalist based growth, socialism risked losing much of its legitimacy and could deprive the CCP of its ideological based claim of legitimacy. Consequently, it is imperative to recognise, that the reform/opening process should not be interpreted as an unavoidable course of action informed by the process of globalisation or as a response to international pressure. Instead, the reform/opening process represents a fundamental political project, indicating the political challenges the Party faced and the need to address various shortcomings within the established political-ideological setting.

Having emphasised the challenges the CCP and its leadership faced in the mid to late 1970s, it is crucial to be aware that a crisis does not simply refer to a situation of immediate breakdown, but instead represent a strategic moment of decision-making. A crisis therefore represents a critical and decisive juncture in the development of a state and its internal structure, by providing an opportunity for re-thinking or re-building of an existing institutional setting. (Note 1) It is also essential to remember, that although stability seems the norm, change is an inherent, constant, factor of political life and political structures are in a continual process of transformation. Yet, the occurrence of a crisis is characterised by increasing the pressure for change and the dynamic underlining this pressure may accelerate. In addition, the structural environment within a specific reform process happens, the specific political-economic context, matters to a considerable extent. The critical impact of existing state structures became apparent, when considering, what Hall describes as economic, administrative, and political viability (Note 2) the extent to which new policy measurements are suitable and will correspond with the existing political-ideological framework. This is a strong reminder of the significance of economic, political and administrative viability on the formulation and dynamic of various reform strategies as not all available courses of action are seen as legitimate within the framework of the governing ideology. Overall, each reform process inherits a specific political logic. The selection of a particular reform approach in itself indicates the existence of this explicit political logic and the critical role the existing state structure plays in this selection process as well as during the implementation of the selected reform strategy.

3. Tracing the political-ideological challenges and changes between the 12th and 17th party congresses

In a political system where ideology takes such a centre place as in the 1970s China, it was and still is essential that the reform measures were legitimised in ideological terms, albeit the economic success of the reform strategy was instrumental for its acceptance. Providing an ideological foundation for the reform strategy reflected the agendas of all National Party Congresses from 1978 onwards and essential theoretical debates started in the late 1970s and early 1980s. Eventually, pragmatic considerations replaced ideological dogmata, especially regarding economic issue. Yet, periodical appearing economic problems intensified the political-ideological debate regarding the ideological correctness of the reform/opening project. In the context of the early political-ideological debates, the Third Plenum of the Eleventh Central Committee in 1978 not only signalled the begin of the reform/opening period, but in endorsing Deng's dictum on 'practise as the sole criterion of truth', also strengthens Deng's position in defining ideological orthodoxy. Deng emphasised at a speech in 1979 that: 'If we fail to seek truth from facts, all our meetings will be nothing but empty talk, and we will never be able to solve any problems.' (Selected Word of Deng Xiaoping Volume II 1975-82, 'Speech at the all-army conference on political work', June 2, 1978) Two critical theoretical debates of the early 1980s focusing on the 'practice criterion' and the 'criterion of productive forces' where crucial steps in re-defining China's economic ideology. Deng Xiaoping stressed in 1979, that

'Scientific socialism develops in the course of actual struggle, and so do Marxism-Leninism and Mao Zedong Thought. (...) We will not allow Marxism to re-main arrested at the level when particular theses arrived as long as a century ago. This is why we have often repeated that it is necessary to emancipate our minds, that is, to study new situations' (Selected Word of Deng Xiaoping, Volume II, 'Uphold the Four Cardinal Principles', March 30, 1979)

These ideological debates aimed at solving new problems by applying the basic tenets of Marxism-Leninism and Mao Zedong Thought, and in doing so providing political-ideological legitimacy for the reform/opening process.

It is critical to recognise that the reform leadership and Deng Xiaoping himself linked various reform measures and strategies to political-ideological positions Mao Zedong held in earlier times to increase the legitimacy of the reform/opening strategy. Yet, Deng Xiaoping was quite explicit about the limits of re-interpreting the ideological foundations the Revolution and the Party rest on: 'Our Party's unity is based on Marxism-Leninism and Mao Zedong Thought' and 'Without Mao Zedong Thought, the Communist Party of China would not exist today' (Selected Word of Deng Xiaoping Volume II 1975-82, 'Emancipating the mind, seeking truth from facts and unite as one in looking to the future', December 13, 1978). Deng maintained at the 12th Party Congress, as pointed out by Chen, that the Party was following the correct line by implementing the reform/opening project, which was articulated by Liu Shaoqi at the Eighth Party Congress in 1956. Yet, back in 1956, this approach, which favoured the development of the productive force, was not implemented for ideological reasons (Chen, 1995). The fundamental nature of the ideological conflict relates to the issue of adhering to the right ideological position and its relevance for addressing the present challenges the Party and China are facing. The critical importance of the Twelfth Party Congress, held in September 1982, was not only underlined by the issue of dealing with the outcome of the Cultural Revolution, but also in defining the principles, strategies and policies underlining the socialist modernisation project. In his opening address to the 12th National Party Congress, Deng Xiaoping not only put forward the idea of building socialism with Chinese characteristics but also described the challenges ahead:

'In carrying out our modernization programme we must proceed from Chinese realities. Both in revolution and in construction we should also learn from foreign countries and draw on their experience, but mechanical application of foreign experience and copying of foreign models will get us nowhere. (...) We must integrate the universal truth of Marxism with the concrete realities of China, blaze a path of our own and build a socialism with Chinese characteristics that is the basic conclusion we have reached after reviewing our long history' (Selected Word of Deng Xiaoping Volume II 1975-82 'Opening Speech at the twelfth National Congress of the Communist Party of China September 1', 1982)

Albeit Deng's position represents a strong political statement, the political-ideological challenge continued. At the 13th National Party Congress in October 1987, Zhao Ziyang emphasised, as Deng did before, that Marxism is a science that continuously develops in practice and as the world is undergoing immense changes, Marxism too needed to widen its vision, by developing new concepts and entering new theoretical territory (China in Focus, 1987). The 13th National Party Congress followed Deng Xiaoping, by emphasising that: 'To build socialism with Chinese characteristics is to integrate the universal truth of Marxism with concrete practice in China' (China in Focus, 1987). To provide an ideological correct rationale for the ongoing reform/opening process, the reform leadership introduced the concept of the 'primary stage of socialism', emphasising that the 'primary stage of socialism' represent a specific historical and transitional stage. In his report, Zhao Ziyang highlights two specific and related features of the primary stage thesis: China, albeit being a socialist country, is still in the primary stage of socialism, because of the backwardness of its productive forces. Hence, China cannot take the socialist road without developing capitalism first. Another critical and related feature is that neither the commodity economy nor the domestic markets are fully developed. We should remember that during the Maoist-period, the market and a commodity economy have been interpreted as the antithesis of socialism and of a socialist economy. The 13th National Party Congress also emphasised that the existing contradiction between the expanding material and cultural needs of the people, and the actual backward production capabilities represent the principal condition in Chinese society today. To overcome this contradiction, China has to expand the commodity economy, to raise labour productivity, to modernise its industry and agriculture. Indeed, class struggle no longer represented the principal contradiction (China in Focus, 1987). This echoed statements made by Deng Xiaoping back in 1979, emphasizing that the reform/opening process represented a continuation of the socialist path, stressing that

'The aim of our revolution is to liberate and expand the productive forces.' adding that '[w]ithout expanding the productive forces, making our country prosperous and powerful, and improving the living standards of the people, our revolution is just empty talk.' (Selected Word of Deng Xiaoping Volume II 1975-82, 'We can develop a market economy under socialism'; November 26, 1979)

Even as the pressure of reforming China's socialist economy increased over the course of the reform/opening process, the political-ideological discourse to what extent various market economic features should be integrated with China's socialist economy represented a critical issue throughout the reform process and was primarily framed within the discourse of modernizing and liberalizing the productive force. Being aware of potential critics from the left, that he is taking the capitalist road, Deng Xiaoping stressed that: 'It is wrong to maintain that a market economy exists only in capitalist society (...). We can surely develop it under socialism' (Selected

Word of Deng Xiaoping Volume II 1975-82, 'We can develop a market economy under socialism' November 26, 1979). As the political-ideological debate continued, Deng Xiaoping had time and time again to emphasise the ideological correctness of integrating market features into China's socialist economic system. For example in October 1985 he pointed out that it is of utmost important to overcome the underdeveloped and inefficient productive forces, emphasising

'[w]e used to have a planned economy, but our experience over the years has proved that having a totally planned economy hampers the development of the productive forces to a certain extent', yet '[i]f we combine a planned economy with a market economy, we shall be in a better position to liberate the productive forces and speed up economic growth.' (Selected Words of Deng Xiaoping, Volume III 1982-1992, 'There is no fundamental contradiction between socialism and a market economy' October 23, 1985)

Eventually, the idea of integrating market economic features into a socialist economy was progressively accepted into the political-ideological discourse, and the 13th National Party Congress endorsed the argumentation that a socialist planned commodity economy integrates planning with the market. Planning should be done according to the principle of commodity exchange and the law of value and it was emphasised, that under the condition of socialism, planning and the market are not mutually exclusive and that they can be integrated. The 13th National Party Congress also confirmed that the reform policy conducted since the Third Plenary Session of the 11th Party Central Committee is correct Marxist policy. This indeed made a crucial change in the political-ideological debate within the CCP. However, favouring the extension of the commodity economy without abolishing the socialist economic system reaffirmed the reform leadership's desire to establish a hybrid economic system by combining socialism and market economy features with the critical aim to improve the efficiency of China's socialist economy (Mah, 1990). Yet, as the reform/opening process deepens and the reform leadership faced repeated periodical economic downturns, the division within the reform camp became more accentuated. The increasing tensions between Deng Xiaoping and Chen Yun are a visualized representation of this development. Although being closely allied at the beginning of the reform period, their relationship steadily deteriorated, as they held divergent opinions over the proper course the reforms should take. Chen's approach towards reform was to work within the basic framework of the planned economy thereby maintaining the leading position of the state-planned sector. (Note 3) He was also very concerned regarding possible negative consequences of integrating China's economy into the international economy (i. e. dependence on the outside world) whereas Deng Xiaoping favoured a wider reform of the socialist economy (i.e. including a marketization and opening to the outside). Yet, the influence of the conservatives and the Left was strongly felt when formulating various reform strategies and constituted a continuing challenge for the reform leadership. For example, in the aftermath of the Tiananmen protests, a conservative backlash occurred and Chen Yun's economic view – that the planned economy is primary and the market economy only supplementary – regained prominence in November 1989. However, this prominence did not last for too long, especially when economic development began to slow. This reminds us on the critical issue of generating strong economic growth for facilitating the political acceptance of the reform/opening process. Nevertheless, the evaluation so far clearly indicates that ideology continued to be a crucial subject, and the political-ideological challenge did not fade away as the debates on the two following National Party Congresses (14th and 15th) clearly signified.

To address the persistent ideological challenges the reform oriented leadership had to re-define the official ideology, before it could be used as an effective tool for legitimating the reform/opening process. Albeit the reform oriented leadership eventually succeeded, modifications in the official ideology were not secured until the 14th National Party Congress in October 1992. The 14th National Party Congress reaffirmed the relevance of Deng Xiaoping Theory, acknowledged the success of the reform/opening process so far and emphasised that the establishment of a socialist market system represent the major task of the reform drive in the 1990s. However, as mentioned before, it was critical that the reform/opening strategy was successful in economic terms. Indeed the reform process created a sustainable momentum of economic growth and prosperity and in doing so became increasingly political accepted as well. Hence, economic success had a critical impact on the political-ideological debate. However, the underlining fragility of this economic growth strategy surfaced, when the expected economic gains did not materialise or at times when the economy faced difficulties (surging inflation etc.) as happened at various occasions during the 1980s and 1990s. While such ups and downs in economic performance are almost an inherent part of economic development in general, and of a reform project in specific, these cycles in economic performance were instrumentalised by the opponents of the reform/opening process to challenge the course and direction of the reform/opening process. Therefore, not surprisingly, at times of economic retrenchment, the theoretical conflict over the political-ideological correctness of the various reform/opening strategies immediately surfaced and intensified. Confirming the continuity of the reform/open process and

indeed its acceleration at the 14th National Party Congress was also crucial because it was the first Party Congress after the 1989 demonstrations, the downfall of Zhao Ziyang and the collapse of Communist rule in Eastern Europe. In addition, the period up to the Congress also witnessed not only the disintegration of the Soviet Union, but the end of the Soviet Communist Party itself. For many observers and analysts, the question was: would developments in China follow that in Eastern Europe, albeit this did not occur, the above mentioned developments clearly resonated within the Chinese Communist Party and the Chinese leadership. Overall, we should not ignore the fundamental political-ideological challenges the demise of communist rule in Eastern Europe and in the Soviet Union presented for the leadership in Beijing, in addition to the political fallout linked to the oppression of the Tiananmen protests. Together, these developments increased again the pressure on the political legitimacy of the CCP significantly. Nevertheless, as future developments clearly indicated, the end of the Cold War also changed the international environment for the better with regard to China's international position and facilitated the continuous reform/opening process as it stimulated international economic cooperation. Furthermore, the challenges as well as the gains made are a reminder of the relevance of the international environment for a domestic reform project. For the backdrop of the above-mentioned political-ideological challenge, providing economic growth became an ever-increasing characteristic of the CCP's legitimacy to rule. Deng Xiaoping himself acknowledged this in the spring of 1992:

'Anyone who attempted to change the line, principles and policies adopted since the Third Plenary Session of the Eleventh Central Committee would not be countenanced by the people; he would be toppled.' Adding that '[h]ad it not been for the achievements of the reform and the open policy, we could not have weathered June 4th.' (Selected Words of Deng Xiaoping, Volume III (1982-1992); 'Excerpts from talks given in Wuchang, Shenzhen, Zhuhai and Shanghai' January 18 - February 21, 1992)

An important topic, rightly anticipated by Deng and other reform leaders, was that the mixed economy could enhance the productive forces, thereby providing the market with an integral role in the modernisation project. The position adopted at the 14th National Party Congress equalled Deng's own position who argued that there is no fundamental contradiction between socialism and a market economy, indeed he emphasised:

'The problem is how to develop the productive forces more effectively.' and in combining 'a planned economy with a market economy, we shall be in a better position to liberate the productive forces and speed up economic growth.' Adding '[d]oes this run counter to the principles of socialism? No, because in the course of reform we shall make sure of two things: one is that the public sector of the economy is always predominant; the other is that in developing the economy we seek common prosperity, always trying to avoid polarization.' (Selected Words of Deng Xiaoping Volume III (1982-1992 'There is no fundamental contradiction between socialism and a market economy' October 23, 1985)

This subject whether or not a shift towards a market economy will lead to a capitalist system was a contentious one and did not easily disappear. However, I will return to this issue in the following section when addressing the role of the market economy within the reform/opening process in more detail. Yet, as for the 14th National Party Congress, the concept of 'socialist market economy' became firmly established and replaced the previous concept of the 'planned, socialist commodity economy' which was presented at the Third Session of the 12th Central Committee in October 1984. Adhering to Deng Xiaoping's strategy also gave additional legitimacy to the new leadership, the first one that did not belong to the founding generation of Communist China. We should not overlook, that despite all the success the reform/opening process generated, the political-ideological challenge persisted. Indeed, the political-ideological issue still haunted the reform leadership and would become stronger in times of economic retrenchments.

The 15th National Party Congress, held in September 1997, endorsed the strategy of accelerating the building of socialism with Chinese characteristics by promoting a fundamental shift in the national economy, for guaranteeing further economic growth and advancing the wider goal of economic modernisation. Again, integrating market economic feature into China's socialist economy continued to be a critical topic and Jiang Zemin emphasised at the Congress that emancipating and developing the productive forces constitute a fundamental task of socialism:

'Building a socialist economy with Chinese characteristics means developing a market economy under socialism and constantly emancipating and developing the productive forces.' Adding '[w]e should uphold and improve the socialist market economic structure so that the market will play a basic role in the allocation of resources under state macro-control.' (Selected documents of the 15th CPC National Congress, 1997, p19).

Yet, he also outlined more specific goals when declaring '[w]e should accelerate the process of building a complete market system in the national economy' adding '[w]e shall continue to develop all kinds of markets, with emphasis on markets for capital, labor, technology and other production factors' (Selected documents of the 15th CPC National Congress, 1997, p. 26). Nevertheless, and as emphasised at earlier occasions, it was stressed that the state-owned sector must remain in a dominant position in major industries as well as in key areas which are related to crucial parts of the national economy. However, the increasing importance of the non-public sector as an important component of China's socialist economy was clearly stated (Selected documents of the 15th CPC National Congress, 1997, pp. 22-23). Even as one can identify similarities with statements and descriptions made by Deng Xiaoping and at earlier National Party Congresses, differences can be identified, as at the time of the 15th National Party Congress it was stressed as previously, that the public-ownership needed to be the dominant form throughout the economy. Albeit one could argue that this simply reflected the pragmatic attitude of the reform leadership, it also indicates how economic development put continuous pressure on addressing and dealing with the ideological question of how to justify the ongoing expansion of market driven developments into a supposedly socialist economy. A crucial step in resolving the pending ideological dilemma was the success of Jiang Zemin to elevate Deng Xiaoping Theory to another guiding principle for the CCP at the 15th National Party Congress. In his report Jiang Zemin emphasised that Deng Xiaoping Theory represented Marxism of present day China and 'seeking truth from facts' embody not only the essence of Marxism-Leninism, but of Mao Zedong Thought and of Deng Xiaoping Theory as well. Furthermore, and critically, Jiang Zemin argues, if we discard Marxist-Leninism and Mao Zedong Theory, we would lose the foundation for political legitimacy (Selected documents of the 15th CPC National Congress, 1997, p. 11, 14). Jiang Zemin also emphasised another of Deng Xiaoping's earlier statements that the development of the productive forces should be given first priority and also reiterates the importance of 'learning from facts', by highlighting, that no socialist country ever had attempted such a modernisation process. In addition, the concept of the 'primary stage of socialism' also figured prominently in Jiang Zemin's report, emphasising that China needs to accomplish industrialization and socialist modernization of the economy (Jiang Zemin's Report at the 15th National Congress of the Communist Party of China, 2009). He also re-affirmed that the principle contradiction in society is still one between the growing material and cultural needs of the people and the backwardness of production (Jiang Zemin's Report at the 15th National Congress of the Communist Party of China, 2009). In doing so, the leadership provided a powerful ideological justification for the ongoing reform/opening process. In addition, Jiang Zemin ranked the reform/opening era among the most important developments in China's recent history, positioning it at an equal level with the revolution of 1911 and the founding of the People's Republic of China in 1949 (Selected documents of the 15th CPC National Congress, 1997, pp. 4-5). Nevertheless, the leadership still needed to defend the reform/opening strategy in ideological terms. This continued need for adhering to the correct ideological line put considerable strain on the reform process and had a critical impact on the dynamic of the reform process. Yet, the very same process increasingly undermined the former paramount position of ideology. Furthermore, the ongoing political-ideological impact on the reform/opening process in China also highlighted the implications of a path-dependent reform process, where established institutions and policy concepts still assert certain influences on further developments. It also reminds us of the critical importance of political, administrative and economic viability, as outlined before. Responding to the requirement of addressing a changing social-economic environment, Jiang Zemin introduced the 'Theory of the Three Represents' (News of the Communist Party of China, 'Three Represents', 2009). By emphasising that the purpose of Chinese socialism was to enhance the country's production capacity, and as entrepreneurs just doing this, Jiang Zemin stressed, entrepreneurs are good socialists and therefore qualified to join the ranks of the Party. Yet, this approach stirred up a strong controversy with the conservative elements within the CCP, albeit Jiang Zemin was not the first to argue in this way. Chen Yun already presented similar arguments in a Speech at the Eight Party Congress in September 1956, by pointing out that:

'the overwhelmingly majority of the national capitalists do in fact possess, in varying degrees, a knowledge of modern techniques of production and management. We need such useful knowledge as they possess.' And 'it will be not to the advantage of the cause of the working class if they fail to enlist into its service those national capitalists who are willing to do their bit to build China into a prosperous and powerful socialist country.' (Yun, 1956)

However, we should remind ourselves that it was not so long ago that entrepreneurs represented the primary class enemy, not surprisingly arguing in favour of their integration into the Party did gather strong resistance from parts of the Party. Despite strong opposition from the left, Jiang Zemin succeeded in enshrining the 'Theory of the Three Represents' in the Party constitution at the 16th National Party Congress, held in November 2002, and it now stands along with Mao Zedong Thought and Deng Xiaoping Theory. In his political report to the

Congress Jiang Zemin pointed out that the ‘Three Represent’ represent ‘a continuation and development of Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory, and it reflects new demands on the work of the Party and the state arising from developments and changes presently occurring in China and the world over’ (News of the Communist Party of China, Three Represents, 2009). Again, clearly indicating that the requirement for addressing the ideological issue continues, despite the tremendous economic success the reform/opening process and the acceleration of this success generated as the data in Figure 1 clearly shows. In addition, to the impressive economic performance, Figure 1 also indicates that this success does not just reflect the availability of cheap resources, but is related to a distinctive growth of the secondary and tertiary sectors from the late 1990s onwards, thereby indicating not only strong economic growth but also a shift into more developed segments in its economy. This economic success also facilitated the ongoing process of combining the socialist economy with market guided instruments and the integration of public-ownership and private-ownership structures within a single economy. In his report to the 16th National Party Congress Jiang Zemin stressed that: ‘The socialist market economy has taken shape’ adding that ‘[t]o develop a market economy under socialism is a great pioneering undertaking never tried before in history (People’s Daily Online; ‘Full Text of Jiang Zemin’s Report at 16th Party Congress’, 2009). Jiang Zemin not only greatly valued the important role the market played in providing economic growth and development and in strengthening China’s position in the world, but called for further market reforms as well. He emphasised that by improving ‘the modern market system and tighten and improve macroeconomic control, [w]e should give a fuller play to the basic role of the market in the allocation of resources and build up a unified, open, competitive and orderly modern market system’ (People’s Daily Online; ‘Full Text of Jiang Zemin’s Report at 16th Party Congress’, 2009).

This embracing of a mixed economy continued at the 17th National Party Congress, and Hu Jintao stressed the leadership’s ongoing commitment to the reform and opening course and presented the related theoretical innovations as the correct way forward for China:

‘To sum up, the fundamental reason behind all our achievements and progress since the reform and opening up policy was introduced is that we have blazed a path of socialism with Chinese characteristics and established a system of theories of socialism with Chinese characteristics.’ Adding that ‘In contemporary China, to stay true to socialism means to keep to the path of socialism with Chinese characteristics.’ (Hu Jintao’s report at 17th Party Congress, 2009)

In addition, he too pointed out, that ‘building a moderately prosperous society in all respects is a goal for the Party and the state to reach by 2020’ (Hu Jintao’s report at 17th Party Congress, 2009). The 17th National Party Congress also saw a further commitment to theoretical innovations as well as a reaffirmation that economic development represents the principal task for the leadership. It was also confirmed that China was still in the primary stage of socialism. Among the theoretical innovations at the 17th National Party Congress we can identify the concept of ‘The Scientific Outlook on Development’. In his Speech at the 17th Party Congress Hu Jintao highlighted that this concept represent

‘a continuation and development of the important thoughts on development advanced by the previous three generations of central collective leadership of the CPC’ emphasising that ‘It is a scientific theory that in the same line as Marxism-Leninism, Mao Zedong Theory, Deng Xiaoping Theory and the important thought of Three Represents and keeps up with the times.’ (Hu Jintao’s report at 17th Party Congress, 2009)

He then outlined the basic components:

‘[It] takes development as its essence, putting people as its core, comprehensive, balanced and sustainable development as its basic requirement, and overall consideration as its fundamental approach.’ However Hu Jintao also added that ‘Social harmony is an essential attribute of socialism with Chinese characteristics (....).’ (Hu Jintao’s report at 17th Party Congress, 2009)

Albeit the concept of ‘The Scientific Outlook of Development’ was already mentioned at the 16th Central Committee in 2003, it was at the 17th National Party Congress, where the Party constitution was amended to incorporate this concept. In doing so, the Party and its leadership again show its determination to address the political-ideological challenges accompanied with the reform/opening process as well as to keep the Party the leading power in Chinese politics.

The above discussion identified strong elements of continuity as well as some novel theoretical contributions characterising the 17th National Party Congress as the CPC keep developing new concepts to integrate and address reform related issues within the political-ideological framework. This remind us, and clearly indicates, that despite the economic success the reform/opening process generated, the ideological challenge did not fade

away and adherence to the right ideological path – albeit re-defined on various occasions – remains a crucial issue for the CCP.

4. Economic development, inequality, and political discontent in rural China

The reform/opening process brought considerable economic development to China and its population, but not all of China's population were able to participate equally in this economic success. Yet, providing equality and economic development for the whole population represent a critical issue for the CCP. In December 1990, when Deng spoke in favor of integrating market economic features with the socialist economy he pointed out that: 'The greatest superiority of socialism is that it enables all the people to prosper and common prosperity is the essence of socialism. If polarization occurred, things would be different' (Selected Words of Deng Xiaoping, Volume III, 1982-1992, 'Size the opportunity to develop the economy', December 24, 1990). Yet, as the reform/opening process deepened, it generated its own dynamic which saw the steadily expansion of an increasing income and development gap between and within provinces as well as between rural and urban areas. Albeit the reform leadership accepted a development differential as unavoidable, but temporary, side effect on the road to modernisation, neither the dynamic nor the scale of this development were anticipated in full. The data presented below clearly indicating the dimension of this challenge. However, it is critical to remember that at various times, different economic sectors and strata of China's society profited from the reform/opening process. For example, the early reform measures within the agricultural sector brought enormous development and income opportunities to the rural communities, and thereby transformed the lives of huge parts of China's rural population. Nevertheless, not all rural communities were able to profit from these early reforms steps equally. In addition, the data presented in Figure 2 clearly highlighting not only that the trend of uneven economic development became increasingly pronounced as the reform/opening process continued, but the data also indicating an accelerating trend of development within the leading group of provinces from 2003 onwards. Another issue of inequality with equal critical implications are the increasing income gap between rural and urban areas, albeit rural areas profited from the early reform measurements as mentioned above. Yet, when evaluating this trend, not all data are pointing towards an increasing gap between rural and urban areas, as the data in Figure 3 and Figure 4 demonstrating. However, the increasing income gap becomes noticeably when focusing on the data presented in Figure 5. In addition, lesser development did not only result in lesser income opportunities for parts of the rural communities, but also had wider social and welfare implications. With the demise of the commune system many social services and rural infrastructure were also neglected, as for example the water irrigation system. This deterioration of infrastructure and welfare provisions at the local level within rural China continued as the reform/opening process continued, and represent an ever-increasing challenge for the political stability of rural China and by extension for the CCP. Mark Blecher emphasises that a source for the decline of rural infrastructure can be identified in the financial crisis many village governments faced since the reform period began, many are literally bankrupt (Blecher, 1997). To counter the rural administration's shortfall of income, local leaders introduced an array of taxes on the rural population, but as they often failed to deliver on their promises, rural protest dramatically increased. As noted by Linda Jakobson, instances of rural unrest increased markedly since the mid-1980s. In 1991 rural China witnessed 1.7 million cases of resistance, 8,200 cases of injured or killed township and county officials and the ransacking of 560 county-level offices (Jakobson, 2008). These increases of rural unrest are an ample indication for social generated tensions within rural China, and over time developed into a serious political issue for the CCP, overall, the stability of rural China is of critical concern for the government and the party. It should be stressed, that social inspired political instability represents the current most likely source in challenging the political dominance of the CCP. Overall, most of China's population still lives in rural areas and the political control over rural China is essential for the CCP's hold on power. Although the CCP continued to represent a key institution in rural China, abandoning the commune system has undermined its ability of mobilising the rural masses and to control local governments, hence weakened its grip on the rural areas and the rural population. In addition, as economic decisions were increasingly made in the private sector, the CCP's fading economic power further weakened the CCP position in rural China. In addition, and related, the CCP also faces an increasing legitimacy deficit in wide parts of rural China. A critical issue is the increase in the number of corrupt officials. Village Elections were seen as a method of increasing the accountability of cadres and in providing an additional basis for legitimacy for the CCP. (Note 4) The then vice-chairman of the National People's Congress Standing Committee, Peng Zhen, viewed them not only as a process conform with party rule, but hailed them as an instrument of tightening the party grip on parts of rural China., Peng went so far, to interpreted the issue of village democracy as a matter of 'life and death' for the ability of the Party to control rural China, as Village Election could prevent the further deterioration of cadre-mass relations in rural China. Arguing that the party itself was no longer able to supervise its rural cadres, but village election would enable the villagers to do so

(O'Brien and Li, 1999, p.469, 474). It is crucial to be aware, that village elections are not an aim in themselves, but representing a specific strategy of addressing the increasing instability within rural China and the emerging legitimacy deficit the CCP faces in rural China. Consequently, one should not expect that the introduction of Village Election will automatically lead to elections at other administrative levels of governance in China. The introduction of the Organic Law of the Village Communities in November 1987 finally brought official recognition of the village elections, albeit it did not end the disputes related to them, and critical voices remain. One contentious issue is, especially aired at the local, township, and county level that village committees may would become to independent from the party structure and therefore will hinder the implementation of national policies.

The developments we witnessed in rural China since the beginning of the reform period, are a good indication for the success as well as the challenges a specific regime face during a reform process, but equally highlighting the inherent dynamics and challenges of every reform process. There is no doubt, that the introduction of private aspects of agricultural production methods, the implementation and extension of market economic features into the rural economy added to the emerging social contradiction we can observe in today's China. However, it should not be forgotten that it was the success of the early reforms within the agricultural sector, which was instrumental, for extending the reform/opening process and to include urban areas and other industrial sectors as well. In addition, and critically, it also reminds us, that success at one stage of a reform process, does not guarantee success at a later stage as new developments and dynamics also provide new challenges to political legitimacy, despite past accomplishments. Finally, the reform/opening process is also a reminder that each reform process has its own dynamic, a dynamic that cannot be completely anticipated in advance

5. Conclusion

The main argument presented in this paper is to highlight that the reform/opening process represent a fundamental, conscious and deliberately political process, instead of an unavoidable outcome of international politics or global economic developments. Instead, the reform/process occurred as a response to the fundamental political-ideological challenges the Communist Party was confronted with in the aftermath of the Cultural Revolution. In the late 1970s the Party faced a combination of fundamental political-ideological and economic challenges, and had arrived at critical junction in its history, the reform/opening process represented a specific strategy of addressing these challenges. The reform/opening process also remind us that a crisis not only represents a period of great challenges but also offer the opportunity of reformulating fundamental political strategies. The paper identifies the extent and dynamic of political-ideological innovations, which were necessary to address the political-ideological challenges the various reform measures generated and that modernizing China's economy represented another critical issue. Not only did the aim of modernizing China constituted a prominent subject since the CCP was founded in the early 1920s, in addition, if China's economic development lay behind that of capitalist states, how can the socialist system be interpreted as the more successful one, a position emphasized by the Communist Party. As the reform/opening process continued and deepened the reform leadership constantly had to adapt the guiding ideology to integrate the economic reform measurements it introduced thereby creating and integrating new theoretical innovations into its guiding ideology. The argument put forward by the reform leadership was that in doing so, the Party not only advanced the understanding of Marxism, but in modernizing China it will fulfill one of its fundamental promises: that China became a powerful and respected nation again. Overall, economic development was and is interpreted as the central task since the reform/opening process began. The economic success generated was instrumental in re-legitimizing the Party as the leading force in Chinese politics. However, the inability of the government in directing international investment away from the coastal areas towards the interior and the western provinces, the disappointing outcome of its 'Go West' policy, provides an illustrative example for the limitation of politics. Furthermore, as the reform/opening process evolved we witnessed an emerging gap in development and income between and within provinces and between rural and urban areas. The economic data so far indicating that this trend will continue. This situation already increases the political pressure on the Party and could have the potential of undermining its legitimacy to rule, especially within rural China where most of China's population still lives.

Albeit the Communist Party so far showed a remarkable ability, not without strong internal disagreement, to reformulate various parts of its guiding ideology it still represent on open issue, to what extent it will be able of doing so in the future. We also should keep in mind that the reform process was launched by the Party to regain political legitimacy and this not only represents the crucial goal today, but also defines the limits and perimeters of the reform process, consequently limiting the options available for future adaptations. Albeit pragmatism worked for a long time, and quit successful, we still should ask ourselves will it always work? One day the Party

may find itself at another historical junction where it will have to decide which road it will follow, or more precise will be able to follow. Therefore, we should be rather cautious to conclude - albeit we witnessed an incredible economic success over the last thirty years - that the road ahead will be more or less a similar success story. Indeed, there exists a danger that we are too eager in accepting that future developments in China will mirror the successful experience of the previous thirty years. Over the reform period various leader, among them Deng Xiaoping and Hua Jintao, emphasised that socialism is an open system that keeps developing, consequently how the current and future leadership will interpret the meaning of socialism and the path it will follow, will be of crucial importance, not only for China and its population, but for the world as well. One thing is for sure, whatever the answer, the world will listen.

Acknowledgement

An earlier version of the paper was presented at The Third Annual Conference of the Association of Chinese Studies in Ireland: China and Ireland: old countries, new dreams, University College Dublin, on 23–24 April 2010.

References

- Blecher, Marc. (1997). *China Against the Tides: Restructuring through Revolution, Radicalism and Reform*, London: Pinter Publishers.
- Chen, Feng. (1995). *Economic transition and political legitimacy in Post-Mao China: ideology and reform*, State University of New York Press
- Chen, Yun. (1956). 'Speech by Chen Yun', in *Eighth National Congress of the Communist Party of China, Volume II Speeches* (pp. 157-176). Beijing: Foreign Language Press.
- China in Focus: the 13th Party Congress and China's Reforms*. (1987). Beijing, Beijing Review.
- Full Text of Jiang Zemin's Report at 16th Party Congress (2)*; People's Daily. [Online] Available: http://english.peopledaily.com.cn/200211/18/print20021118_106984.html. (26 May 2009).
- Hall, Peter A. (1989). 'Conclusion: the Politics of Keynesian ideas'. In Peter A. Hall (Eds.), *The Political Power of Economic Ideas: Keynesianism across Nations* (pp. 361-391). Princeton University Press, 1989)
- Hu Jintao's report at 17th Party Congress, *Hold High The Great Banner Of Socialism With Chinese Characteristics And Strive For New Victories In Building A Moderately Prosperous Society In All Respects*, [Online] Available: <http://english.cpc.people.com.cn/66102/6290205.html>. (31 July 2009).
- Jiang Zemin's Report at the 15th National Congress of the Communist Party of China*. [Online] Available: <http://www.fas.org/news/china/1997/970912-prc.htm>. (25 April 2009).
- Lianjiang Li and Kevin J. O'Brien. (1999). 'The Struggle over Village Elections'. In Merle Goldman and Roderick MacFarquhar (Eds.), *The paradox of China's post-Mao reforms* (pp. 129-144). Cambridge: Harvard University Press.
- Mah, Feng-hwa. (1990). 'Primary Stage', Leasing, and Ownership: Mainland Chinese Economy at the Crossroads'. In King-yuh Chang (Eds.). *Mainland China After the Thirteenth Party Congress*. Boulder, CO: Westview Press.
- National Bureau of Statistics of China*. [Online] Available: <http://www.stats.gov.cn/english/statisticaldata/yearlydata> (various accesses).
- O'Brien, Kevin J. and Lianjiang Li, Accommodating. (2000). "'Democracy" in a One-Party State: Introducing Village Elections in China', *The China Quarterly*, No. 162, Special Issue: Elections and Democracy in Greater China pp. 465-89.
- Selected documents of the 15th CPC National congress*. (1997). Beijing, New Star Publishers.
- Selected Word of Deng Xiaoping Volume II 1975-82* 'Opening Speech at the twelfth National Congress of the Communist Party of China September 1', 1982. [Online] Available: <http://english.peopledaily.com.cn/dengxp/vol3/text/c1010.html>. (1 August 2009).
- Selected Word of Deng Xiaoping Volume II 1975-82*, 'We can develop a market economy under socialism'; November 26, 1979. [Online] Available: <http://english.peopledaily.com.cn/dengxp/vol2/text/b1370.html>. (1 August 2009).

Selected Word of Deng Xiaoping Volume II 1975-82; *'Emancipating the mind, seeking truth from facts and unite as one in looking to the future'*, December 13, 1978. [Online] Available: <http://englisch.peopledaily.com.cn/dengxp/vol2/text/b1260.html>. (9 August 2009).

Selected Word of Deng Xiaoping Volume II 1975-82; 'Speech at the all-army conference on political work', June 2, 1978. [Online] Available: <http://english.peopledaily.com.cn/dengxp/vol2/text/b1210.html>. (01 August 2009).

Selected Word of Deng Xiaoping, Volume II 1975-82. 'Uphold the Four Cardinal Principles', March 30, 1979. [Online] Available: <http://english.peopledaily.com.cn/dengxp/vol2/text/b1290.html>. (1 August 2009).

Selected Words of Deng Xiaoping Volume III 1982-1992, 'There is no fundamental contradiction between socialism and a market economy' October 23, 1985 (Excerpt from an interview with a delegation, inclusive senior American entrepreneurs, organized by Time Inc.), [Online] Available: <http://english.peopledaily.com.cn/dengxp/vol3/text/c1480.html>. (2 August 2009).

Selected Words of Deng Xiaoping, Volume III 1982-1992, 'Seize the opportunity to develop the economy', December 24, 1990. [Online] Available: <http://english.peopledaily.com.cn/dengxp/vol3/text/d1170.html>. (2 August 2009).

Selected Words of Deng Xiaoping, Volume III 1982-1992; 'Excerpts from talks given in Wuchang, Shenzhen, Zhuhai and Shanghai' January 18 - February 21, 1992. [Online] Available: <http://english.peopledaily.com.cn/dengxp/vol3/text/d1200.html>. (2 August 2009).

Three Represents; CCP in Brief, News of the Communist Party of China. [Online] Available: <http://englisch.cpc.people.com.cn/66739/4521344>. (4 August 2009).

Notes

Note 1. For a more comprehensive discussion on the issue of crisis and the implications for state development see Colin Hay, 'Crisis and the structural transformation of the state: interrogating the process of change', in: *British Journal of Politics and International Relations*, Vol. 1, no. 3 (October 1999), pp. 317-344; and G. John Ikenberry, 'Creating Yesterday's New World Order: Keynesian 'New Thinking' and the Anglo- American PostWar Settlement', in Judith Goldstein and Robert O. Keohane (ed), *Ideas and Foreign Policy: beliefs, institutions, and political change*, (New York, Cornell University Press, 1995), pp. 57-86

Note 2. 'Economic viability' refers to the capacity of resolving actual economic problems, whereas 'administrative viability' refers to the ability to what extent the new set of economic ideas will fit into the established administrative biased of the decision makers involved and the existing capacities of the state to implement them. 'Political viability', refers to the suitability of the new ideas to facilitate the existing goals and interests of the dominant political actors. See Peter A. Hall, 'Conclusion; the Politics of Keynesian ideas', in Peter A. Hall (ed), *The Political Power of Economic Ideas: Keynesianism across Nations*; (Princeton University Press, 1989); pp. 370- 371

Note 3. Chen Yun's approach was sometimes described as 'bird-cage' system in which economic activities (the bird) would be allowed more freedom to response to economic signals, but only within the planned economy (the cage). Thus, the planned economy would still constitute the fundamental principal.

Note 4. Originally, the development of village elections represented a button-up process. It started in early 1981, as villagers in few Guangxi villagers decided to elect their own leaders, to fill a political vacuum. At time, this was a very local experiment, and in the early 1980s villagers' committee were relatively autonomous non-governmental bodies, and not involved in the allocation of state resources. See Lianjiang Li and Kevin J. O'Brien 'The Struggle over Village Elections', in Merle Goldman and Roderick MacFarquhar, eds., *The paradox of China's post-Mao reforms*, Cambridge: Harvard University Press, 1999, pp. 135-6.

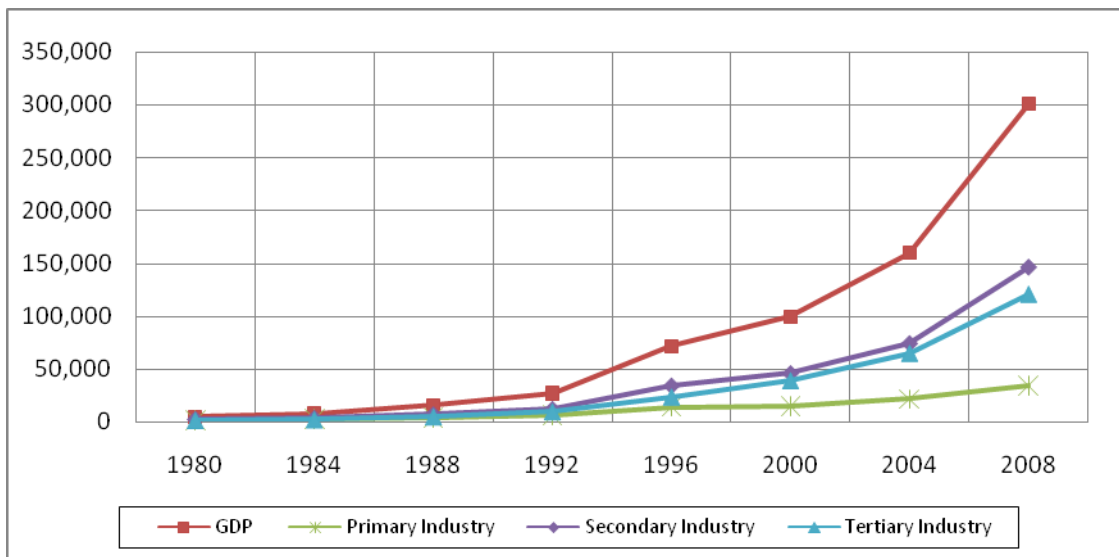


Figure 1. China's Gross Domestic Product

Source: various online editions of the Statistical Yearbook of China

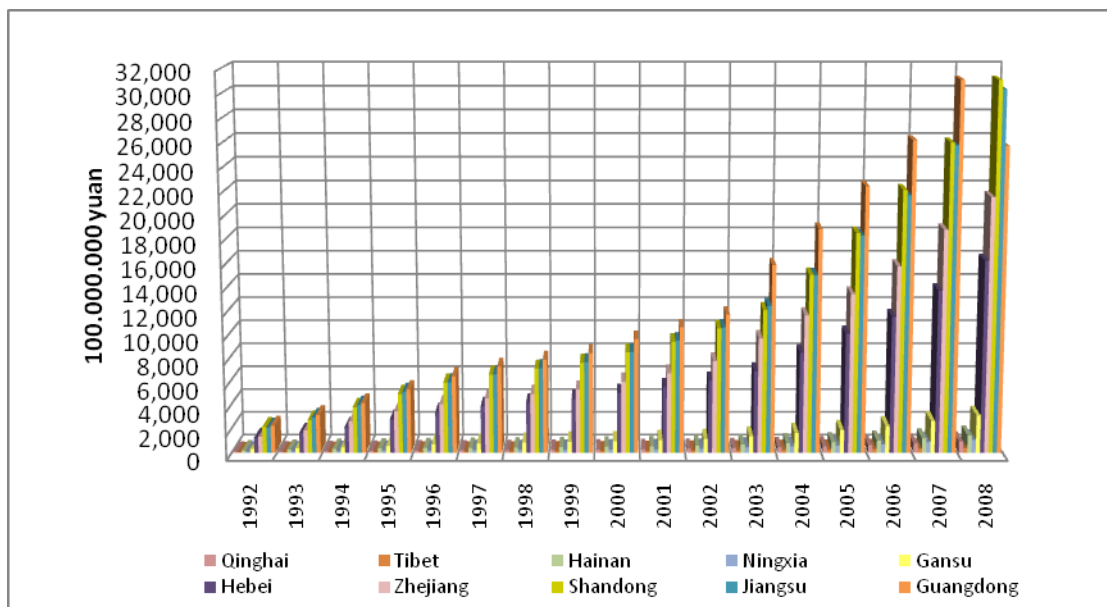


Figure 2. Gross Domestic Product of Selected Provinces

Source: Various online editions of the Statistical Yearbook of China

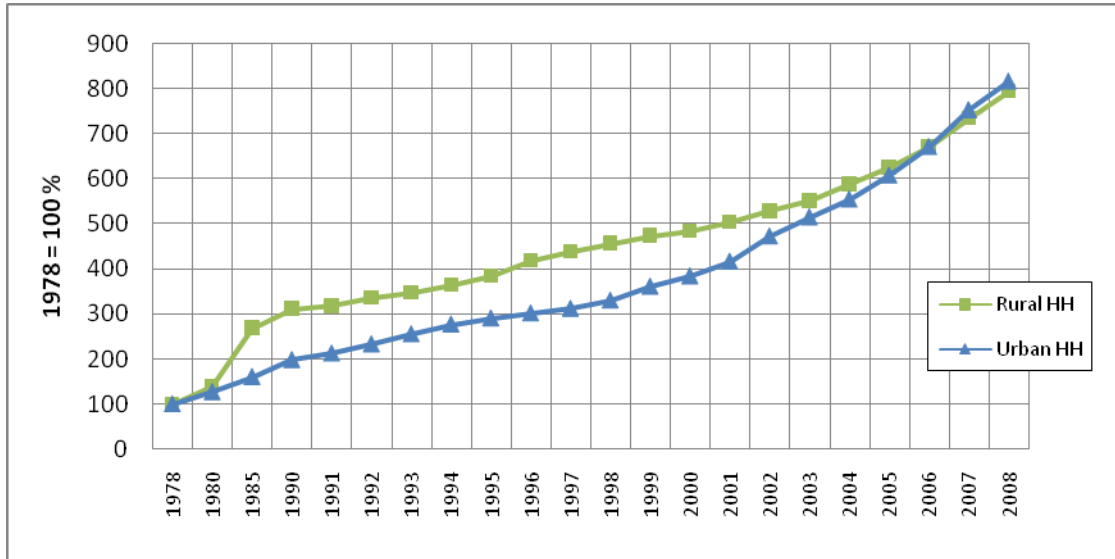


Figure 3. Per Capita Annual Disposal Income Index

Sources: Various online editions of the Statistical Yearbook of China

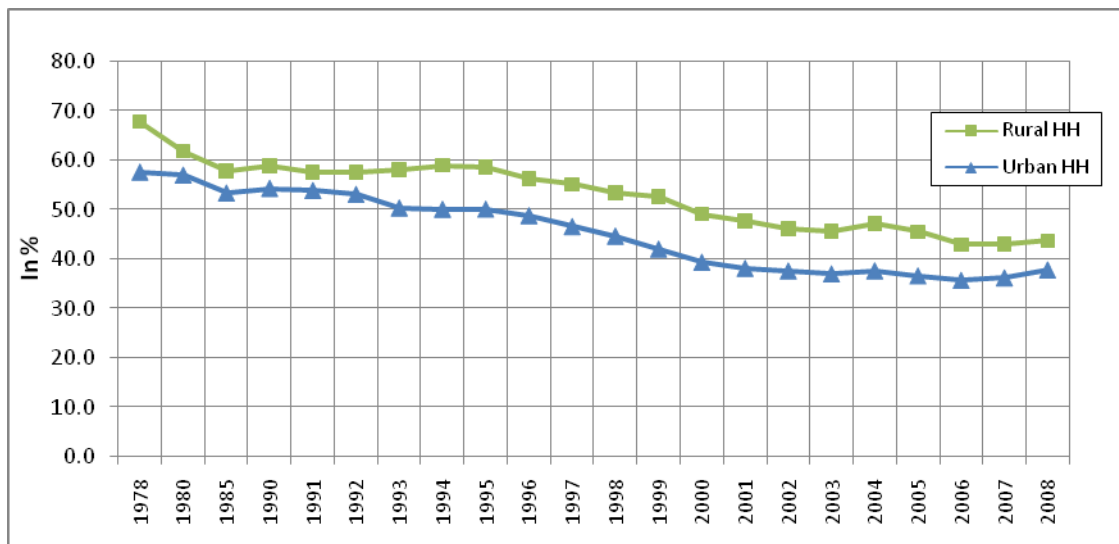


Figure 4. Engel's Coefficient

Sources: Various online editions of the Statistical Yearbook of China

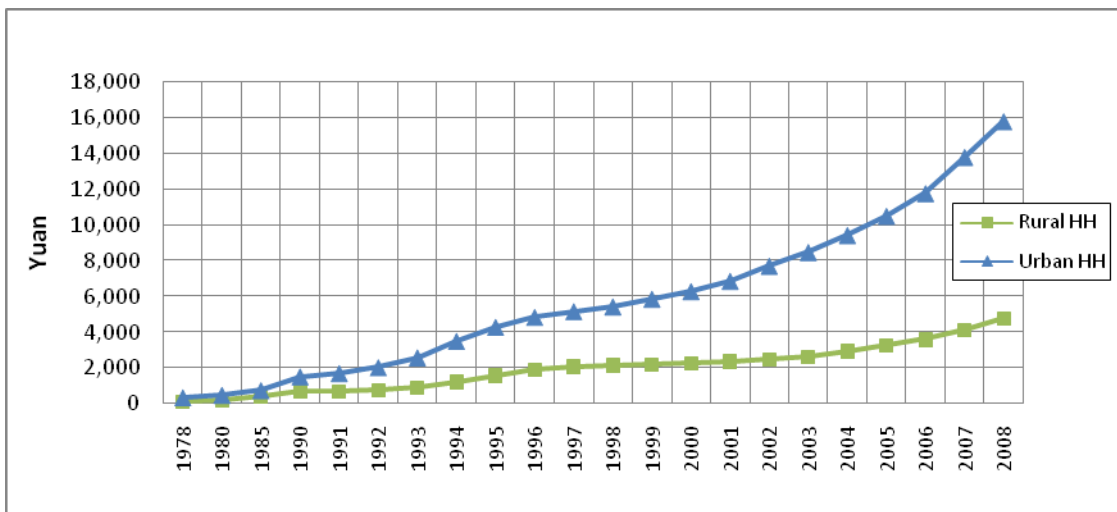


Figure 5. Per Capita Annual Disposable Income in Yuan

Source: Various online editions of the Statistical Yearbook of China

Discussion on Issues of Food Security

Based on Basic Domestic Self-Sufficiency

Shutao Gao

Sichuan Agricultural University

Ya'an 625014, Sichuan, China

E-mail: cngst@126.com

Abstract

Food is the most essential and important living substance of human being and is "grain ration" and strategic material. Food security is the basic guarantee for the national security. To China, a country which holds the largest population in the world, food security is more obviously a vital problem which concerns with the national security, the economic improvement, the national happiness and the social security. However, under the condition of the economic globalization, there are different arguments on whether China's food security should be based on basic domestic self-sufficiency or it should be substituted by import. This paper will state that adherence to the food security strategy of "satisfying basic domestic self-sufficiency" is a necessary choice, by taking the serious situation of the global food crisis that has happened in the past two to three years as a background and from the three perspectives of the importance and specialty of food goods, the serious situation of international food supply and China's special national situation. Meanwhile, it will put forward the basic thoughts and policies on ensuring the food's basic self-sufficiency.

Keywords: Food security, Domestic, Basic self-sufficiency

1. Proposal of the issue of food security based on basic domestic self-sufficiency

Food is the important material which concerns with the national welfare and the people's livelihood and social stability. It is the subsistence foundation for everyone to possess enough food, which is also the basic right for people in the modern society to maintain existence. As for China which holds the largest population in the world, the issue of food seems more austere. It has always been a focus of attention to resolve the food issue of people, also has been an important target for all previous leaders of China. The Prime Minister of China, Wen Jiabao, has mentioned for several times that, "With grain in our hands, there is no need to panic", "the alarm of food security should be rung for ever, the string of consolidating agricultural foundation should be always tightened, and the requirement to resolve well the issue of 'Agriculture, Farmer and Village' should be insisted forever as the first priority in the work of the whole Party."

However, concerning the selection of food security strategy in China, some scholars believe that, under the condition of economic globalization, since grain production of China does not have a comparative advantage in the international market, we ought to exploit to the full our favorable conditions and avoid unfavorable conditions, put human resource, material resource and financial resource into industry and other industries with potential development prospect, satisfy domestic demand on grain through import and to realize the conversion from grain producing power to grain importing power. According to them, so long as the economy is developed and the national citizens have economic power, the country can regard all grain producing countries in the world as a granary of itself. In such way, this can not only strengthen the power of China to bargain in international affairs and diminish the favorable balance of trade with some developed countries, such as the US, but can also obtain grain resources with a cost lower than domestic cost and enjoy the price subsidies implemented by the government of the grain producing country as well to grain industry. This is the so-called the proposal of "grain importing theory". This food security strategy which is realized through grain import seems to be rational to some extent, but it implies two pre-conditions in logics: one is to regard grain as general commodity and the other is to presuppose that supply of food in the international market is sufficient.

As a matter of fact, the pre-supposition that supply of food in the international market is sufficient has been overthrown ruthlessly in the presence of the global food crisis that happened in the last two years. It is indicated according to relative report by the World Bank, from the second half year of 2006 until the end of February 2009, the price of wheat in the international market rose 181% and price of food in the international market rose 83%.

And international food price merely in the year 2007 rose 42%. The global food crisis that was caused by the soaring global food price and that has not come to an end makes the issue of food security again paid attention to by all countries throughout the world. The World Food Program made a statement on April 22, 2008, rise of food price was just like "a silent tsunami", and the World Food Program is facing up with the most serious challenges since the last 45 years. In the presence of the serious global food situation, we have to look over again the national situation and food situation of China and emphasize the food security strategy of "adhering to basic domestic self-sufficiency".

2. It is the basic strategy of food security in China to "adhere to basic domestic self-sufficiency".

The so-called basic self-sufficiency means that the ratio of self-sufficiency should remain above 95%. In November 2008, the National Development and Reform Committee (NDRC) issued "National food security medium-long term programming outline (2008-2020)". According to the Outline, the ratio of food self-sufficiency should remain above 95%, rice and wheat should remain self-sufficiency and corn should remain basic self-sufficiency; the productive ability of food should remain above 500 million tons in the year 2010 and should reach 540 million tons by the end of 2020; the sown area of grain should remain above 103 million hectares in the long run; the level of per unit yield should reach 4875 kilograms/hectare by the end of 2010 and should reach 5250 kilograms/hectare by the end of 2020. Thus, it is visible, the Chinese Government attaches great importance to the issue of "basic self-sufficiency of grain" and regards it as the basic strategy of food security in China. Specific objective evidence is as below:

2.1 Food is an important and particular commodity.

Food is the most basic and important means of subsistence and is "grain rations" and strategic materials. If the food is serious in shortage, famine will be caused which may lead to social instability. Food is the "stabilizer" of the society, so only if we maintain stability of food price, can stability of price of commodities in the whole society be maintained. Continuous soaring food price will necessarily lead to inflation, which may further affect development of social economy. Food industry is the foundation of the national economy, and fluctuation of food industry may exert negative influences on development of other industries in several aspects. Thus, it can be seen that, for a country, the issue of food is not purely an issue of economy, but simultaneously a social and political issue which concerns with the economic security of the country. From ancient times till now, there is no government in the world that has not put the issue to resolve food security issue of national citizens in an important strategic position.

In the selection of food security strategy in China, some academics propose to abandon "the burden of food self-sufficiency" and ensure food security through "food import". Indeed, from the perspective of comparative advantage theory of economics, such countries as the US, Argentina and Canada with more plains are quite suitable for mechanized agriculture production, so their agriculture production has the advantage of low cost. By contrast, such countries as Japan, Europe and China in which there are a lot of mountains or hills are densely covered, the cost of agriculture production is relatively high. Thus, it seems to correspond with the economic rules to let these countries, such as the US and Argentina, with superior natural agricultural conditions grow grain and let Japan, Europe and China purchase food, in which "each one plays his part". However, food is a kind of strategic material which differs from other products, because its production is deeply influenced by natural elements and is full of uncertain factors. It often does not work properly to intend to depend on pure economic rules to adjust food supply. Once climatic anomaly occurs within a world-wide scope, which certainly causes reduction in grain yield and food supply is in shortage, all countries abundant in grain yield will give priority to domestic consumption demands and reduce export of food to push forward reduction of the total amount of global food trade. The climatic anomaly which happened in 1972 caused many countries to reduce in grain yield and the price of food soared rapidly within a short period of time. Afterwards, countries all over the world abundant in grain yield adopted the policy of "encouraging import and limiting export" and even discontinued food export. As a result, quite a large number of food importing countries had to run hither and thither to search for new food resources and the food panic appeared. Since the year 2006 when global food supply was relatively in shortage, a lot of countries abundant in grain yield gave priority to domestic demand and reduced food export, which made a lot of food importing countries trapped in food crisis. This is a good example. Therefore, it may be led by the nose by others and be dangerous if it is as the case preached by some people that we should abandon the policy of seeking for basic balance of food and place hope on the international market to resolve the issue of food. Nowadays, quite a lot of industrialized countries still give protection to domestic grain yield even if their grain yield cost is obviously higher than the price of the international market, with the underlying reason mentioned above.

2.2 The situation of the international food supply is serious and is intense in the long run.

The global food crisis, which has happened since the second half of the year 2006 and mounted to the peak in the first half of the year 2008, sounds alarm bells again to the issue of food security in China. This global food crisis has been the most serious one since the sixty years after the Second World War. It has lasted long, involved a large scope, fluctuated to a large extent and influenced deeply. Its main manifestations are as below:

Firstly, food reserve dropped swiftly and seriously weakened its function as a stabilizer to adjust and stabilize the price of food in the market. By the end of 2000, the inventory of food in the world reached as high as 630 million tons. In 2006, the total storage amount of food in the world reduced to 375 million tons, which accounted merely for 59.52% of that in 2000. At the beginning of 2008, the total storage amount of food in the world reduced to 370 million tons, which merely accounted for 58.73% of that at the end of 2000 and had reduced to the lowest level since the last thirty years. In 2007, the inventory of wheat in the world reduced by 11%, and the inventory of wheat in the US which is the largest country exporting wheat even reduced to the lowest level in the past sixty years. Radical reduction in inventory of food in the world has seriously weakened the function of food to adjust and stabilize the price of food in the world.

Secondly, the price of food hiked and continuously broke through the highest price throughout the history. It is indicated in relevant report by the World Bank, the global price of wheat in 2007 increased by 112% and the price of corn increased by 47%. Moreover, the price of rice in Thailand soared from \$360 per ton to approximately \$1000 within the period of two or three months in 2008. The price of food has continued to rise and panic in the market grew like a weed. In order to ensure food supply and control inflation, all countries throughout the world took measures in succession to restrict export of food and encourage import of food.

Thirdly, the severe situation of food shortage and soaring price of food has deep influence and has evolved from an economic issue to a political issue. According to incomplete statistics, the food crisis which occurred in 2006 has concerned with over half of the 6.6 billion population in the world and there are more than 20 countries abundant in food yield and more than 30 countries short in food that have been affected to different degrees. Famine refugees in Haiti rely on a sort of “mud cake” to satisfy their hunger, for which its Prime Minister is urged to be out of power. The disturbance of “johnnycake” is caused in Mexico. The Philippines sends “police of rice” to maintain the order of the rice market. Even in the US that is known as the “granary in the world”, there are two supermarkets that take the measures of limiting purchases to its citizens. According to statistics by United Nations Food and Agriculture organization, continuous soaring price of food makes more than 100 million population in the world trapped in famine. Disturbance has happened one by one as a result of soaring price of food in the following countries: Haiti, Egypt, Cameroon, Cote d'Ivoire, Ethiopia, Madagascar, the Philippines and Indonesia, etc. The largest enlightenment of this food crisis is that, it is the cardinal task for China to administer state affairs well and ensure national security to resolve the issue of food for over one billion people. Thus, we have to unswervingly persist in the strategy of keeping a foothold in domestic food and realizing basic self-sufficiency of food.

Furthermore, considering the trend of food supply in the international market, the condition of food supply will be intense in the long term. From the perspective of food supply, global warming has brought about unfavorable influences upon food production. It is estimated by the World Bank, when the global climate rises one degree centigrade, food yield will reduce by 1%-1.7%. Thus, one of the important reasons for reduction in food yield in 2007 was the influence of disastrous weather. In the mean while, with advancement of scientific progress to a certain extent, the speed of increase of per unit yield in food in the world reduces continuously. The speed of increase of per unit yield in food in the world has reduced from the average annual 2.7% to the present 0.8%. In addition, the urbanization process within the world-wide scope has also exerted influences upon grain yield. The proportion of global urbanization rose from 39% in the year 1980 to 49% in the year 2004. Acceleration of urbanization process causes the proportion of population engaged in agricultural production to reduce year by year and resources of plowland to reduce in a large quantity. Limited resources determine that the space of grain output is not big enough. Study by International Food Policy Research Institute indicates, even if the price of food rises 10%, the output of food can only rise 1% to 2%. Except that European Union which carries out common agricultural policy has a small amount of space for increase in yield, other countries have to face up with such controversial issues as overexploitation of farmland and application of transgenic technology, etc, and it is difficult for them to change the situation of slow increase in food supply. Corresponding with intense food supply, the increase of demand on food in the world is rapid. The increase of global population leads to increase of demand on food in the world. It is predicted by demographers that, by the year 2015, the global population will have reached 7.2 billion, and feeding of the newly born population will need 2.39 billion tons of food supply and 1.57 billion mu of agricultural acreage. Besides, the diet structure of human being is being improved

gradually and per capita consumption of meat and dairy products is increasing year by year, so demand on feed grain rises year by year too. In addition, development and application of bioenergy on a large scale increases industrial demand of global food. In 2007, the corn used to produce ethanol in the US accounted for 20% and the proportion in 2008 rose approximately 25%. The US intends to increase output of ethanol to 35 billion gallon by the year 2017 (approximately 132.4 billion liter), so it will have to consume 0.32 billion tons of corn. Thus, in the long run, the trend of food supply in the world is not optimistic, and it is not that so long as one has money, he can purchase the food he needs. We have to firmly bear in mind the directive thought of keeping a foothold in domestic food to ensure basic self-sufficiency in the long term, and the idea of “there is no need to panic in heart with food in hands” at any time.

2.3 The particular national situation in China

China is a country which holds a large population and its demand on food is enormous. If we turn over food security of China to the international market, the international market has no means to satisfy such a large amount of demand on food, which may result in instability of the food market in the world. A minority of people always tend to make an analogy between Japan and China. Japan is a country with large population and little land, so it has to import a large amount of food each year and at present it has become the second largest food importing country in the world. However, there is one basic fact that can not be denied, that is, population in China is ten times that of Japan, and the quantity of demand on food reaches 500 million tons or so each year. Considering the medium-and-long term development goal of food in China, the total amount of demand on food will have increased from 500 million tons at present to about 720 million tons by the year 2030. Given the situation of international food trade, the average annual quantity of food trade in recent years has almost remained at 240 billion kilograms, which approximately accounts for 50% of the total food output in China. If China imports 1% of the total amount of domestic demand, this amounts to 2% of the international food trade amount. Thus, it can be seen, food supply in the international market is extremely limited with respect to domestic demand on food. So far as the present situation is concerned, even if we purchase all trade food in the international market, we can merely feed 40% of Chinese population, regardless of the fact that population in China is still rapidly increasing. Under the pre-condition that crisis underlies food security of the world in the future, if we do not keep a high food self-sufficiency rate, but just depend on import from the international market, then not only the international market has no means to satisfy such a large amount of demand, but this will also influence the food supply of the global market and will especially bring about unfavorable influences upon food purchase in those countries with low income.

As for China, there is also a particular situation, that is, China has a large number of farmers. Among the 1.3 billion population, there are about 70% of people who still live in rural areas for the time being. Thus, if we “cast off the burden of food self-sufficiency” and abandon food production, then farmers’ way out is quite difficult to resolve and distribution of land is difficult to coordinate. According to the current national situation of China, it is extremely unrealistic and also impossible to transfer the large amount of agriculture population into non-agriculture population within a short period of time. It is unlikely for other industries with “bright development prospect” than food production to offer so many employment positions. Furthermore, if we give up food production and place hope on food imports on a large scale to ensure the food security, the traffic transportation caused by foreign exchange disbursements and import of food will be also a big problem.

Finally, China is a developing socialism country and the scheme of western countries led by the US to “westernize and differentiate” China will not be changed. Thus, if we depend on importing food to resolve the issue of food in China, this has no difference with fastening chains on ourselves. It is believed by some people that, since “Cold War” has come to an end so far and such countries as the US abundant in food production have declared not to implement food embargo, then there is no need to worry that these countries may seize us by the throat. However, this is just a subjective guess lacking in persuasive force. If a serious food problem really happens in China, there is no one who can guarantee that these countries will not impose pressure on us by taking food as a weight. Therefore, it is extremely unfavorable for independence and sovereignty of a nation to image fastening the bag of food on others. Independence and sovereignty of a nation can not go without a system of food security.

3. Thought and countermeasures to guarantee domestics basic self-sufficiency of food

Importance and particularity of food products, the situation of large fluctuation of international food price and long term tension of food supply, as well as the particular national situation of China, decide that it is a necessary choice for China to insist on the food security strategy of self-dependence. Its basic ideas is to focus on improving the comprehensive production capacity of food and ensure stable development of such primary

agricultural products production as grain, etc. Thus, we should take the following major countermeasures and measures.

3.1 To strictly protect and effectively utilize plowland and water resource

Plowland and water are the most fundamental resources for food production. The contradiction between people and land in China is quite prominent, in which the per capita hold of water resource accounts for merely 30% of the average level in the world and spatial and temporal distribution is imbalanced. Thus, it becomes the foundation to ensure basic self-sufficiency of food to protect and effectively utilize plowland and water resources.

Firstly, we must carry out the most strict plowland protection system in the world and persist in the red line of 1.8 billion mu of plowland. We ought to strictly implement “Land Law” and “Regulations on the Protection of Basic Farmland”, stipulate and set up permanent protective zone of basic farmland centered with production of grain, restrain all kinds of behaviors of aggression by all construction land in plowland, especially in basic farmland and prohibit such phenomena as abandoning agriculture land. We ought to take an initiative to start land consolidation and re-cultivation, increase effective agricultural acreage and realize the dynamic balance of the total amount of plowland resources all over the country.

Secondly, we should guarantee convertibility of plowland resources to ensure a certain amount of the sown area of grain. That is, we can ensure a certain scale of sown areas of land through the convertibility of plowland in production of grain and production of cash crop. Once the early warning mechanism indicates that the issue of food security might happen in the future, we can rapidly convert plowland used to plant cash crop into production of grain.

Thirdly, we should accelerate improvement of median-and-low yield farmland and improve multiple crop index. At present, two thirds of the plowland in China is median-and-low yield farmland and per unit yield is lower 150-200 kilograms than that in the high yield field. Each if hectare is increased 375 kilograms in terms of production, then the whole country can increase production more than 20 billion kilograms. For the time being, the multiple crop index of plowland in China is 159%. It is estimated that, by the year 2030, the multiple crop index will have increased by 10% through reforming the system of cropping. Furthermore, each increase of one percentage point in the multiple crop index in China amounts to an increase of 100 hectare in plowland.

Fourthly, we should take the initiative to study and promote advanced agricultural “water conservation” technology. In the mean time, we should ensure that irrigation facilities get protected and effectively utilized, strengthen the vigor of investment in water conservancy facilities and increase the area of irrigation. At present, the irrigation area in China accounts for approximately half of the plowland and if we increase the irrigation area to a larger extent, then there is still large space to keep stable production increase of food.

3.2 To strengthen infrastructure construction of agriculture

Ecological environment in China is congenitally fragile, and China is one of the countries with most serious natural disasters. It has quite important significance to strengthen agricultural infrastructure construction and improve food production environment. However, since a long time, investment in agricultural infrastructure construction has not been sufficient and there are too many historical debts, which lead to quite fragile agricultural infrastructure system and low capacity in withstanding natural disasters. In order to realize an increase in both production and income of farmers and ensure food security of the nation, the urgent affair for the time being is to continuously enhance investment in agricultural infrastructure. At the time when the government increases finance in agriculture year by year, the government should also accelerate in setting up an effective mechanism of agricultural investment with multiple channels to adapt to the market. We should make full use of the “green box” policy under the WTO framework, do well in the agricultural infrastructure construction with the focus of water conservancy and improve the capacity of flood control and drought relief. The government should vigorously conduct basic construction of farmland and improvement of median-and-low yield farmland, govern the issue of flood, water-logging and drought in a comprehensive way and continuously improve basic conditions of agricultural production. The government ought to make concentrative investment and overall development by taking a county as the unit and promote the national food central production area and back-up area construction by means of construction of water conservancy works on a large scale, soil improvement and farm mechanization, etc.

3.3 To give full play to the supportive role of science and technology

Science and technology constitute are a primary productive forces, it is furthermore the key to enhance the overall grain production capacity in the case of increasing arable land difficult. Therefore, the nation should

continue to strengthen its vigor of support in agricultural scientific research and promotion of agricultural science and technology. The nation should increase capital investment and set up an agricultural high and new technical integration system which fits with the national situation of China. Centered with land and water resources, the government ought to set up a high and new technical integration system for effective utilization of agricultural resources by means of dry farming technique and cropping system, the critical technology of breed optimization and land utilization, etc. At the same time, the nation should pay more attention to construction of grass-root promotion system of agricultural skills, strengthen training on grass-root agricultural technicians and model households, make agricultural technology of high and stable yields rapidly promoted and employed and improve the overall grain production capacity.

3.4 To mobilize and protect enthusiasm of farmers in growing grain

To mobilize and protect enthusiasm of farmers in growing grain is the fundamental solution to improve overall grain production capacity. Only the extensive farmers are willing to grow grain and happy to grow grain, can they increase grain production quantity and improve grain quality on limited plowland. At present, the comparative income of farmers in growing grain is still low, so farmers have more enthusiasm in growing cash crop and the secondary and tertiary industries than in growing grain. Then, how to increase income of farmers growing grain and protect enthusiasm of farmers in growing grain? Some people mistakenly believe that, it is unlikely to offer support and protection to production and operation of grain after China's entry into WTO. It can not be denied, entry of WTO has largely diminished the space of macro-control under and support and protection policy of China in grain production, but there is still space of functioning of policies and systems.

Firstly, we can offer direct subsidy to grain production by the means recognized by "Green Box Policies" of food. "Green Box Policies" involve extensive scope, including subsidy of scientific research of grain and technical promotion; subsidy of infrastructure construction of commodity grain base; subsidy of grain sale and storage, subsidy of crop insurance; and subsidy of environmental protection, etc.

Secondly, to make full and flexible use of "Blue Box Policies". "Blue Box Policies" is to allow the developing countries to encourage agricultural and rural development by policy of assisting a plan and other supports, with an amount of support not exceeding 10% of the gross national product. We ought to make full and flexible use of this policy to strengthen construction vigor of all sorts of irrigation and water conservancy and infrastructure in grain production bases and reduce expenses of farmers in all sorts of non-production cost; enhance the vigor of basic scientific research of food and resolve the issue of upgrade and update of food varieties; reinforce the vigor of environmental governance and improve the factor of merit and competitive force of food; set up the insurance system of grain production and operation and intensify the capacity of grain production in resisting risks.

Thirdly, to make full use of the obscure stipulation in "Amber policies" to play well the "edge ball". We should offer subsidy to agricultural production by the means of so-called public works duties and monetization of voluntary labor service to further enhance income of farmers; strengthen subsidy to agricultural production means; set up sound price support system of agricultural products according to the article of "De Minimis Rules" by WTO that the nation supports; offer subsidy to investment in seeds, fertilizer and irrigation, etc. As above, farmers can obtain more tangible benefits from growing grain with support of favor by the nation so as to fundamentally improve the overall guarantee capacity of grain production and supply.

3.5 To establish sensitive and accurate food early warning system and perfect risk guarantee system

Early warning system of food is the "annunciator" to guarantee national "food security". We must have a sense of early warning awareness, set up and improve food security early warning system, supervise and report all early warning indices for food security at all times, make in time a comprehensive analysis of all information data, such as domestic and international food production, market supply and storage, etc and put forward the report in an accurate way for a frame of reference for decision makers. At the same time, due to long food production cycle, bad market response capacity and great natural risk, it is imperative to set up food production guarantee system and insurance system, in order to reinforce the risk tolerance of food production and protect stable development of food production and interests of producers. Today, agricultural insurance has become an important means by the government to support development of agriculture in developed countries.

3.6 To vigorously develop substitute products of food

Generally speaking, the more the quantity of substitute products of food, the higher the security coefficient of food. On the issue of national food security, we should resolve it with a view to the scope of "large grain". That is to say, not only cereal is grain, but all sorts of aquaculture and agriculture productions should be brought in the scope of grain. Simply speaking, so long as a product is edible and makes it possible to consume less grain, it is

the substitute product of grain. To vigorously develop substitute products of grain can not only avoid restraint on quantity of plowland, but can also optimize the diet structure of national citizens, optimize the production structure of agriculture and reinforce industry-and-agriculture integrative production. Firstly, to vigorously develop animal aquaculture and increase the quantity of supply of animal food. Secondly, to vigorously develop aquaculture, make full use of fresh water surface and ocean resources and increase the quantity of supply of aquatic products. Thirdly, to vigorously develop food processing industry, process all sorts of edible agricultural products, especially alive agricultural products that are not suitable for storage and to extend the quality guarantee period of these products. In such way, we can exponentially increase the quantity of substitute products of grain and increase the security coefficient of food in China.

References

- Bian, Lv. (2001). Prediction on Situation of Food in China. *China Grain Economy*, (3): 20-21.
- Cheng, Yawen. (2008). Situation of Food in China Allows of no Optimism. *Global Times*, March 10.
- Ding, Shengjun. (2008). Comprehensive Analysis of the Rapid Increase in International Grain Price. *World Agriculture*, (11): 1-5.
- Liu, Wenyuan. (2008). Expert: China should enhance self-sufficiency degree even without food crisis. *Shanghai Securities News*, April 10.
- Song, Yanming. (2008). Enlightenment and Alarm Global Food Crisis Tells. *China Grain Economy*, (07): 11-13.
- Shen, Maosheng. (2009). Thoughts on Import and Self-sufficiency of Food and the Issue of Food Security in China. *International Agriculture Trade*, (03): 24-27.
- Wei, Linlin. (2009). Issue of Food Security and Its Countermeasures. *Modern Agricultural Science*, (08): 294-296.
- Yan, Laixiong. (2008). Economic comments on the first quarter in 2008: Food security has to strengthen domestic strategy. *China Information News*, April 21.
- Zhang, Guangzheng. (2007). Food security affects the whole world and Russia recommends establishing Food OPEC. *People's Daily*, July 16.
- Zhang, Yi. (2008). Exclusive interview with Sun Zhengcai, Secretary of Ministry of Agriculture: we have to realize the state of "food in hands". *People's Daily*, May 7.

Health Factors in Islamic Perspectives and Its Relation to Sustainability with Case Study at Traditional Kampung Hulu Mosque, Malaysia

Ahmad Sanusi Hassan

School of Housing, Building and Planning

Universiti Sains Malaysia, Penang, Malaysia

Tel: 60-4-653-2835 E-mail: sanusi@usm.my, sanusi.usm@gmail.com

Abstract

The importance of this study is to analyse how health consideration integrated to the traditional mosque design in Malaysia. A literature review is conducted to understand the definition of health based on Islamic perspectives. The purpose is to identify its sustainability and relationship to the traditional mosque design. The literature study identifies three primary factors on health in the mosque design associated with natural lighting, rainwater discharge and wall openings. The qualitative analysis comprises design on natural lighting related to sun shading and indirect lighting, rainwater discharge related to rainwater deflection and leakages; and wall openings related to natural cross air ventilation and stack effect. Traditional Mosque at Kampung Hulu, Malacca is selected for the case study. The analysis shows that pyramid roof and its overhangs, open *serambi* (veranda) area and the recessed wall with wall openings at the ground and roof levels become the principle of the traditional mosque design in relation to the health factors. The analysis however finds the weaknesses that the mosque design does not apply window and screen louvers in the construction.

Keywords: Health, Islamic perspectives, Sustainable, Traditional mosque design

1. Introduction

The study discusses issues of health factors based on Islamic perspectives, and application of these factors which give an impact of sustainability to the traditional mosque design in Malaysia. The scope of this study is limited to qualitative study on the physical analysis of design factors on health. It does not cover the spiritual factors and quantitative analysis related to the design. The literature study is made to understand the definition of Islamic perspectives on health, and the traditional mosque design. The aim of this study is to identify the related factors which can be used as the indicators for healthy mosque design in Malaysia.

Kampung Hulu Mosque is selected for the case study. Its location is in the inner city of Malacca. The selection is based on the recognition by the Department of Museum and Antiquity Malaysia to this mosque as one of the oldest mosques in Malaysia. Analysis is conducted to measure the impacts of sustainability on health factors to this traditional mosque design. The results will identify the findings which become primary references as research contributions for the development of mosque design in this country. The literature review and qualitative analysis are obtained from the writing reports, journals and books, inspection to the measured drawings, observations from the site visits and a series of interviews with the local residents and Architecture Museum curator.

2. Islamic Perspective on Health and Architecture

Health is one of the most important factors in Islam. Based on a translation from Surah Al-Baqarah (verse 222) (Note 1) "Truly, Allah loves those who turn unto Him in repentance and loves those who purify themselves". From a Hadith (translation) narrated by At-Tarmizi, Rasulullah said that nothing is more preferred by Allah *subhanahuwataala* other than health. Concern on healthcare by the local authority is emphasised since the glory of Islamic civilisation. According to Syrakoy and Athena (2007, 184), cities in the pre-modern Islamic world had equipped with hospitals. Hospital is known as 'maristan', (Note 2) which means places of administering the sick. The building was divided into different sections for men and women and housed a variety of medical specialities including surgery, ophthalmology, gynaecology and a pharmacy. This shows as evidence that health becomes an important factor in Islam, and the Muslims should acquire healthy body when fulfilling the religious orders (*ibadah*).

There are 5 Islamic laws of Obligation (*Wajib*), Desirability (*Sunat*), Simple Permissibility (*Harus*), Undesirability (*Makruh*) and Prohibition (*Haram*). These five laws are termed as *Ahkam Khamsah*. (Note 3) Regarding to the *Syariah Laws* on health, whatsoever act done by the Muslim in this world which could bring

harm and cause illness to human beings, animals and unloving things (environment) is considered as sinful (*haram*). Therefore, design based on the Islamic Laws plays a crucial role in architecture. The architects must acquire the knowledge associated with health factors when designing the buildings so that they can design buildings which can boost healthy condition to the occupants. The good design will be able to hinder the occupants (and for the public users) from gaining illness and diseases. Knowledge about health associated with building design becomes a principal element in Islamic architecture. Acquiring this knowledge is compulsory (*wajib*) by the Muslim architects, and application of this knowledge will be rewarded in day's afterlife (*akhirat*). Reward is also given for additional contributions (*sunat*) beyond the requirements because of creating something beneficial and good. If the building leads the occupants to unhealthy feeling, uncomfortable and illness condition, it is considered as sinful by the responsible Muslim architects. Due to this poor design, they are accounted as committed sin, and responsible to carry this offence in day's afterlife.

3. Health Factors in Building Design

Health is commonly associated with comfort level. In architecture, comfort level can be achieved by application of passive and active design elements. In contrast to active design, passive design is sustainable to the social, cultural and environmental perspectives (Eben Saleh 1999; Abu-Ghazze 1997), which offers healthy condition, and the design does not rely on mechanical system (Moujalled, Cantin & Guarracino 2008). It uses resources from the natural surroundings which are associated with three basic natural elements - sun, wind and water. The presence of the sun, wind and water influences the geography of the region. The climate varies from one region to another depending on sunlight's intensity, wind's velocity and amount of rainwater, which give influences to environmental parameters - air-temperature, radiation, humidity and air-movement (Sekhar 1995). The purpose of the environmental oriented building design is to protect the occupants from direct sun's heat, solar radiation and luminosity, rainwater leakages. The design can improve indoor air temperature and humidity, day lighting fixtures and air quality and hinder the presence of polluted substances like germs, bacteria and funguses. In case with the tropical region, the passive design elements focuses on natural lighting, rainwater discharge and wall openings.

3.1 Natural lighting

The purpose of design on natural lighting is to tackle the problem of solar heating and glare to the interior building from direct sunlight. Sun shading and indirect sunlight are two primary factors under natural lighting category. Design with excellent natural lighting or day lighting is important to gain the comfort level for healthy environment. The design with appropriate building orientation avoids problems of solar heating and direct sunlight (Moujalled, Cantin & Guarracino 2008). To gain comfort means to have efficient use of natural energy resources.

3.1.1 Sun shading

Providing shade from sunlight is necessary in tropical design. The purpose as noted by Binggeli (2003) is to avoid heats from sunlight to the building's interior, and poor design will increase the indoor temperature. Direct sunlight penetrates sun's (solar) heat with it, creating poor thermal comfort. The overheating indoor temperature causes uncomfortable to the occupants; as a result, this condition creates unhealthy indoor air environment. Direct sunlight exposure should be avoided in a warm and humid climate in a tropic; the design should integrate shading devices (Binggeli 2003) to gain passive cooling. Primary factors to achieve excellent sun shading are building orientation, roof shade, attached roof shade, screen louver and window louver. Without this roof shade, the building materials will expose to direct sunlight, which gain the sun's heat. These building materials will reradiate the heats to the indoor area, and consequently this radiation increases the indoor temperature.

3.1.2 Indirect Sunlight

Design a building in a tropical country which uses indirect sunlight is necessary for efficient use of light energy. The concept of day lighting reduces the use of electric energy (Edwards & Torcellini 2002). The most unique way is to furnish diffused daylight into the building. This can be achieved by integrating sun shading devices as a part of the building design (Chella, Gentile & Zazzini 2007). These devices diffuse the direct sunlight to indirect sunlight into the building. Therefore this method limits the problem of luminosity. Building orientation, roof shade, attached roof shade, screen louver and window louver are primary factors to gain for indirect sunlight.

3.2 Rainwater Discharge

Discharging rainwater becomes a crucial factor because the rain is frequent. Peninsular Malaysia is one of the regions, which has the highest rainfalls in the world from the two annual monsoons, northeast and southwest

monsoons (Robequain 1954). This region receives high annual rainfall at an average of 2500mm. Excellent building design will hinder problem of rainwater deflections and leakages to ensure the design for healthy environment.

3.2.1 Rainwater deflection

With frequent rain, the probability of rainwater deflection's occurrences is high especially during torrential rains and when wind velocity is high. The roof works like a large umbrella as argued by the local architect Jimmy Lim (Powell 1993), and plays crucial role to ensure the rainwater discharged in efficient way to hinder the rainwater deflection from happening. Poor design will lead to rainwater penetration into the building and roof perimeters, which lead to fungous growth. Roof overhang, attached roof overhang, fascia board, screen louver and roof ridge board are important elements to block rainwater deflection from penetrating inside the building.

3.2.2 Rainwater leakages

Roof should have simplest design as possible that creates smooth rainwater flow from the roof discharged to the ground level. Design with roof form with complex roof ridges has high tendency of roof leakages. The rainwater will penetrated into the roof structures and then inside the building. The leakages cause dampness to the roof and building floor, which leads fungus growth, with germs and bacteria. The roof should work like a large single umbrella to hinder the building materials used in a construction of the building interiors from rainwater leakages and deflection. Simple pyramid roof form, roof overhangs and roof ridge board design are necessary for efficient rainwater discharged.

3.3 Wall Openings

Wall openings are crucial in tropical building design. These openings are doors, windows and their upper window openings, and roof window openings. The openings are for cross ventilation and stack effect for passive cooling of air temperature and humidity. In tropical region, high annual rainfall accelerates evaporation, which causes humidity. The vapour content has only a slight difference between day and night as well as throughout the year. The water vapour is normally from 19 to 24 grams per cubic metre which is twice that of England during the summer (Fisher 1964). Efficient indoor air ventilation creates 'cross air movement and induced air flow' reducing the air temperature and humidity level. This creates comfortable and healthy environment from sun's heat and high humidity as well as removing funguses, bacteria and germs from the indoor building.

3.3.1 Cross air ventilation

Efficient natural ventilation is necessary for excellent indoor air quality by inducing outside fresh air into the indoor building. Maximum wall openings will maximise cross air ventilation. The openings allow an increase of indoor air speed (Moujalled, Cantin, Guarracino 2008). Wall openings like doors, windows and upper windows at the ground level, and windows at the roof levels are important factors for cross air ventilation. The purpose is to dilute the existing polluted indoor air. Poor air ventilation causes indoor air pollution in the building rated as sick building, unhealthy for occupancy (Allard, Santamouris, & Alvarez 1998). Brown and Deekay (2001, 182) argued that large wall openings with wind direction perpendicular to the openings (at its windward and leeward sides) has excellent cross air ventilation, creating high pressure at the inlet zone and low pressure at outlet zone (Melarango 1982, 321; & Stavrakakis, Zervas, Sarimveis & Markatos 2009). This air movement gives cooling effect to the indoor air temperature and humidity. With excellent design of cross air ventilation, it reduces the use of ceiling and wall fans.

3.3.2 Stack effect

Stack effect is upward and outward air flow due to induction of air pressure in the building. This condition occurs because the warm air is lighter than the cool air. The air pressure induces warm and polluted air to flow out through roof openings. As the warm air flow out, its absence is replaced by outdoor fresh cool air coming from the ground floor's window and door openings. This air circulation ensures the building has comfortable and healthy indoor environment. According to Klote (1991), this excellent upward and outward air pressure occurs as the air intake outside the building is as minimised as possible while the indoor space has a height as great as possible. Similar to cross air ventilation, doors, windows and upper windows at the ground level, and windows at the roof levels are important wall openings to induce the stack effect.

4. Case Study on Kampung Hulu Mosque

The case study is on Kampung Hulu Mosque (Figure 1). The reason for the selection is this mosque is one of the oldest mosques in Malaysia. The location of this mosque is It is currently under conservation programme by Malaccan Museum Foundation (*Perbadanan Muzium Muzium Negeri Melaka* known as PERZIM) as a part of the

state government incentives when inner city of Malacca is recognised the World Heritage Site under the UNESCO's World Heritage Lists since July 2008 (Chua 2008). Kampung Hulu Mosque is under category of traditional Malay mosque design. This mosque has architectural design integrating Islamic identity and regional values. There is a claim by the local villagers that Kampung Hulu Mosque is the oldest mosque in Malacca and the second oldest mosque in Malaysia. It was built in 1720 AD (1141 *Hijrah*) (Note 4) by Dato' Shamsuddin Arom, the Malay representative during the Dutch colonisation (*Dewan Islam* 1994). The original construction materials were timbers and nypa roof but in 1892, most of these materials were replaced with bricks (PERZIM). No mosque constructed during the glory of the Kingdom of Malacca survives today because all of the mosques were destroyed by the Portuguese after the defeat of Malacca to Portuguese.

The scope on this study is limited to the usable space for congregational prayer areas (Figure 2). These areas comprise three zones, a prayer hall, *mihrab* and *serambi*. The study focuses on the original part of the mosque design. It does not comply with the additional parts of the mosque construction built after that due to fit the number of the local Muslims who perform congregational Friday prayer. The mosque orientation (*kiblat*) is at the kaabah, a square monument or building located in Mecca, Saudi Arabia.

In this region, the qiblat is at southeast to northwest direction. The plan size of the prayer areas has a square shape. The dimension is 13m x 13m (43.5ft). The main area for congregational prayers is a prayer hall (Figure 2&3). It covers the largest area of the prayer areas. The dimension is 10.2m (34ft) x 8.5m (25.5ft). *Serambi* area (Figure 2) is a perimeter corridor or veranda area around the southwest, northeast and southeast parts of the prayer hall. Its width is 2.9m (9.5ft). *Mihrab* is niche area, a small prayer area for one person, the *Imam* who leads the congregational prayers. It has a size slightly larger than one prayer mat (*sejadah*), placed in this *mihrab*. Its size is 1.5m x 1.5m (5.5ft).

Mimbar (Figure 2&3) is not part in the study because it is an object located in the prayer hall beside a *mihrab*. It is a standing and sitting place for Imam when he gives a *khutbah* (sermon) during Friday prayer. The other parts are minaret and ablution area because they are located outside the mosque. Minaret is a tower while ablution area is a square water ponds near *serambi* area constructed with bricks and cements for the Muslims to take ablution before conduction their prayer.

5. Research Methodology and Result of the Analysis

The analysis is to measure the level of influence of health factors to the traditional mosque design in Malacca with the case study at Kampung Hulu Mosque. It applies qualitative survey, an evaluation by the researcher using working drawings and site observations. This survey uses 3 different measurable scales of the Likert Model (Wikipedia 2009) as the followings:

- a) poor (means poor level related to the health factor)
- b) moderate (means moderate level of the health factor)
- c) excellent (means moderate level of the health factor)

Intense evaluation can value the healthy level for public health and to identify its functions to a benign way for the end user. The survey will be made to three measurable factors which are natural lighting, rainwater discharge and wall openings. The results are as follows:

5.1 Natural lighting

5.1.1 Sun Shading

- i. There is no doubt that the mosque has an excellent roof shade design (Figure 4). Pyramid roof is an excellent roof type as sun shading device.
- ii. Three tiered roof concept makes a design of attached roofs (Figure 4) become important parts of the roof structures. There are two types of the attached roof system which are lower and upper attached roof. These attached roofs have roof overhangs, which provide excellent sun shades. The roofs block high angle sunlight from penetrating into the building. In addition, the design of open verandah area makes possible for a construction of recessed walls 3 m further inside the building. The reason is to avoid the walls from exposure to direct sunlight, which causes solar radiation. The attached roof overhangs work well blocking high angle (45-75°) sunlight. However, the attached roof overhang does not able to block solar radiation at northwest wall. The reason is unlike the other building perimeters, no open *serambi* area and recessed wall is built at this facade.
- iii. Building orientation (Figure 5) in a tropical region has efficient design by applying rectangular plan with wide wall at north and south facade compared to narrow wall at east and west facade. However, Kampung Hulu Mosque does not have rectangular plan design. It has instead square plan design, which is not the design with excellent

building orientation. The plan layout is more related to the roof design, which emphasizes on square based pyramid roof form.

iv. The traditional mosque does not apply screen louver in the design. Without the louvered fittings, the northwest and southeast façades are exposed to low angle (0-45°) sunlight. The northwest façade becomes more acute to solar radiation because it is exposed to evening sunlight at low (0-45°) and high (45-75°) angle orientation. The roof overhang is not wide enough to block the evening sunlight because it is not used as *serambi* area; as a result, no recessed wall is built at northwest façade.

v. There is no window louver used in the mosque design to block solar radiation.

5.1.2 Indirect Sunlight

i. Pyramid roof (Figure 4) with its overhangs gives excellent shades to block high angle direct sunlight. It diffuses to indirect sunlight.

ii. The attached roofs with their overhangs gives excellent protection from high angle direct sunlight. These protection works well with the presence of *serambi* areas and the recessed walls except at the northwest part due to no design of its *serambi* area and the recessed wall.

iii. The analysis finds that the overhang design does not mean to block low angle sunlight into the building due to an absence of screen louvers in the design. As a result, the northwest façade has poor high and low angle lighting design. For southeast façade design, having the low angle sunlight's penetration to the building interior is beneficial because this skin exposure to morning sunlight provides Vitamin D for skin's health.

iv. The traditional mosque design focuses on square plan layout, related to the pyramid roof design with its square plan layout and its attached roof overhangs. It does not have an emphasis on design based on the building orientation except the direction to the *qiblat*, which is excellent orientation following the sun path.

v. Window louver does not become part of the design in the mosque construction.

5.2 Rainwater Discharge

5.2.1 Rainwater deflection

i. The construction of roof and attached roof overhangs (Figure 4) with an addition to the open *serambi* area and the recessed wall are excellent design to hinder rainwater deflections.

ii. The construction of dominant roof ridge (Figure 4) jointing corners of two roof slopes is an excellent design to prevent rainwater deflection.

iii. Fascia boards (Figure 6) play a crucial role to protect the roof structures and ceilings from rainwater deflection.

iv. No screen louver is used in the design to tackle the problem of rainwater deflection.

5.2.2 Rainwater leakages

i. Simple pyramid roof (Figure 4) is the best roof form for smooth rainwater flow from the roof to the ground level, and therefore hinder the problem of rainwater leakages.

ii. Roof overhangs is an excellent roof design to create smooth flow of the rainwater to the ground level.

iii. Roof ridge board (Figure 4) is an excellent design for the roof corners to prevent the roof leakages, which allow rainwater's penetration into the building.

5.3 Wall Openings

5.3.1 Cross air ventilation

i. There are three ground doors (Figure 2&7) at each recessed wall. No ground door is at the northwest wall. They play a crucial role for natural cross air ventilation.

ii. There are three ground windows (Figure 2&7) at each recessed wall except only two at the northwest wall. They play a crucial role for natural cross air ventilation.

iii. Unlike in most of traditional mosques in Malacca, there is no construction of ground upper windows in Kampung Hulu Mosque. This gives a little impact on cross air ventilation. Based on the interviews and site observation, there are no comments on uncomfortable feeling on the indoor room's temperature in the praying hall.

iv. There are a series of lower and upper roof windows (Figure 7&8) built at the lower and upper roof segments for cross air ventilation.

5.3.2 Stack effect

i. The level of stack effect (Figure 9) is moderate because the prayer hall has large ground floor window, upper windows and door openings. This means the air intakes from the ground floor windows are high; as a result, it only induces low air pressure into the prayer hall. Lower roof window - Upper window openings at upper and middle segment of the three tiered pyramid roof (forming triple volume space design) give excellent design for stack effect.

ii. The construction of lower and upper roof windows are excellent design for the stack effect.

6. Conclusion

The analysis illustrates that health factors have a great influence to the traditional mosque design. Health is one of the principles of sustainability in the built environment and the traditional buildings have principle of climate-oriented architecture (Lin, Tan, Wang, Song, Zhu & Zhai 2004). The approach on health factors as sustainable considerations is not new in traditional mosque design based on the Islamic perspectives. It is like a rediscovery of the traditional technique in order to regain the sustainability's concept. The analysis shows that the traditional mosque design has an emphasis on simple pyramid roof and its attached roof form as important elements to tackle the problem of direct sunlight, solar radiation and luminosity. The same concept with an addition of roof ridge and fascia boards is applied to have excellent rainwater discharge. Wall openings are crucial elements used in the mosque design. The wall openings are at the ground floor and the segmented roof's wall level. These openings induce natural cross ventilation and stack effect. *Serambi* area and recessed walls are the enhanced designed elements to tackle the problem of direct exposure from tropical sunlight, solar radiation, luminosity and rainwater deflection.

However the analysis finds that the traditional mosque design does not apply screen and window louvers as the design elements for health factors. The traditional mosque design are only relying on the roof overhang concept with open *serambi* area and the recessed walls to tackle the problem of solar radiation, luminosity and rainwater deflection. In case with the problem of solar radiation and luminosity, this concept only works well to block high angle sunlight but not to low angle sunlight. The presence of window and screen louvers is important because it can block the low angle sunlight's penetration into the building. Besides, the study finds that the emphasis is more to cross air ventilation compared to stack effect. The design has large window and door openings on the ground floor level. To upgrade the development of traditional mosque design, the study recommends the uses on screen and window louvers as the important design elements. This integration will improve the health level and its sustainability.

Acknowledgment

This paper is under research grant financed by Universiti Sains Malaysia.

References

- Abu-Ghazze, T.M. (1997). Vernacular architecture education in the Islamic society of Saudi Arabia: Towards the development of an authentic contemporary built environment. *Habitat International*, 21 (2), 229-253.
- Allard, F., Santamouris M., & Alvarez S. (1998). *Natural ventilation in buildings: A Design Handbook*. London: Earthscan Publication.
- Binggeli, C. (2003). *Building systems for interior designers*. New Jersey: John Wiley and Sons Inc.
- Brown, G.Z., & Deekay, M. (2001). *Sun, wind and light: Architectural design strategies*. (2nd ed.). New York: John Wiley & Sons Inc.
- Chella, F., Gentile, E., & Zazzini, P. (2007). Natural light in new underground areas of a historical building. *Proceedings of 6th International Conference on Sustainable Energy Technologies 5th -7th September, 2007 (SET2007)*, Santiago, Chile.
- Chua, E. (2008). Unesco accepts George Town and Malacca as World Heritage Sites. *The Star Online*. [Online] Available: <http://www.thestar.com> (July 2008)
- Dewan Islam*. (May/June 1994). Kampung Hulu Mosque. Malacca: Department of Islamic Religion Malacca.
- Eben Saleh, M.A. (1999). Reviving traditional design in modern Saudi Arabia for social cohesion and crime prevention purposes. *Building and Environment*, 34, 649-669.

Edwards, L., & Torcellini, P. (2002). *A literature review of the effects of natural light on building occupants*. Colorado: National Renewable Energy Laboratory.

Fisher, C.A. (1964). *South-east Asia*. London: Methuen and Co. Ltd.

Klote, J.H. (1992). *A general routine for analysis of stack effect*. Gaithersburg: National Institute of Standards and Technology.

Lin, B., Tan, G., Wang, P., Song, L., Zhu, Y., & Zhai, G. (2004). Study on the thermal performance of the Chinese traditional vernacular dwellings in Summer. *Energy and Buildings*, 6, 73–79.

Melarango, M.G. (1982). *Wind in architectural and environmental design*. New York: Van Nostrand Reinhold.

Moujalled, B., Cantin, R., & Guarracino, G. (2008). Comparison of thermal comfort algorithms in naturally ventilated office building. *Energy and Buildings*, 40, 2215–2223.

Powell, R. (1993). *The Asian House: Contemporary Houses of Southeast Asia*. Kuala Lumpur: Select Book Pte. Ltd.

Robequain, C. (1954). *Malaya, Indonesia, Borneo, and the Philippines*. London: Longmans, Green and Co.

Sekhar, S.C. (1995). Higher space temperatures and better thermal comfort - a tropical analysis. *Energy and Buildings*, 23, 63-70.

Stavarakakis, G.M., Koukou, M.K., Vrachopoulos, M., Gr., Markatos, N.C. (2008). Natural cross-ventilation in buildings: Building-scale experiments, numerical simulation and thermal comfort evaluation, *Energy and Buildings*, 40, 1666–1681.

Syrakoy, A.C. (2007). Health, spirituality and power in medieval Iberia. *Cities in the Pre-Modern Islamic World: The Urban Impact of Religion, State and Society*. A.K. Bennison & A.L. Gascoigne (Eds.). New York: Routledge Taylor & Francis Group, 177-194.

Wikipedia. (2010). Likert Scale. [Online] Available: http://en.wikipedia.org/wiki/Likert_scale (April 2010).

Notes

Note 1. Surah Al-Baqarah (verse 222), Al-Quran Al-Karim

Note 2. *Māristān* is an Arabic term meaning hospital which comes from the Persian word *bimāristān*.

Note 3. The Word Jurisprudence (*Fiqh*) in the Holy Qur'an and the Traditions by Martyr Ayatullah Murtada Mutahhari from <http://www.imamreza.net/eng/imamreza.php?id=832> sourced by Dr Nizam bin Sahad, lecturer of Islamic Studies Department of School of Humanities, Universiti Sains Malaysia.

* *Pahala* means good and rewarding points which will be accumulated by Allah S.W.T for every good deed done by us.

** *Dosa* means bad and punishing points which will be accumulated by Allah S.W.T for every forbidden and bad deed done by us.

Note 4. Islamic calendar

Table 1. Analysis on sun shading

	Health Factors	Kampung Hulu Mosque	Level of HEALTH		
			poor	moderate	excellent
A	Roof shade				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
B	Attached roof shade				
	a	Northwest facade	x		
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
C	Building orientation				
	a	Northwest facade	x		
	b	Northeast facade			x
	c	Southeast facade		x	
	d	Southwest facade			x
D	Screen louver				
	a	Northwest facade	x		
	b	Northeast facade	x		
	c	Southeast facade	x		
	d	Southwest facade	x		
E	Window louver				
	a	Northwest facade	x		
	b	Northeast facade	x		
	c	Southeast facade	x		
	d	Southwest facade	x		

Table 2. Analysis on indirect sunlight

	Health Factors	Kampung Hulu Mosque	Level of HEALTH		
			poor	moderate	excellent
A	Roof shade				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
B	Attached roof shade				
	a	Northwest facade	x		
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
C	Building orientation				
	a	Northwest facade	x		
	b	Northeast facade			x
	c	Southeast facade		x	
	d	Southwest facade			x
D	Screen louver				
	a	Northwest facade	x		
	b	Northeast facade	x		
	c	Southeast facade	x		
	d	Southwest facade	x		
E	Window louver				
	a	Northwest facade	x		
	b	Northeast facade	x		
	c	Southeast facade	x		
	d	Southwest facade	x		

Table 3. Analysis on rainwater deflection

	Health Factors	Kampung Hulu Mosque	Level of HEALTH		
			poor	moderate	excellent
A	Roof overhang				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
B	Attached roof overhang				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
C	Roof ridge board				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
D	Fascia board				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
E	Screen louver				
	a	Northwest facade	x		
	b	Northeast facade	x		
	c	Southeast facade	x		
	d	Southwest facade	x		

Table 4. Analysis on rainwater leakages

	Health Factors	Kampung Hulu Mosque	Level of HEALTH		
			poor	moderate	excellent
A	Simple pyramid roof form				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
B	Roof overhangs				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
C	Roof ridge board				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x

Table 5. Analysis on cross air ventilation

	Health Factors	Kampung Hulu Mosque	Level of HEALTH		
			poor	moderate	excellent
A	Ground door				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
B	Ground window				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
C	Ground upper window				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
D	Lower roof window				
	a	Northwest facade		x	
	b	Northeast facade		x	
	c	Southeast facade		x	
	d	Southwest facade		x	
E	Upper roof window				
	a	Northwest facade		x	
	b	Northeast facade		x	
	c	Southeast facade		x	
	d	Southwest facade		x	

Table 6. Analysis on stack effect

	Health Factors	Kampung Hulu Mosque	Level of HEALTH		
			poor	moderate	excellent
A	Ground door				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
B	Ground window				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
C	Ground upper window				
	a	Northwest facade			x
	b	Northeast facade			x
	c	Southeast facade			x
	d	Southwest facade			x
D	Lower roof window				
	a	Northwest facade		x	
	b	Northeast facade		x	
	c	Southeast facade		x	
	d	Southwest facade		x	
E	Upper roof window				
	a	Northwest facade		x	
	b	Northeast facade		x	
	c	Southeast facade		x	
	d	Southwest facade		x	



Figure 1. Front view of Kampung Hulu Mosque

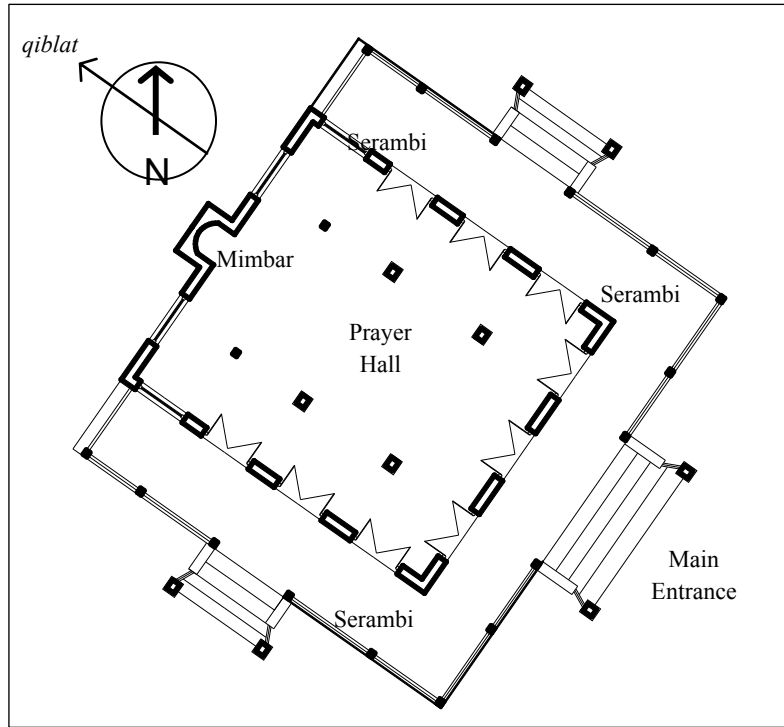


Figure 2. Plan Kampung Hulu Mosque



Figure 3. Prayer hall, mihrab and mimbar



Figure 4. Pyramid roof shade (left) and attached roof system (right)

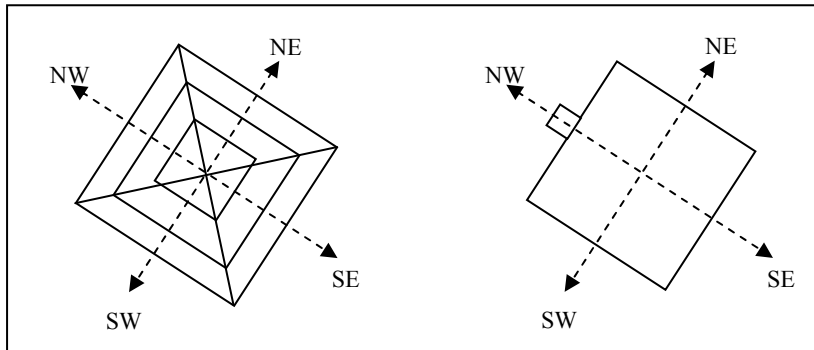


Figure 5. Building Orientation



Figure 6. Fascia board

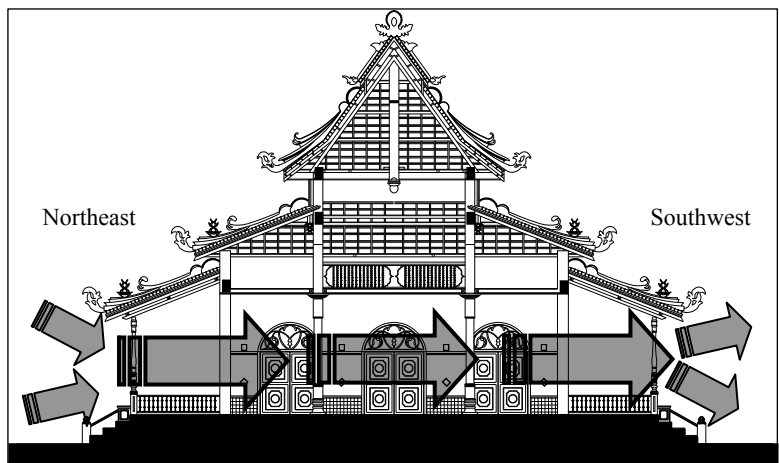


Figure 7. Cross air ventilation design analysis, viewing toward southeast facade

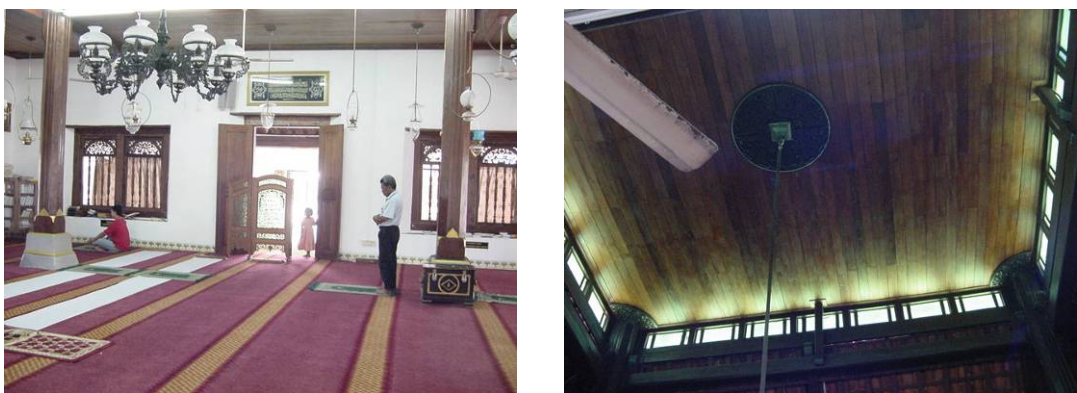


Figure 8. Wall openings (doors and windows) (left) and roof windows (right)

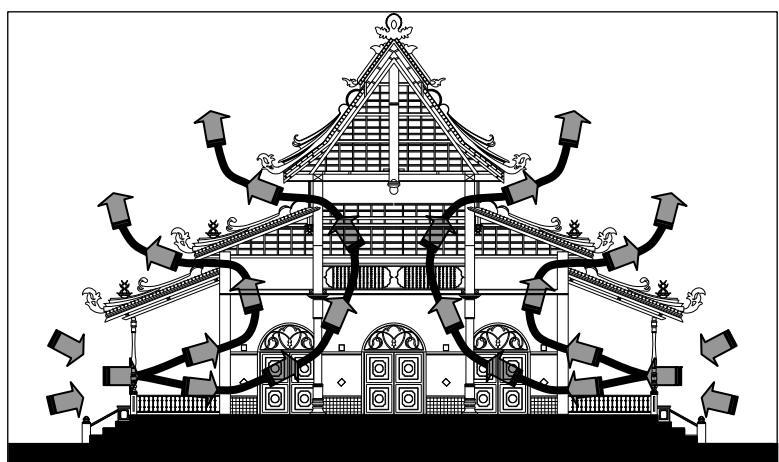


Figure 9. Stack effect design analysis

Competitive Strategy and Business Environment: The Case of Small Enterprises in China

Shigang Yan

College of International Economics, China Foreign Affair University

Beijing 100037, China

E-mail: yanshig@sina.com

Abstract

As an important participant in Chinese market, SMEs are confronted with the tasks of keeping themselves competitive, which concern their survival and future growth. To help Chinese SMEs maintain and improve competitiveness, a theoretical framework is built up through organizing the existing theories and findings in studying SMEs in China. The framework investigates competitive strategy and business environment influencing Chinese SMEs' performance. Based on data collected from SMEs in China, this study has confirmed the importance of competitive strategy to achieve their competitive advantage. Moreover, there is a negative relationship between competitive pressure and SMEs' performance.

Keywords: SMEs, Competitive strategy, Business environment, China

1. Introduction

After the Third plenum of the 11th Central Committee of the Chinese Communist Party in December 1978, the government started to provide guidelines for reform and development of the agricultural economic system, which led to the legalization of small market-oriented businesses in the rural areas (Leo, 1999). SMEs flourished in the market-oriented economy as the government gradually relaxed restrictions on the development of small enterprises. The SMEs have grown to be an important force in promoting the development of Chinese economy. They accounted for 99 percent of the total number of firms, 69.7 percent of overall employment, and 65.6 percent of China's gross output value of industry (National Bureau of Statistics of China, 2006). It is therefore necessary to enhance the management system by expanding the operations of the business and strengthening strategic management.

As most early studies in small business have focused on the context of advanced market economy, small business development in transitional economy remains by and large an unexplored and important agenda (Tang *et al.* 2007). Moreover, Chinese SMEs face a dynamic and competitive environment in the China's post-WTO era. Little research has been undertaken to systemically analyze the challenge and opportunity posed by such situation, which would give rise to an effective and integrative strategy for SMEs to compete in the Chinese market. The current study represents a first step towards bridging the research gap. It synthesizes and integrates the strategic choice approach and the environmental management perspective to build an expanded notion of competitive advantage for SMEs in China.

2. Literature review

In the study of the competitive advantages developed by small businesses in operations, researchers have acknowledged that generic competitive strategy and external conditions have their impact on Chinese SMEs' performance. The outstanding performance and development of SMEs can be attributed to business environment change in China. With the reforms taking effect in 1980s, small enterprises were provided with the opportunity to retain profits, which brought the first stage of an incentive structure (Sun 2000). Luo (1999) investigated environmental factors, such as complexity, dynamism and munificence, influencing small firms' performance. Based on an analysis of survey data collected from SMEs, Luo confirmed that environmental characteristics have a significant influence on SMEs' strategic orientations. Tan (2001) proposed that the environmental turbulence brought about the rapid rise in entrepreneurship in China. Entrepreneurial firms, being small and faster than state-owned enterprises (SOEs), adopt strategies that distinguish them from their lagers to achieve their success.

The SME's competitive advantage is not only affected by the environment, but also depends on competitive

strategy it involved. Chew *et al.* (2004) built up a conceptual framework for the competitive strategies for Chinese SMEs, which includes strategic alliances, innovation and differentiation. The framework was also illustrated by a case study of a prominent Chinese SME. Tang *et al.* (2007) examined the association between marketing strategy and business performance of small firms in China. Based on data collected from SMEs in China, they suggest small Chinese firms would adopt a long-term differentiation strategy, focusing on R&D and new product development.

3. Research hypotheses

Competitive advantage of the firm is a function of industry analysis, organizational governance and firm effects in the form of resource advantages and strategies (Mahoney and Pandian, 1992). From an environmental management perspective, environmental factors are important predictors to the organization's performance. The environmental factors are mainly in regard to economic and competitive conditions, including market turbulence, government interference and competitive intensity (Dalgic, 1998). The strategic choice approach is embedded in strategic management literature and focuses on the central role of strategy as a determinant of firms' performance. According to strategic choice approach, firms are assumed to be open systems that confront and respond to challenges and opportunities in their environment (Child, 1997). The research aims to integrate these two dominant perspectives based on frameworks that were proposed or adopted in previous studies (Luo, 1999; Chew *et al.*, 2004; Tang *et al.*, 2007). The conceptual framework in this study proposes Chinese SMEs' performance is critically dependent on two levels of factors: competitive strategy and business environment.

3.1 Competitive strategy and SME's performance

The competition strategy is the strategic choice that can influence SMEs' performance. In analyzing the strategies of firms, the Porter's framework has been the dominant tool for the past two decades. Greenfield (1989) suggested the use of Porter's (1980) three generic strategies by SMEs in competing for markets. Sandberg (1986) found that business strategies have direct influence on growth performance of SMEs. In addition, such factors as strategic types, the adoption of new technologies, quality products and other organizational strategy related factors are also revealed to have important influence on superior performance of SMEs. Tang *et al.* (2007) stated that market differentiation strategy through ancillary intangibles might prove effective to achieve success for small firms. Chandler and Hanks (1994) suggested that small firms should use innovation strategy to obtain competitive advantage in rapidly changing environment. Chew *et al.* (2008) further proposed that the SME should form a strategic alliance with other firms to pre-empt such aggressive actions by the bigger firms. As such, Chinese SMEs should rely heavily on developing competitive strategy in order to be sustainable in the industry. Based on these considerations, the hypotheses of this study are:

Hypothesis 1: Cost strategy is positively related to Chinese SMEs' performance.

Hypothesis 2: Differentiation strategy is positively related to Chinese SMEs' performance.

Hypothesis 3: Innovation strategy is positively related to Chinese SMEs' performance.

Hypothesis 4: Strategy alliance is positively related to Chinese SMEs' performance.

3.2 Business environment and SME's performance

The complex industry environment is seen as multidimensional, with numerous and differentiated effects on various organizational characteristics and processes (Keats and Hitt, 1988). Business environment provides a window to market opportunities and threats, and SMEs are a deliberate response to those dynamics. During economic transition, the business environment in China has revealed several characteristics. First, growth in sales and profitability varies markedly due to the industrial policy that allows only some sectors to be privatized and also to the deep-rooted imperfections in industry structure (Sun, 2000). Second, government regulations frequently changed due to idiosyncratic paths of decentralization and government needs for controlling strategically vital industries. Third, competitive pressure varies by the level of equilibrium between market demand and market supply. These characteristics of the environment have a direct impact on the nature of competition and the competitive strategy available to Chinese SMEs. Drawing on the literature, business environment would appear to have a strong effect on the SMEs' performance. In light of the above, the following relationships are predicted:

Hypothesis 5: Environmental dynamism is positively related to Chinese SMEs' performance.

Hypothesis 6: Competition pressure is negatively related to Chinese SMEs' performance.

4. Research methodology

4.1 The sample and survey instrument

The survey method used a structured questionnaire. The questionnaire survey was conducted in major cities and provinces in China. To control for possible industry effect, the research focused on the fast growing construction industry. The average annual growth rate in the construction industry has been over 10% since 1980. The contribution of the construction industry to the GDP of China increased from 4.17% in 1981 to 6.58% in 2004 (National Bureau of Statistics of China, 2006). The sampling frame consists of SMEs which were selected from the name list of Directory of Chinese Construction Industry Association. The selected construction SMEs meet the criterion with registered total turnover below RMB 400 million and employees less than 3000 (SETC, 2003).

The original English questionnaire was first reviewed and revised by two professors (one in marketing and another in strategic management) with substantial research experience in the subject area in China and then translated into Chinese. The questionnaire, together with a cover letter explaining the methodology and objective of the study, was distributed to 1,000 construction SMEs in those areas by mail. A total of 133 responses were received, out of which 121 were deemed effective for analysis. Thus the actual response rate is 12.1 percent. This response rate is acceptable with most studies of SMEs in the Western contexts as Chandler and Hanks (1994) suggested that response rates to random mail survey are frequently in the order of 10% to 33%. Table 1, 2 summarize the respondents' particulars and firm size, ownership and age of the respondents.

4.2 Measurement of variables

Most of the factors in the questionnaire are self-developed to suit the practice in the industry. The instrument has been tested for face-to-face validity on contractors. All key variables in the study were assessed using multiple measures. Such measures are necessary to capture the domain of the constructs adequately and accurately (Churchill, 1979; Nunnally, 1978). In addition, this approach is believed to reduce measurement error and increase the reliability and validity of the measures (Churchill, 1979; Peter, 1979).

The competitive strategy variables were measured using 5-point Likert scales ranging from 1 "not at all important" to 5 "extremely important". Competitive strategy includes four variables: cost, differentiation, innovation and strategic alliance, which determine SMEs' competitive advantage. Cost was measured by a four-item scale: (1) access to low cost labor, (2) access to low cost raw materials, (3) reducing cost in operation management, and (4) reducing cost in administration activities.

Differentiation strategy attempted to capture a company's ability to market and sell products effectively and efficiently, and achieve marketing performance (Hann *et al.*, 2002). A four-item scale was partly adopted from Chew *et al.* (2008) as follows: (1) develop brand identification; (2) achieve high quality beyond the requirements in the specifications; (3) adopt bidding strategy with competitive price; and (4) deliver constructed facilities ahead of schedule. Five items were identified for innovation strategy as follows: (1) technical and managerial expertise, (2) competence in technology and process, (3) IT technology, (4) innovation in finance; and (5) innovation in operation mechanism. Strategic alliance presented as an important way of improving performance through the direct benefits accruing to both parties involved. Strategic alliance was measured by four items: (1) subcontractor of a large enterprise, (2) partnering with customer on a long-term basis, (3) cooperation with reliable suppliers, and (4) cooperation with research institutes and universities.

Business environment items are factored as two broad concept- environment dynamism and competitive pressure. The scale was a 5-point Likert-type scale and responses ranged from 1 "not at all important" to 5 "extremely important". The measure of environment dynamism was based on a five-item scale developed by Luo (1999) and Langford and Male (2001). Environmental dynamism included five items as follows: (1) condition of economic; (2) development of legal system; (3) the product/service technology; (4) reform of the industry; and (5) the service efficiency of government department. Competition pressure describes the degree for rivalry among construction firms in the construction industry. The measure was adopted from a modified version of the scale used by Luo (2003) and included four items: (1) government intervention; (2) the rivalry for competitor; (3) impact of local government policy; and (4) the extent of threats from new entrants.

4.3 Firm's performance

Firm's performance was the ultimate criterion in the theoretical model. The competitive performance was often measured by the business volume (including sales, profit) (Cheah *et al.*, 2007), efficiency (productivity, return on equity, net profit) (Davies and Walters, 2004), business growth and sustainable growth (Fu *et al.*, 2002). In this research, sales growth and profit growth were used for measuring construction SMEs' competitiveness.

5. Analysis and results

5.1 Correlation analysis

Table 3 presents the descriptive statistics and correlations among all variables used in the analysis. As indicated, the correlation analysis had shown that there was significant and substantial level of correlations among variables of the same construct. For example, a medium to high level of correlations from 0.26 to 0.56 was found among the competitive strategy areas. This could be explained by the fact that they were all sub-constructs of similar behavioral characteristics reflecting a higher-level construct. Cronbach's coefficient alpha was used to measure the degree of covariation among competitive strategy and business environment variables. Table 4 shows the cronbach's coefficient of each variable, the resulting values range from 0.65 to 0.83, indicating an acceptable level of internal consistency (Churchill, 1979; Nunnally, 1978).

5.2 Research findings

Regression analysis is used to determine the degree to which selected independent variables were able to predict SMEs. The measure of "overall performance" is given by the average of sales and profit growth rates. The results are presented as standardized regression coefficients in Table 5. As indicated, For Model 1c, the independent variables explained 34 percent of variance in the construction SMEs' sales growth ($R^2=0.29$, Adjusted $R^2=0.28$, F value=7.73). These adjusted R^2 are consistent with studies of SMEs by Lerner and Almor (2002) and Sadler-Smith *et al.* (2003). Lerner and Almor (2002) regressed growth and strategic volume and reported adjusted R^2 is 21 percent. The adjusted R^2 reported by Sadler-Smith *et al.* (2003) is 12 percent. Thus, the values of adjusted R^2 in this case could be deemed acceptable for evaluating Model.

The results showed that cost strategy has significantly positive relationship with overall performance with a coefficient of 0.27 at 0.01 levels, indicating that H1 is supported. Differentiation strategy had significantly positive relationship with overall performance ($\beta=0.29$, $p<0.01$). Therefore, H2 is supported. Innovation strategy is significantly related to construction SMEs' performance with $p<0.05$, thus H3 is also supported. Strategic alliance is not significantly positive relationship with construction SMEs performance ($\beta=0.10$, $p>0.05$). Thus H4 is not supported. As for environmental variables, environment dynamism is not significantly related to construction SMEs' performance with $p>0.05$, thus H5 is not supported. Competitive pressure is negatively related to construction SMEs with a coefficient of 0.13, therefore H6 is supported.

5.3 Discussion of the findings

The study investigated the key competitive strategy variables and showed that cost, differentiation, and innovation strategy were key competitive strategies used by SMEs in China's transitional economy. The study's findings mesh with generic strategy research which suggests that cost, differentiation and innovation are appropriate strategies in dynamic environments (Miller, 1988; Chew *et al.*, 2004; Tang *et al.*, 2007). Strategic alliance significantly contributed to the SMEs' sale growth, but not to the profit growth. A plausible explanation is that, for SMEs, the use of strategic alliance attempts to satisfy the needs of market expansion through covering multiple market segments. On the positive side, strategic alliance results in improved client focus and satisfaction as well as better responsiveness to changing market conditions. Thus SMEs may expand its market position and lead to output growth. On the negative side, pursuing strategic alliance involves high costs to develop and sustain the resource to support the strategy. Given the limited resources of SMEs, gains in market position may adversely effect the profitability.

Furthermore, the study investigated the impact of environment factors on Chinese SMEs' performance. Contrary to the prediction in the research, environment dynamism was not related to SMEs' performance. A plausible explanation is that, the success of SMEs is largely attributed to top managers' ability to develop effective strategies that are compatible with environmental conditions. Small business managers may face dynamism environment that were unclear and that presented few well-alternatives and few clear evaluations criteria by which to select among alternatives (Luo, 1999). Competitive pressure challenged the competitive positions achieved by incumbent firms and reinforces dependence on other firms. High competitive pressure may create more chaos in the market including the appearance of extensive pseudo- and inferior projects and escalating prices. The chaos may lower customers' loyalty to products and thus increase the costs for using competitive strategies.

The study has several limitations, which merit some consideration when evaluating the findings. From a theoretical point of view, this paper used a strategic perspective when discussing the relationships among competitive strategy, business environment and SMEs' performance. The limitation as a result of data collection was related to the sample size adopted in this research. Although no significant non-response bias was found, the

relatively low response rate had resulted in the smaller than expected sample size, which was less desirable for the statistical precision and confidence of the study. Moreover, given the large number of variables involved, this small sample had limited the ability to develop a casual model through the structural equation model. Thus, a much larger sample size would have provided stronger tests of all the hypotheses and greater confidence in the results. The research has inherent limitations as a result of operationalization of variables. With the transition of China's economy from the highly centralized planning economy to a market-oriented one, environmental factors become the concern of most construction enterprises. Future research should address this issue in order to better interpret the relationship between industry structure and SMEs' performance. Finally, the research may be limited by common method variance resulting from perceptual measures of firm-level constructs used in this research. However, the design of the research was cross-sectional rather longitudinal, and hence the conclusions themselves must be treated as correlational rather than casual.

6. Conclusions

The research integrated the environmental management perspective and strategic choice approach which have emerged in the literature related to the strategic management. A theoretical framework was built up through organizing the existing theories and findings in studying Chinese SMEs. The framework investigated competitive strategy and business environment influencing Chinese SMEs' performance. Based on data collected from SMEs in China, this study has confirmed the importance of competitive strategy to achieve their competitive advantage. Moreover, there are a negative relationship between competitive pressure and SMEs' performance. The findings of this study have implications for management practice. Specifically, the result of this research may be useful for management practitioners who are involved in the development of Chinese SMEs. The findings that competitive strategy is prime determinants of business performance should be a source of encouragement to managers in Chinese SMEs.

References

- Bartb, H. (2003). Fit among Competitive Strategy, Administrative Mechanisms, and Performance: A Comparative Study of Small Firms in Mature and New Industries. *Journal of Small Business Management*, 41(2), pp.133-147.
- Chandler, G.N. & Hanks, S.H. (1994). Market Attractiveness, Resource-based Capabilities, Venture Strategies and Venture Performance. *Journal of Small Business Management*, 12 (1), pp. 27-35.
- Child, J. (1997). Strategic Choice in the Analysis of Action, Structure, Organizations and Environment: Retrospect and Prospect. *Organization Studies*, Vol. 18, No. 1, pp.43-76.
- Churchill, G. A. (1979). A Paradigm for Developing Better Measures of Marketing Constructs. *Journal of Marketing Research*, 16 (February), pp. 64-73.
- Dalgic, T. (1998). Dissemination of Market Orientation in Europe: A Conceptual and Historical Evaluation. *International Marketing Review*, Vol. 15, No. 1, pp.45-60.
- Cheah,C.Y.J., Kang, J. & Chew,D.A.S. (2007). Strategic Analysis of Large Local Construction Firms in China. *Construction Management and Economics*, Vol.25, No. 1, pp. 25 – 38.
- Chew,D.A.S.,Yan,S. & Cheah,C.Y.J. (2004). Creating and Sustaining Competitiveness of Small and Medium-sized Construction Enterprises in China. *Proceedings of International Symposium on Globalization and Construction*, 17-19 November, 2004, pp.25-34.
- Chew, D. A.S.,Yan,S. & Cheah,C.Y.J. (2008). Core Capability and Competitive Strategy for Construction SMEs in China. *Chinese Management Studies*, Vol. 2, No. 3, pp.203-214.
- Fu, et al. (2002). Capital Growth, Financing Source and Profitability of Small Businesses: Evidence from Taiwan Small Enterprises. *Small Business Economics*, 18: 257-267.
- Haan, J.D., Voordijk, H. & Joosten, G.J. (2002). Market Strategies and Core Capabilities in the Building Industry. *Construction Management and Economics*, 20, pp.109-118.
- Greenfield, W. M. (1989). *Developing New Ventures*. Harper & Row, New York.
- Keats, B.W. & Hitt, M.A. (1988). A Causal Model of Linkages among Environmental Dimensions, Macro Organizational Characteristics, and Performance. *Academy of Management Journal*, Vol. 31, pp. 570-598.
- Langford, D. & Male, S. (2001). *Strategic Management in Construction*. Oxford: Blackwell Science.
- Lee, K.S., Lim, G. H. and Tan, S. J. (1999). Dealing with Resource Disadvantage: Generic Strategies for SMEs. *Small Business Economics*, 12, pp. 299-311.

- Leo, P.D. (1999). Small Business as a Supplement in the People's Republic of China (PRC). *Journal of Small Business Management*, Vol. 37, No. 3, pp. 76–80.
- Lerner, M. & Almor, T. (2002). Relationships among Strategic Capabilities and the Performance of Women-Owned Small Ventures. *Journal of Small Business Management*, 40(2), pp. 109-125.
- Luo, Y. (1999). Environment-strategy-performance Relations in Small Business in China. *Journal of Small Business Management*, Vol. 37(January), pp. 37-52.
- Luo, Y.D. (2003). Industrial Dynamics and Managerial Networks in an Emerging Market: The Case of China. *Strategic Management Journal*, 24: 1315-1327.
- Mahoney, J.T. & Pandian, J.R. (1992). The Resource-based View within the Conversation of Strategic Management. *Strategic Management Journal*, Vol. 13, No. 5, pp.363-380.
- Miller, D. (1986). Configurations of Strategy and Structure: towards a Synthesis. *Strategic Management Journal*, Vol. 7, No. 3, pp. 233-249.
- National Bureau of Statistics of China. (2006). *China Statistical Yearbook on Construction*. Beijing: State Statistics Bureau Press.
- Neil, T. (1986). Distinctive Competence: A Marketing Strategy for Survival. *Journal of Small Business Management*, (January), pp. 16-21.
- Nunnally, J.C. (1978). *Psychometric Theory*. New York: McGraw-Hill.
- Peter, J.P. (1979). Reliability: A Review of Psychometric Basics and Recent Marketing Practices. *Journal of Marketing Research*, 16 (February), pp. 6-17.
- Porter, M. (1980). *Competitive Strategy: Techniques for Analysing Industry and Competitors*. The Free Press, New York.
- Sandberg, W.R. (1986). *New Venture Performance: The Role of Strategy and Industry Structure*. Lexington.
- Sadler-Smith, E, Hampson, Y, Cbaston, I. & Badger, B. (2003). Managerial Behavior, Entrepreneur Style, and Small Firm Performance. *Journal of small business management*, 41(1), pp. 47-67.
- State Economic and Trade Commission (SETC). (2003). *Tentative Classification Standards on the Small and Medium-sized Enterprises*, the 143th Joint Ordinance of the State Economic and Trade Commission, the State Development Planning Commission, Ministry of Finance and National Statistics Bureau, 19 Feb 2003.
- Sun, L.X. (2000). Anticipatory Ownership Reform Driven by Competition: China's Township-village and Private Enterprises in the 1990s. *Comparative Economic Studies*, XLII (3): 49-75.
- Tan, J. ((2001). Innovation and Risk-Taking in a Transitional Economy: A Comparative Study of Chinese Managers and Entrepreneurs. *Journal of Business Venturing*, 16(4), 359–376.
- Tang, Y., Wang, P. & Zhang ,Y. (2007). Marketing and Business Performance of Construction SMEs in China. *Journal of Business & Industrial Marketing*, Vol. 22, No. 2, pp. 118-125.

Table 1. Respondent's particulars

Respondent's particulars	Number of Respondents	Percentage (%)
(a) Respondent's location		
Beijing	10	8.26%
Fujian	5	4.13%
Guangdong	23	19.01%
Hebei	4	3.31%
Hubei	3	2.48%
Jiangsu	22	18.18%
Jiangxi	3	2.48%
Shandong	9	7.44%
Shanghai	11	9.09%
Sichuan	5	4.13%
Tianjin	6	4.96%
Zhejiang	20	16.53%
Total	121	100%
(b) Respondent's position		
President/general manager	25	20.66%
Department manager	32	26.45%
Project manager	33	27.27%
General or senior engineer	31	25.62%
Total number of firms	121	100%

Table 2. Firm size, ownership and age of the respondents

Firm age		Firm size by employment		Ownership	
1-10	46	1-100	31	SOEs	23
10-20	40	100-500	44	Collective	36
20-30	17	500-1000	25	Private	42
30-40	14	1000-2000	14	Joint venture	10
40-50	4	2000-3000	7	Foreign-funded	10
Total	121	Total	121	Total	121

Table 3. Mean, standard deviation and correlation of variables

Variables	Mean	S.D.	1	2	3	4	5	6	7	8
1. Cost	3.82	0.68	---							
2. Differentiation	3.67	0.73	0.28 ^b	---						
3. Innovation	3.59	0.69	0.26 ^b	0.56 ^b	---					
4. Strategic alliance	3.26	0.85	0.28 ^b	0.34 ^b	0.37 ^b	---				
5. Environment dynamism	2.64	0.66	0.49 ^b	0.71 ^a	0.44 ^a	0.20 ^a	---			
6. Competitive pressure	3.39	0.67	0.24 ^b	0.55 ^b	0.48 ^b	0.29 ^b	-0.20 ^b	---		
7. Sales growth	3.39	0.71	0.37 ^b	0.50 ^b	0.41 ^b	0.33 ^b	-0.08 ^a	0.42 ^b	---	
8. Profit growth	3.04	0.79	0.31 ^b	0.29 ^b	0.24 ^b	0.17 ^a	-0.12 ^a	0.34 ^b	0.73 ^b	---

Note. * P<0.05; ** P<0.01

Table 4. Variables and their reliability

Variables	Retained number of items	Reliability (Cronbach's Alpha)
Cost	4	0.83
Differentiation	4	0.80
Innovation	5	0.78
Strategic alliance	4	0.65
Environment dynamism	5	0.77
Competitive pressure	4	0.70

Table 5. The impact of competitive strategy and business environment on SMEs' performance

Independent variable	Dependent variable		
	Model 1a Sales growth	Model 1b Profit growth	Model 1c Overall performance
Cost	0.37**	0.16**	0.27**
Differentiation	0.26**	0.28**	0.29**
Innovation	0.20**	0.09*	0.15*
Strategic alliance	0.16*	0.04	0.10
Environment dynamism	0.11	0.17*	0.15
Competitive pressure	-0.09*	-0.15*	-0.13*
R ²	0.34	0.20	0.29
Adjusted R ²	0.31	0.16	0.25
F value	9.91	4.69	7.73

An Analysis of “Jordan Opportunities” Objectives in the General Secondary Certificate Examination of English: A Case Study in Jordan between 2008 and 2010

Dr. Mahmoud Sulaiman Bani Abdelrahman

Assistant Professor

Al – Hussein Bin Talal University, Jordan

E-mail: Abugaith66@yahoo.com

Abstract

The study aimed at investigating the GSCE through assessing to what extent English Language Teaching Objectives are available in the GSCE in Jordan between 2008 and 2010. This study attempts to answer the following questions:

- 1- To what extent are the English language Teaching objectives realized in the GSCE in Jordan between 2008 and 2010 for each academic year?
- 2- To what extent are the English language Teaching objectives realized in the GSCE in Jordan between 2008 and 2010 for all the three years collectively?

The sample of the study consists of all examination papers of the GSCE in English in Jordan between the years 2008 and 2010. For the purpose of the study, the researcher developed a questionnaire that consists of 13 Thirston –type items that were classified under the following categories:

- 1- listening 2
- 2- speaking 3
- 3- reading 3
- 4 - writing 5

The questionnaire was prepared in English. The questionnaire was given to a jury of professors, supervisors and teachers of English. The jury’s responses on the questionnaire were analyzed as follows:

- 1- Percentage and frequency in each response category.
- 2- Basic descriptive statistical mean and standard deviation.
- 3- Phi and Cramer’s V for nominal variables (corresponding internal contingency coefficient in case of interval variables) Using the Statistical Package for Social Studies (SPSS) uses the above-mentioned procedure.

The study presents the following

- 1- The objectives of listening and speaking are not available in the GSCE completely.
- 2- Two out of three of the reading objectives are available.
- 3- Four out of five of the writing objectives are available in the GSCE.

On the basis of the findings, the researcher recommended the following:

- 1- Include speaking and listening exams in the GSCE because of the need to let teachers teach them in classes.
- 2- Vary the questions of reading and writing to cover all the objectives.
- 3- To test what we teach not to teach what we are going to test as the case in most schools.

Keywords: Jordan opportunities, Objectives, e (GSCE) General Secondary Certificate Examination

1. Introduction

Jordan, a country blessed with diverse human resources, has exerted numerous efforts to improve the quality of its educational system. The most significant step in this regard was the first National Conference for Educational

Development in 1987 which re-assessed the operating educational system. The conference convened to overhaul the Jordanian public system into two stages. The Basic Education Stage covers the first ten years and the Secondary Education Stage covers the final two years.

Jordan Opportunities is a multi-level course that has been specially designed for Jordanian students learning English in grades 10, 11, and 12. The basic premise of the course is that secondary students learn English best when they are dealing with interesting and meaningful content. Thematic input provides a context for language and communication, and supplies a series of cognitive 'anchors' for learning which are crucial in a monolingual learning environment. Jordan Opportunities 3 for twelfth grade is a two-level course, organized into six topic-based modules. The first level covers learning to learn and modules 1,2 and 3. The second level covers modules 4, 5 and 6.

Within each module there are different sub-topics, which provide variety and at the same time explore the module theme in depth. Each topic offers opportunities to explore three kinds of content.

- a- Topics related to the student's own world.
- b- Cross-curricula themes.
- c- Cultural input. (Harris, M; Mower, D and Sikorzynska, A, 2007)

In light OF Jordan opportunities series, the Ministry of Education in Jordan (2008:2) stated that students are expected to acquire a variety of skills and to achieve the following objectives:

A-Listening

- 1-Develop advanced listening strategies in academic and authentic contexts.
- 2- Demonstrate understanding of directions, presentations and performances in a variety of authentic contexts.

B- Speaking

- 1-Speak English words and sentences clearly, and fluently in a variety of academic authentic contexts.
- 2- Use words and sentences to participate in discussions and conversations in a variety of academic authentic contexts
- 3- Take part in a variety of well- prepared presentations to the class in a variety of academic authentic contexts.

C-Reading

- 1- Use reading strategies to understand a variety of authentic informational and literary texts.
- 2- Demonstrate understanding of a variety of authentic informational and literary texts (e.g., applications, social and scientific reports, academic essays, plays, and poems)
- 3- Make connections between prior knowledge and experiences and a variety of authentic informational and literary texts (e.g., applications, social and scientific reports, academic essays, plays, and poems).

D-Writing

- 1- Gather information and ideas from print and electronic sources to organize and write in a variety of advanced authentic contexts.
- 2- Write a series of paragraphs for a variety of advanced authentic purposes and audiences such as summaries, essays, resumes, and multi-media presentations.
- 3- Use appropriate organizational patterns to create authentic advanced written work.
- 4- Apply knowledge of the conventions of language (e.g., spelling, punctuation, grammar, and usage)
- 5- Revise written work for accuracy, clarity, correctness and coherence with the assistance of teacher, peers, and electronic programs.

Herman (1997) said that: teachers model that classroom practices online with the methods and the result of the various assessments that they employed and that assessment influences classroom teaching and student activities.

Jordan Opportunities aims at reinforcing English acquired during the Basic Education Stage as well as providing learners with new language experiences that can be used in a variety of relevant situations. The Ministry of Education allotted four 45-minute periods per week. All second secondary stage students in all streams must pass the GSCE (General Secondary Certificate Examination) by getting at least 35 out of 70 in each of the two sessions of the twelfth grade.

Language testing has traditionally been limited by considerations of validity (whether tests actually measure what they are supposed to measure [Thrasher, 1984]), reliability (whether they produce similar results on more than one occasion) and efficiency (logistics of test administration), (Weir 1988:1). Validity is seen by Spolsky (1975) and Messick (1988) as the major problem in foreign language testing, including content validity (the test is a representative sample of the language skills and structures it is meant to test), criterion-related validity, construct-validity (the extent to which the test matches a theoretical construct), (Bachman 1990), face-validity (the test looks reasonable to the test-taker), predictive validity (the predictive force of the test), concurrent-validity (the test and the criterion are administered at the same time), (Davies 1990), and educational validity (the relationship between positive test effects and students study habits), (Thrasher 1984). Nakamura (1995) argued that predictive validity, educational validity, construct validity, concurrent validity, face validity and content validity should be analyzed in tests of speaking ability, and Kohonen (1999:291) stresses also validity in communicative evaluation.

Claire (2000) gave some reminders about assessment:

- assessment instruments should measure expected outcomes.
- expected outcomes need to be clear to student and teacher.
- no one instrument captures everything ; use more than one.
- external review is an appropriate complement to internal assessment.
- demonstrating learning over time is ideal.
- results need to be shared, acted upon and re-measured close the loop.

2. Literature Review

Specialist get confused when they hear the words assessment, evaluation and testing. Hart (1994) has given a helpful explanation of these terms. He says assessment refers to the methods we use to find out what students are learning. Brown (1994) stated that people get tested every day in different situations where they have to make decisions.

Harrison et al (1975:4) surveyed the Jordanian state of English system. They indicated, "The final English language attainment of each school graduate is evaluated by his success or failure in the GSCE in English. The form of this required examination obviously affects the manner and the substance of English language teaching. Typically, the examination does not assess pupils' spontaneous oral production or their listening comprehension, but it does attempt to measure their ability to demonstrate a knowledge of formal grammatical relationships and their ability to comprehend written passages."

They added "It must be assumed that the lack of correspondence between the specific objectives in the new curriculum guide and the present examination system will yield a teaching program oriented to prepare students to pass the required examination. This orientation does not, of course, preclude the possibility that students who pass the examination can also communicate effectively and confidently using the four basic skills."

Hamdan (1992) conducted a study to measure the students' competence against the "general objectives" of Basic Stage English Curriculum in Jordan. The subjects selected for his study were 70 tenth-grade students, of which were 35 male students, and 35 female students. Hamdan employed a test to measure the students' competence in the following sub-scales: listening, speaking, reading, writing, vocabulary and structures. The results of his study indicated that:

- (1) All the subjects scored successfully on the whole test.
- (2) The female group was ahead in respect to the whole test mean scores.
- (3) There were no statistically significant differences in the achievement of male and female subjects on the receptive skills and productive skills.

- (4) There were no statistically significant differences among the male subjects on productive and receptive skills.
- (5) There were statistically significant differences among the female subjects on productive and receptive skills.

In the light of his findings, Hamdan recommended that efforts should be geared towards developing general proficiency examinations reflecting the teaching approaches and the attainment of the test objectives. Consequently, training courses should be held for teachers of English so as to make them aware of developing evaluation strategies of instructional objectives.

Al-Belushi (1997) conducted a study to investigate factors that might explain why third secondary arts students in the Sultanate of Oman performed less well than science students on the English Language National Certificate Examinations. Her study sought to determine whether there were relationships among student performance, major, gender, educational and family background, and relevant pedagogical attitudes and perceptions. Both quantitative and qualitative methods were used. Third secondary subjects included (992) arts and science students and (34) teachers. Students completed a self-administered questionnaire and teachers were interviewed. Several striking results emerged from the study. First, although science students performed better on the English examination, they did not perform as well on the overall examinations as did the arts students. Second, science students and teachers of both arts and science students generally held negative attitudes toward arts students, but positive attitudes toward science students (attitudes which seem to mirror those of Omani society in general). Third, both arts and science students faced difficulties in learning the English language.

Bani Abdelrahman (2003) conducted a study to investigate the General Secondary Certificate Examination in Jordan (GSCE) through: assessing the extent to which English Language Teaching Objectives are realized in the GSCE in Jordan between 1997 and 2002 and to develop a guide for the writers of the GSCE in English. The sample of the study consists of all examination papers of the GSCE in English in Jordan between the years 1997 and 2002. For the purpose of the study, the researcher developed a questionnaire that consists of 46 Thirston-type items that were classified under the following categories:

- 1- Listening and speaking, 5 items.
- 2- Reading, 10 items.
- 3- Writing, 10 items.
- 4- Functions, 21 items.

The study presents the following findings:

- 1- The objectives of listening and speaking are not available in the GSCE completely.
- 2- 50% of the reading objectives are available in the GSCE.
- 3- 40% of the writing objectives are available in the GSCE .
- 4- 24% of the functions are available in the GSCE.

Bani Abdelrahman (2009) conducted a study to find out to what extent do EFL students achieve every goal (description, inferences, what does each person like, excuses, requests, offers and apologies) separately and to what extent do students achieve all the goals collectively. The population and sample of the study consisted of all the students who studied at elementary level at the I.P.A in Riyadh in Saudi Arabia in the first semester 2007. In order to answer the questions of the study, the researcher prepared an exam that contained of 29 multiple-choice questions. The findings of the study showed that the description, inferences and what each person likes were achieved by the students to a good level while excuses, requests, offers and apologies were not achieved by the students. As a whole the level of achievement was a good one for the exam as a whole.

The present study reinforces the same ideas and shares with these studies an interest about the students' previous knowledge. As such, considering the objectives before writing the examination is necessary and useful to achieve better results in learning.

3. Population and sample

The population and sample of the study consisted of all the examination papers of GSCE in English in Jordan between the years 2008 and 2010.

4. Instrument of the Study

Data were collected through using a questionnaire for the subject of the study. The scale contained 13 Thirston-type items. The 13 Thirston-type items were classified under the following categories:

- 1-listening 2
- 2- speaking 3
- 3- reading 3
- 4 - writing 5

The questionnaire was prepared in English. The questionnaire was given to a jury of professors, supervisors and teachers of English. The researcher, through revising the literature, developed the questionnaire into two columns "available" and "unavailable", as there is no other choice for seeing whether the objective is available or not. So, in giving the data to the computer "available" is represented by number 1 while "unavailable" is represented by number 2.

5. Data Analysis

The subjects' responses to the questionnaire were analyzed as follows:

- 1- Percentage and frequency in each response category.
- 2- Basic descriptive statistical mean and standard deviation.

6. Validity and Reliability of the Instrument

In order to establish its validity, the researcher gave the questionnaire to a jury of specialized TEFL experts (4 teachers, 3 supervisors, 5 professors) for their comments and recommendations.

The jury agreed that the instrument is valid to measure what it is supposed to measure. The researcher used the Inter-rater Reliability Agreement to find the reliability coefficient for the questionnaire as a unit for the whole sample. It was calculated based on the generalizability theory, and it was (0.99).

$$p^2 = \frac{M_{sp} - M_{sr}}{M_{sp}}$$

$$= \frac{18.195 - 0.064}{18.195}$$

$$= \frac{18.131}{18.195}$$

$$= 0,99$$

7. Administration of the Questionnaire

The researcher distributed the questionnaire to the EFL teachers, supervisors and professors personally. The researcher explained the items of all the scale to the subjects and answered all the questions they raised. The subjects consisted of 10 professors, 12 supervisors and 8 teachers.

8. Statement of the problem

Students of the GSCE complain that they are not tested in what they should study at schools in English because the objectives of the English language curricula are not reflected in the test. This study aimed to analyze the GSCE questions and see the availability of the English Language Objectives in them.

So, the study aimed to answer the following questions:

- 3- To what extent are the English language Teaching objectives realized in the GSCE in Jordan between 2008 and 2010 for each academic year?

- 4- To what extent are the English language Teaching objectives realized in the GSCE in Jordan between 2008 and 2010 for all the three years collectively?

9. Purpose of the Study

The study aimed at investigating the GSCE through assessing to what extent English Language Teaching Objectives are available in the GSCE in Jordan between 2008 and 2010.

10. Significance of the Study

The Ministry of Education in Jordan introduced Jordan Opportunities series in 2008. Every year, the Ministry of Education carries out an examination in English. The first general examination about 'Jordan Opportunities' was administered in 2008 as it was the first year when Jordan Opportunities series was used.

To the knowledge of the researcher, there haven't been any studies done to find out the availability of the objectives in the GSCE in Jordan except the one that Bani Abdelrahman (2003) conducted. So, a study of analyzing the second secondary examination in English will

- 1- supply the examination writers with objective and useful information for writing questions,
- 2- contribute to the development of any similar future examination,
- 3- measure the extent to which the Ministry of Education realizes the objectives of teaching English language in Jordan, and
- 4- supply recommendations in light of the findings of the study.

11. Definition of Terms

Basic Education Stage: Consists of grades one to ten, in Jordan.

English Language Teaching Objectives: are explained in detail in the preface of this dissertation.

GSCE: General Secondary Certificate Examination in Jordan which is carried out at the end of the secondary stage.

Jordan Opportunities: a series of textbooks which is taught at the Secondary Stage and the highest class of the Basic Education Stage, grades 10, 11 and 12 in Jordan.

Secondary Education Stage: Consists of the highest two grades in Jordanian schools: grades eleven and twelve.

12. Discussion of the Results

12.1 Subjects' responses to the questionnaire of the four subscales for the year 2008.

A) Listening

The listening subscale consisted of two items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 1.

Table 1 shows that all the categories include complete percentages in the "unavailable" column. The mean of the two items (1- Develop advanced listening strategies in academic and authentic contexts..... 2- Demonstrate understanding of directions, presentations and performances in a variety of authentic contexts.. was too high. This means that listening was not available in the GSCE.

B) Speaking

The speaking subscale consisted of three items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 2.

Table 2 shows that all the categories include complete percentages in the "unavailable" column. The mean of the three items (1- Speak English words and sentences clearly, and fluently in a variety of academic authentic contexts..... 2- Use words and sentences to participate in discussions and conversations in a variety of academic authentic contexts. 3 -Take part in a variety of well- prepared presentations to the class in a variety of academic authentic contexts.. was too high. This means that speaking was not available in the GSCE.

C) Reading

The reading subscale consisted of three items. Frequencies, Percentages, Means and Standard Deviations of the responses to each item are presented in Table 3.

Table 3 shows that item (1- Use reading strategies to understand a variety of authentic informational and literary texts) and item (2-Demonstrate understanding of a variety of authentic informational and literary texts (e.g., applications, social and scientific reports, academic essays, plays, and poems) include high percentage in the

available column. While item (3-Make connections between prior knowledge and experiences and a variety of authentic informational and literary texts (e.g., applications, social and scientific reports, academic essays, plays, and poems) includes acceptable percentage in the available column.

D) Writing

The writing subscale consisted of five items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 4.

As seen from this table, items 2,3,4, and 5 (2- Write a series of paragraphs for a variety of advanced authentic purposes and audiences such as summaries, essays, resumes, and multi-media presentations 3- Use appropriate organizational patterns to create authentic advanced written work. 4- Apply knowledge of the conventions of language (e.g., spelling, punctuation, grammar, and usage) 5- Revise written work for accuracy, clarity, correctness and coherence with the assistance of teacher, peers, and electronic programs.) include very high percentage in the available column while item 1 (Gather information and ideas from print and electronic sources to organize and write in a variety of advanced authentic contexts.) includes high percentage in the available column which means that item 1 was not available in the GSCE.

12.2 Subjects' responses to the questionnaire of the four subscales for the year 2009.

A) Listening

The listening subscale consisted of two items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 5.

Table 5 shows that all the two items include complete percentages in the "unavailable" column. This means that listening was not available in the GSCE.

B) Speaking

The speaking subscale consisted of three items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 6.

Table 6 shows that all the categories include complete percentages in the "unavailable" column. This means that speaking was not available in the GSCE.

C) Reading

The reading subscale consisted of three items. Frequencies, Percentages, Means and Standard Deviations of the responses to each item are presented in Table 7.

Table 7 shows that the three items include very high percentages in the available column. These items were used in the GSCE.

D) Writing

The writing subscale consisted of five items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 8.

As seen from this table, items 2, 3, 4, and 5 include very high percentages in available column. That means they were available in GSCE. But item 1 includes low percentage in the available column which means that it was not completely used in GSCE.

12.3 Subjects' responses to the questionnaire of the four subscales for the year 2010.

A) Listening

The listening subscale consisted of two items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 9.

Table 9 shows that all the categories include complete percentages in the "unavailable" column. This means that listening was not available in the GSCE.

B) Speaking

The speaking subscale consisted of three items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 10.

Table 10 shows that all the categories include complete percentages in the "unavailable" column. This means that speaking was not available in the GSCE.

C) Reading

The reading subscale consisted of three items. Frequencies, Percentages, Means and Standard Deviations of the responses to each item are presented in Table 11.

Table 11 shows that items 1 and 2 include very high percentages in available column. That means that they were used in the GSCE. While item 3 includes low percentage in the available column which means it was not completely used.

D) Writing

The writing subscale consisted of five items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 12.

As seen from this table, items 2, 3, 4, and 5 include very high percentages in available column. That means they were available in GSCE. But item 1 includes low percentage in the available column which means that it was not completely used in GSCE.

12.4 Subjects' responses to the questionnaire of the four subscales from the year 2008 to 2010 (Three years together).

A) Listening

The listening subscale consisted of two items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 13. Availability of the items in the GSCE between the years 2008 and 2010 is presented in Table 14.

As seen from Tables 13 and 14 all the categories include complete percentages in the unavailable column. This means that listening was "unavailable" in the GSCE over the three years.

B) Speaking

The speaking subscale consisted of three items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 15. Availability of the items in the GSCE between the years 2008 and 2010 is presented in Table 16.

As seen from Tables 15 and 16, all the categories include complete percentages in the unavailable column. This means that speaking was "unavailable" in the GSCE over the three years.

C) Reading

The reading subscale consisted of three items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 17. Availability of the items in the GSCE between the years 2008 and 2010 is presented in Table 18.

As seen from Tables 17 and 18 that items 1 and 2 include very high percentages in the available column. This means that they were "available" in the GSCE over the three years. By contrast item 3 includes half of the percentage that means it was not always available.

D) Writing

The writing subscale consisted of five items. Frequencies, percentages, means and standard deviations of the responses to each item are presented in Table 19. Availability of the items in the GSCE between 2008 and 2010 is presented in table 20.

As seen from Tables 19 and 20, items 2, 3, 4, and 5 include very high percentages in available column. That means they were available in GSCE over the three years. But item 1 includes low percentage in the available column which means that it was not always used or available in GSCE over the three years.

13. Findings of the Study

The findings of the study support the researcher hypothesized before conducting this study that the objectives of listening and speaking are not available in the GSCE.

Concerning the reading objectives, it is found out that the first and second objectives were available but the third one was not to a large extent. While writing objectives 2,3,4, and 5 were available but the first objective was not available to an acceptable level.

The study presents the following

- 4- The objectives of listening and speaking are not available in the GSCE completely.

- 5- Two out of three of the reading objectives are available.
- 6- Four out of five of the writing objectives are available in the GSCE.

On the basis of the findings, the researcher recommended the following:

- 4- Include speaking and listening exams in the GSCE because of the need to let teachers teach them in classes.
- 5- Vary the questions of reading and writing to cover all the objectives.
- 6- To test what we teach not to teach what we are going to test as the case in most schools.

References

- Al-Belushi, S. (1997). *An Examination of the Reasons Science students Outperform Arts Students in the English Language National Certificate Examination in the Sultanate of Oman*. Unpublished Ph.D Dissertation. University of Louisville, Louisville, Kentucky School of Education.
- Bachman, L. (1990). *Fundamental Considerations in Language Testing*. Oxford: Oxford University Press.
- Bani Abdelrahman, M. (2003). *The Realization of the English Language Teaching Objectives in the General Secondary Certificate Examination Questions in Jordan Between 1997 and 2002: Towards Developing Improvement Guidelines*. Unpublished Doctoral Dissertation, Amman Arab University, Amman, Jordan.
- Bani Abdelrahman, M. (2009). The Degree of Achieving the Goals of Using “BASIC English Skills” by the Elementary Level Students in the Institute of Public Administration. *Journal of Education and Psychology*, No. 33 (2). Ain Shams University, Cairo, Egypt.
- Brown, H.Douglas. (1994). *Principles of Language Learning and Teaching*. Third Edition, Prentice Hall Regent, England Cliffs, N.J.
- Claire, S. (2000). Assessment of Student Learning: An Introduction. Western New England College. [Online] available: www.wnec.edu.
- Davies, A. (1990). *Principles of Language Testing*. Oxford: Basil Blackwell.
- Hamdan, M. H. (1992). *Measuring the Students' Competence Against the General Objectives of Basic Stage English Curriculum in Jordan*. Unpublished M. Ed, Thesis. Yarmouk University, Irbid. Jordan.
- Harrison, William et al. (1975). *English Language Policy Survey of Jordan*. Center for Applied Linguistics, U.S.A.
- Hart, D. (1994). *Authentic Assessment*. Menlo Park, CA: Addison-Wesley Publishing Company.
- Herman, J. (1997). Assessing new assessments: how do they measure up? *Theory into practice*, 36(4), 196-204.
- Kohonen, V. (1999). Authentic assessment in affective foreign language education. In J. Arnold, (Ed.). *Affect in Language Learning*. Cambridge: Cambridge University Press, 279-94.
- Messick, S. (1988). The once and future issues of validity: Assessing the meaning and consequences of measurement. In H. Wainer, & H.I. Braun, (Eds.). *Test Validity*.
- Ministry of Education. (2008). *English Language General Guidelines and Curricula for the Secondary Education Stage Comprehensive and Applied*.
- Ministry of Education. (2008). *Jordan Opportunities 3 Twelfth Grade student's book*. Second Secondary Class. All streams.
- Ministry of Education. (2008). *Jordan Opportunities 3 Twelfth Grade Teacher's book*. Second Secondary Class. All streams.
- Ministry of Education. (2008). *Jordan Opportunities 3 Twelfth Grade Workbook*. Second Secondary Class. All streams.
- Nakamura, Y. (1995). Making speaking tests valid: Practical considerations in a classroom setting. In J. D.Brown, & S.O. Yamashita (Eds.). *Language Testing in Japan*. Tokyo, Japan: The Japan Association for Language Teaching, 126-135.
- Spolsky, B. (1975). Language testing – the problem of validation. In L. Palmer & B. Spolsky (Eds.). *Papers on language testing 1967-1974*. Washington, D.F.C.: TESOL. 147-53.
- Thrasher, R.H. (1984). Educational validity. *Annual reports, International Christian University*, 9, 67-84.
- Weir, C.J. (revised edition, 1998). *Communicative Language Testing*. Exeter: University of Exeter Press.

Table 1. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Listening Subscale

Item	Available		Unavailable		Mean	SD
	No.	%	No.	%		
1	0	0	30	100	2	0
2	0	0	30	100	2	0

Table 2. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Speaking Subscale

Item	Available		Unavailable		Mean	SD
	No.	%	No.	%		
1	0	0	30	100	2	0
2	0	0	30	100	2	0
3	0	0	30	100	2	0

Table 3. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Reading Subscale

Item	Available		Unavailable		Mean	SD
	No	%	No	%		
1	27	90	3	10	1.10	.30
2	27	90	3	10	1.10	.30
3	18	60	12	40	1.40	.49

Table 4. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Writing Subscale

Item	Available		Unavailable		Mean	SD
	No	%	No	%		
1	9	30	21	70	1.70	.46
2	28	93.3	2	6.7	1.06	.25
3	28	93.3	2	6.7	1.06	.25
4	29	96.7	1	3.3	1.03	.18
5	28	93.3	2	6.7	1.06	.25

Table 5. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Listening Subscale

Item	Available		Unavailable		Mean	SD
	No.	%	No.	%		
1	0	0	30	100	2	0
2	0	0	30	100	2	0

Table 6. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Speaking Subscale

Item	Available		Unavailable		Mean	SD
	No.	%	No.	%		
1	0	0	30	100	2	0
2	0	0	30	100	2	0
3	0	0	30	100	2	0

Table 7. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Reading Subscale

Item	Available		Unavailable		Mean	SD
	No	%	No	%		
1	28	93.3	2	6.7	1.06	.25
2	29	96.7	1	3.3	1.03	.18
3	20	66.7	10	33.3	1.33	.47

Table 8. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Writing Subscale

Item	Available		Unavailable		Mean	SD
	No	%	No	%		
1	11	36.7	19	63.3	1.63	.49
2	27	90	3	10	1.10	.30
3	28	93.3	2	6.7	1.06	.25
4	28	93.3	2	6.7	1.06	.25
5	30	100	0	.00	1.00	.00

Table 9. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Listening Subscale

Item	Available		Unavailable		Mean	SD
	No.	%	No.	%		
1	0	0	30	100	2	0
2	0	0	30	100	2	0

Table 10. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Speaking Subscale

Item	Available		Unavailable		Mean	SD
	No.	%	No.	%		
1	0	0	30	100	2	0
2	0	0	30	100	2	0
3	0	0	30	100	2	0

Table 11. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Reading Subscale

Item	Available		Unavailable		Mean	SD
	No	%	No	%		
1	29	96.7	1	3.3	1.03	.18
2	29	96.7	1	3.3	1.03	.18
3	11	36.7	19	63.3	1.63	.49

Table 12. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Writing Subscale

Item	Available		Unavailable		Mean	SD
	No	%	No	%		
1	13	43.3	17	56.7	1.56	.50
2	28	93.3	2	6.7	1.06	.25
3	28	93.3	2	6.7	1.06	.25
4	28	93.3	2	6.7	1.06	.25
5	28	93.3	2	6.7	1.06	.25

Table 13. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Listening Subscale

Item	Available		Unavailable		Mean	SD
	No	%	No	%		
1	0	0	90	100	2	0
2	0	0	90	100	2	0
Total	0	0	180	100	2	0

Table 14. Availability of the Listening Subscale items in the GSCE between the years 2008 and 2010

Item	2008		2009		2010		Total	
	Av	Un	Av	Un	Av	Un	Av	Un
1		√		√		√		3
2		√		√		√		3
Total	0	2	0	2	0	2	0	6

Table 15. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Speaking Subscale

Item	Available		Unavailable		Mean	SD
	No	%	No	%		
1	0	0	90	100	2	0
2	0	0	90	100	2	0
3	0	0	90	100	2	0
Total	0	0	270	100	2	0

Table 16. Availability of the Speaking Subscale items in the GSCE between the years 2008 and 2010

Item	2008		2009		2010		Total	
	Av	Un	Av	Un	Av	Un	Av	Un
1		√		√		√		3
2		√		√		√		3
3		√		√		√		3
Total	0	3	0	3	0	3	0	9

Table 17. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Reading Subscale

Item	Available		Unavailable		Mean	SD
	No	%	No	%		
1	84	93.3	6	6.7	1.06	.25
2	85	94.4	5	5.6	1.05	.23
3	49	54.4	41	45.6	1.45	.50

Table 18. Availability of the Reading Subscale Items in the GSCE Between the Years 2008 and 2010

Item	2008		2009		2010		Total	
	Av	Un	Av	Un	Av	Un	Av	Un
1	√		√		√		3	
2	√		√		√		3	
3		√		√		√		3
Total	2	1	2	1	2	1	6	3

Table 19. Frequencies, Percentages, Means and Standard Deviations (SD) of the Subjects' Responses on the Writing Subscale

Item	Available		Unavailable		Mean	SD
	No	%	No	%		
1	33	36.7	57	63.3	1.63	.48
2	83	92.2	7	7.8	1.07	.26
3	84	93.3	6	6.7	1.06	.25
4	85	94.4	5	5.6	1.05	.23
5	86	95.6	4	4.4	1.04	.20

Table 20. Availability of the Writing Subscale Items in the GSCE Between the Years 2008 and 2010

Item	2008		2009		2010		Total	
	Av	Un	Av	Un	Av	Un	Av	Un
1		√		√		√		3
2	√		√		√		3	
3	√		√		√		3	
4	√		√		√		3	
5	√		√		√		3	
Total	4	1	4	1	4	1	12	3

The Hashimate Kingdom of Jordan
Al-Hussain Bin Talal University
Faculty of Educational Studies
Curriculum and Instruction Department

A Questionnaire

An Analysis of “Jordan Opportunities” Objectives in the General Secondary Certificate Examination of English:
A Case Study in Jordan between 2008 and 2010

Dear

This study is conducted to identify the extent to which English Language Teaching Objectives are available in the General Secondary Certificate Examination Questions in Jordan between the years 2008 and 2010.

As a specialist, you are kindly invited to analyze the examination questions attached to this questionnaire.

Please put a (v) in the column that best describes your evaluation of the statement in the questionnaire (e.g. available, unavailable).

I would thankfully receive your recommendations in this regard to best serve academic research.

Your cooperation is highly appreciated.

Dr. Mahmoud Sulaiman Bani Abdel-Rahman

A Questionnaire for the University staff, Supervisors and Teachers of English

Name:

Place of work:

Job:

Years of experience:

Qualifications:

Please put a (v) in the column that best describes your evaluation of the following statements about whether the English Language Teaching Objectives are available or not in the General Secondary Certificate Examination Questions in Jordan in (e.g. available, unavailable).

A- Listening

Objective	Available	Unavailable
1- Develop advanced listening strategies in academic and authentic contexts.		
2- Demonstrate understanding of directions, presentations and performances in a variety of authentic contexts.		

B- Speaking

Objective	Available	Unavailable
1- Speak English words and sentences clearly, and fluently in a variety of academic authentic contexts.		
2- Use words and sentences to participate in discussions and conversations in a variety of academic authentic contexts		
3- Take part in a variety of well- prepared presentations to the class in a variety of academic authentic contexts.		

C-Reading

Objective	Available	Unavailable
1- Use reading strategies to understand a variety of authentic informational and literary texts.		
2- Demonstrate understanding of a variety of authentic informational and literary texts (e.g., applications, social and scientific reports, academic essays, plays, and poems)		
3- Make connections between prior knowledge and experiences and a variety of authentic informational and literary texts (e.g., applications, social and scientific reports, academic essays, plays, and poems).		

D-Writing

Objective	Available	Unavailable
1- Gather information and ideas from print and electronic sources to organize and write in a variety of advanced authentic contexts.		
2- Write a series of paragraphs for a variety of advanced authentic purposes and audiences such as summaries, essays, resumes, and multi-media presentations.		
3- Use appropriate organizational patterns to create authentic advanced written work.		
4- Apply knowledge of the conventions of language (e.g., spelling, punctuation, grammar, and usage)		
5- Revise written work for accuracy, clarity, correctness and coherence with the assistance of teacher, peers, and electronic programs.		

The Researcher

Mahmoud Sulaiman Bani Abdel-Rahman

A Regional University-Industry Cooperation Research Based on Patent Data Analysis

Hui Xu

Department of Economics and Management

Harbin Institute of Technology Shenzhen Graduate School

Shenzhen 518055, China

Tel: 86-755-2603-3494 E-mail: xuhui5859@126.com

Abstract

Regional university-industry cooperation has been focused because it improves innovation ability of enterprises and regions. The paper uses regional patent data from 2001 to 2008 to measure regional university-industry cooperation. By carefully data disposition, we get patent data records representing regional university-industry collaboration. Through patent data analysis from different angles and comparison of geographic knowledge flows, this paper describes the situation of regional university-industry cooperation. Then social network analysis method is adopted to depict how universities, scientific research institutes and enterprises co-work to innovate. In virtue of the method, we acquire visualization of cooperation microstructure. Five kinds of sub cooperation network are distinguished to study the cooperation. These findings can be used to measure regional university-industry cooperation and put forward improving suggestions.

Keywords: University-industry cooperation, Patent data, Social network analysis, Visualization

1. Introduction

University-industry cooperation means innovation cooperation between enterprises and universities, or between enterprises and scientific research institutes. The cooperation transfers tangible technical results or intangible technical knowledge from university to industry. In this process, universities and scientific research institutes are usually the main body of knowledge innovation, and enterprises are usually the main body of technology innovation. These sections jointly innovate and turn technological achievements to products. Their cooperation can improve effectively innovation ability of enterprises and the whole region.

Many researches about cooperation mode and mechanism have been done for university-industry cooperation. Rusum (1972), Bolton (1994) analyzed university-industry cooperation mode. Richard and Robert (1983) examined the events in the transfer of an advanced technology from the university group to an industrial firm. Dierdonck, Debackere and Engelen (1990) examined the attitudes of the Belgian academic community towards university-industry technology transfers. Geisler (1995) proposed a grounded theoretical framework of R&D technology cooperation based on the congruence of existing theories of inter-organizational relationships. Lee (1996) conducted a survey of an estimated 1000 US university professors from 115 schools to assess their stand on technology transfer and university-industry partnership. Meyer-Krahmer and Schmoch (1998) found that in science-based fields, university departments have a distinct focus on basic research and the major interest of industry is the observation of science. In less science-based fields, the solution of technical problems is a major concern of industry. In all fields, the exchange of knowledge in techno-scientific communities is a crucial element of interaction. Carayannis (1999) proposed a dynamic, learning-driven framework to examine how a knowledge generating and leveraging value-maximizing organization, MacPherson (2002) examined the role of academic-industry linkages in the innovation performance of New York State manufacturers of medical devices and revealed that non-geographic factors play a stronger role overall. Motohashi (2005) found that university-industry cooperation is not simply adaptations of technology at university, but involves significant development activities at industry side. These researches show that how academies and enterprises cooperate will affect their innovations.

Some researchers have begun to analyze university-industry cooperation through patent data analysis. Margherita and Andrea (2006) used patent data integrated with information collected through interviews and measured the extent and intensity of the ties of academic with industrial researchers, and apply social network

analysis to reconstruct the network of collaborations. Motohashi (2008) used patent data in China and found that the cooperation between enterprises and universities become closer, while the cooperation between enterprises and scientific institutes gradually slow down. Chen (2007) studied outputs of Chinese patents and explored the composition of contribution force of university-industry cooperation for Chinese technological innovation. The result showed that technological innovation ability of university-industry cooperation play a dominant position of regional innovation. Chen (2007) reviewed patent actualization of Chinese universities and compared researches of U.S. university patents. From technical features of university patents, patent application characteristics and the implementation of the environment, he analyzed patent problems in China University patent actualization. Hong (2008) took advantage of Chinese patent data and examined the geographic variations in university-industry collaborations in China from 1985 to 2004 and showed a decentralizing/localizing trend in knowledge flows from university to industry.

Patent reflects technological level of technology innovation ability and developing degree of technical markets of a country or a region. It reflects competitive strength of science and technology. Also it forms intellectual property rights and enhances core competitiveness capability of enterprises. According to the above literature reviews, some scholars studied university-industry cooperation through the use of patent databases, but most of them are focused on knowledge flows and in national level, regional university-industry cooperation is rare. Based on patent data analysis of Shenzhen enterprises and other region universities or research institutions, Shenzhen universities or research institutions and other region companies from 2001 to 2008, the paper tries to analyze regional university-industry cooperation in depth. Our study is similar to Hong (2008), but we focus on cooperation in a region.

2. Data

2.1 Data resource

The State Intellectual Property Office of China provides a dataset with complete patent information since 1985. The database includes the names of inventions; the dates of application, publication, and grant; the names and addresses of inventors and assignees; and industry categories.

2.2 Data disposition

There are three types of patent in China: invention patent, utility patent, and design patent. This paper uses patent applications of all kinds.

Taking into account most of patents with 18-month review period, the data of 2009 and 2010 were counted partly. Thus the data of the last two years are deleted. In addition, the patents number of Shenzhen before 2001 is few (Shown in Table 1). Finally the data range is 8 years from 2001-2008.

By examining the assignee information, the paper identifies patents applied for by universities and firms as co-applicants. We sort out patent record applied for universities and enterprises, or scientific institutes as co-applicants by examining the assignee information (see Hong, 2008). Resembling to Hong (2008), we set search conditions and access patents jointly applied for by industrial and academic sectors in which one is of Shenzhen. For industrial sectors, assignee names could be a company (Gongsi), a factory (Chang), a group (Jituan), an enterprise (Qiye), or a combination of several of them (e.g., Qiye Jituan Gongsi); for academic sectors, the assignee names could be a university (Daxue), a college (Xueyuan), a research institute (Yanjiusuo or Yanjiuyuan), a scientific institute (Kexueyuan), a general research institute (Yanjiuzongyuan), a research center (Zhongxin). And one of assignee names in every patent record must have 'Shenzhen'.

So we get 28 search combinations and 1332 Shenzhen university-industry collaboration cases in total. The actual number of valid records is much smaller because some records are overlapped (when use different search conditions) and some cases were actually applied for by one entity. After further data disposition, 759 records remained. By identifying all firms, universities and scientific research institutes, we take a sector record which had 241 different sectors.

2.3 Data analysis

After data disposition, we analyze the records from different angles.

In Figure 1, the patent application number includes the numbers of invent patent, utility patent and design patent. The figure shows that patent application number of university-industry cooperation has increased promptly from 2001 to 2008. Since 1999, local government has presented many policies to encourage innovation and university-industry cooperation. For example, Shenzhen government constituted policies to give financial aids to technological progress of enterprises. Many famous university and research institutes started to found Shenzhen

branches. National key laboratories and national engineering centers are open to firms. Many postdoctoral workstations have been set up. These measures advance the cooperation so that patent application number increases quickly.

Figure 2 shows changes of invent patent, utility patent and design patent individually. The number of utility patent and that of design patent both are very low. So we can conclude that Shenzhen university-industry cooperation focuses on invent patent. Figure 3 gives the ratio of inventor patent co-applicants to all the Shenzhen patent applicants every year. The ratio changes are not very large. Why patent application numbers increase promptly but the ratio changes smoothly? We think innovation encouraging measures spur not only the innovation of university-industry cooperation but also the innovation of inter-enterprises.

Figure 4 gives the comparison of geographic knowledge flows in all 759 records. Most of records are knowledge flows from other provinces (cities) university (scientific research institutes) to Shenzhen enterprises. The records of that from Shenzhen to Shenzhen and from Shenzhen to other provinces are low. These suggest local university-industry cooperation is not enough because local university (scientific research institutes) strength has deficiency. Figure 5 gives the ranking top 8 provinces (cities) in which universities are located in. Most of these provinces (cities) are advanced provinces (cities). This result is consistent with Hong (2008) and confirms his conclusion that there exists a link between active university knowledge transfer and economic development.

3. Social network analysis

3.1 Method introduction

Social network analysis is a kind of multi-disciplinary analysis method combined with mathematics, statistics and computer science. Social network analysis focuses on the process of change and overall interaction. The key of social network analysis is to characterize complex and diverse patterns as a certain network configuration. Based on these configurations and their changes, the method describes their individual actions and the significance of social structure.

Wellman and Berkowitz outlined the basic principles of network analysis: (1) The world is formed by the network, not the composition of the group; (2) Explaining social behavior and social relations is more important than the characteristics of the community members; (3) The rules of the actors how to act is from location of social relation structure system; (4) Only in the social network structure one can be understood how "ties" operate. Social structure network will affect social resources allocation in relationship; (5) The unit of research of network structure is the relationship, rather than individuals.

3.2 Social network analysis application in innovation studies

Social network analysis in innovation research is one of its main applications. As the advantage of social network analysis is to reveal the role of social institutions with an overall view of the process and study the interaction between nodes, it is suitable for innovation research. A number of Chinese scholars have conducted research using social network analysis and the innovation-related issues have begun to be analyzed. Yang used social network analysis to construct three key network variables: the degree, the intermediary and the effective scale to measure network location of enterprises in the cell phone industry cluster of Hang Zhou. The results showed that: the degree of the network location of enterprises and the effective size has significant statistical correlation with enterprise innovation, while the intermediary is not statistically significant. Huang found that the innovative mechanism and performance of industrial clusters are from the network structure.

4. Results and analysis

Because social network analysis is suitable for revealing the role of social institutions and studying the interaction between nodes, the paper analyzes regional university-industry cooperation with the method. All the units are extracted from the 759 records and the duplicates are removed. Finally, a 241×241 unit matrix is formatted. Then the paper uses NetDraw (NetDraw is a program for social network analysis) to analyze the matrix. Figure 6 is the visualization result. Because the names of units are too long to show in the figure, we use number code to denote.

In the figure, each point represents a university (scientific research institute) or a firm. The link between two points means they have co-application patents.

Five kinds of sub cooperation network are distinguished to study the cooperation (The five kinds of sub cooperation network have been used to analyze co-author papers by Liu and Yuan, 2008).

Two core style: In the sub network there are only two nodes. It means that the Shenzhen university (scientific research institute) or the enterprise in the sub network cooperate with one corresponding sector (e.g., node71-72).

Streamline style: In the sub network there are nodes whose number is greater than 2. The nodes are connected as lines (e.g., node 117-23-28). This sub cooperation network has no core node.

Kernel style: There is an important node in kernel style and other nodes are connected with the node. The network appears outward diffusion. The key node is very important in the cooperation (e.g., kernel node 20).

Bridge style: In this style, a node links two sub network. Similar to kernel style, the linkage node is the key point (e.g., bridge node 130).

Netback style: The nodes in this style are connected with each other. This style is rather stable (e.g., node 191-192-193-194).

In the cooperation network shown in Figure 6, there are all the five kinds of sub network. Two core style and streamline style are familiar style in university-industry cooperation. Kernel style, bridge style and netback style networks are comparatively few. In information science, the last three styles are considered more stable in network structure and knowledge transfers more smoothly. The enterprises could use the cooperation network to improve affiliations with academic institutes.

5. Conclusion

Patent data analysis of co-application can reflect cooperating situation of university-industry. Quantitative analysis and social network analysis of patent data conduct visualizing identification and evaluation of university-industry cooperation.

First, patent data are easily gotten so that we can conveniently used to track and analyze cooperation effects in order to develop and evaluate corresponding policies. Secondly, we can find high output clusters and search their innovation experiences to create more innovations. Also, problems existed in cooperation can be easily found to make improvement and policy guidance. For example, the appropriate groups can found to take preferential measure and give financial aids.

Further research will be extended in two directions. Our paper only analyzes the situation of Shenzhen and the next step is that other cities situation would be studied and be compared. Furthermore, the sub network cooperation can be further analyzed to find cooperative patterns.

References

- Bolton, R. (1994). A broader view of university-industry relationships. *Journal of the Society of Research Administrators*, 26(3/4), 45-48.
- Carayannis, E. G., Alexander, J. (1999). Winning by co-opeting in strategic government-university-industry R&D partnerships: the power of complex, dynamic knowledge networks. *Journal of Technology Transfer*, 24(2), 197-210.
- Chen, H. Q., Song, Z. Q., Yang, M. (2007). Factors analysis and primary study on the patents implementation in Chinese universities. *Research and Development Management*, 19(4), 102-106.
- Chen, Y. W., Yang, Z. P., Fang, S., Wen, Y., Hu, Z. Y., Deng, Y., Wang, C. (2007). Ability analysis of Chinese technological innovation based on invent patent status. *Science and Technology Management Research*, 6, 9-12.
- Dierdonck, R. V., Debackere, K., Engelen, B. (1990). University-industry relationships: How does the Belgian academic community feel about it? *Research Policy*, 19(6), 551-566.
- Geyser, E. (1995). Industry-university technology cooperation: A theory of inter-organizational relationships. *Technology Analysis & Strategic Management*, 7(2), 217-229.
- Hong, W. (2008). Decline of the center: The decentralizing process of knowledge transfer of Chinese universities from 1985 to 2004. *Research Policy*, 37, 580-595.
- Huang, Z. W. (2004). On the network of enterprise clusters and its advantages in their innovation. *Journal of Ningbo University (Liberal Arts Edition)*, 17(3), 94-97.
- Lee, Y. S. (1996). 'Technology transfer' and the research university: a search for the boundaries of university-industry collaboration. *Research Policy*, 25(6), 843-863.
- Liu, B., Yuan, Y. (2008). Application of social network analysis in information science. *Journal of the China Society for Scientific and Technical Information*, 27(3), 407-417.

MacPherson, A. (2002). The contribution of academic-industry interaction to product innovation: the case of New York State's medical devices sector. *Papers in Regional Science*, 81(1), 121-129.

Margherita, B., Andrea, L. (2006). University-industry interactions in applied research: The case of microelectronics. *Research Policy*, 35(10), 1616-1630.

Meyer-Krahmer, F., Schmoch, U. (1998). Science-based technologies: University-industry interactions in four fields. *Research Policy*, 27(8), 835-851.

Motohashi, K. (2005). University-industry collaborations in Japan: The role of new technology-based firms in transforming the National Innovation System. *Research Policy*, 34(5), 583-594.

Motohashi, K. (2008). Assessment of technological capability in science industry linkage in China by patent database. *World Patent Information*, 30(3), 225-232.

Richard, S. G., Robert, T. L. (1983). University-to-industry advanced technology transfer: A case study. *Research Policy*, 12(3), 121-152.

Roy, R. (1972). University - industry interaction patterns. *Science*, 178 (4064), 955-960.

Wellman, B., Berkowitz, S.D. (Eds.). (1988). *Social structures: A network approach*. Cambridge: Cambridge University Press, pp. 19-61.

Yang, R., Huang, G. A. (2005). Network position and innovation-Social network analysis of Hang Zhou mobile industry clusters. *Industry Technological Economy*, 24 (7), 114-118.

Table 1. Shenzhen Patent Application in 1987-2008

Patent Types	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
Invention patent	2	5	4	5	18	16	20	26	41	34	71
Utility patent	4	12	15	24	36	44	70	87	102	130	178
Design patent	2	5	44	22	31	117	139	269	303	460	599
Patent Types	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Invention patent	109	302	330	539	948	1172	1657	3315	4539	6465	8277
Utility patent	261	531	670	940	1195	1539	1752	1951	2354	3174	4564
Design patent	754	944	1246	1477	1650	1723	1793	1939	2484	2735	2998

The data in the table are searched by assignee names with 'Shenzhen'.

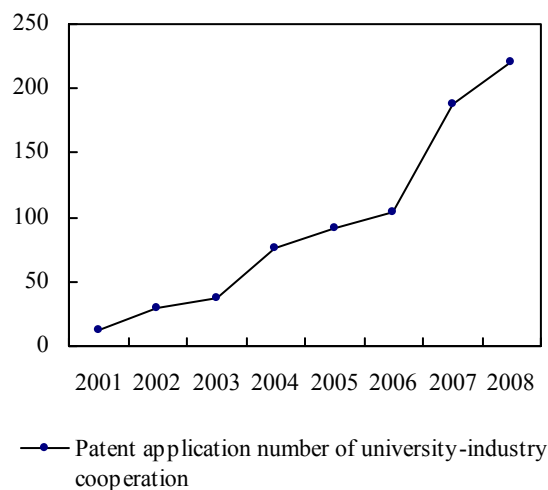


Figure 1. The patent application number of Shenzhen university-industry cooperation from 2001 to 2008

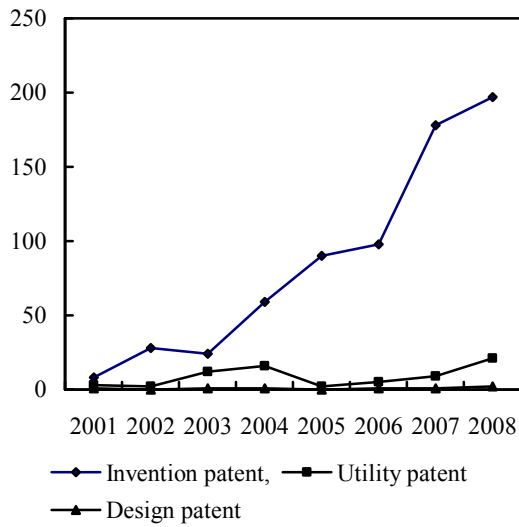


Figure 2. The patent application number individually

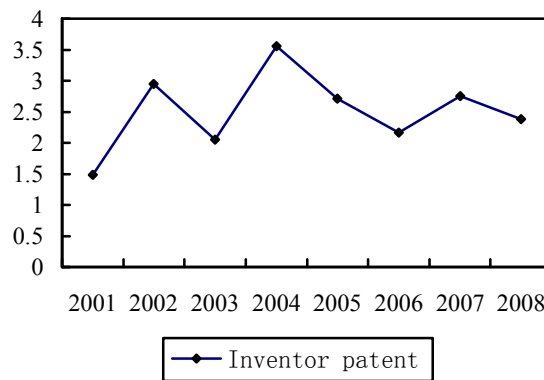


Figure 3. The ratio of inventor patent co-applicants to all the Shenzhen patent applicants (%)

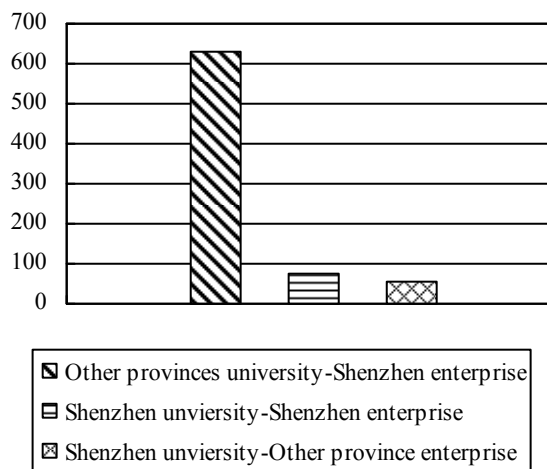


Figure 4. The comparison of geographic knowledge flow

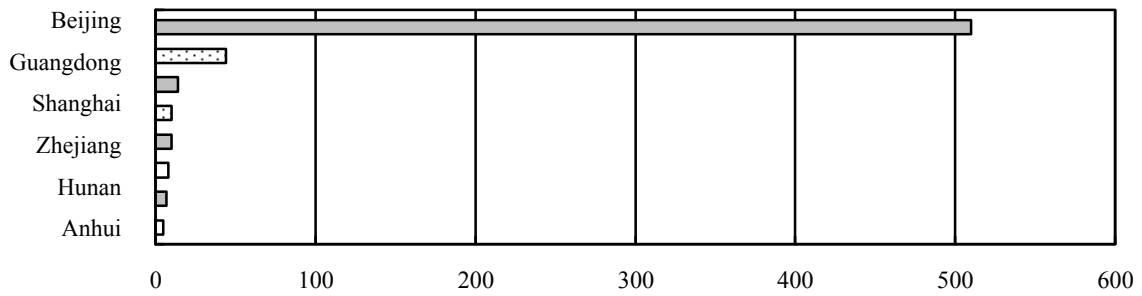


Figure 5. The provinces (cities) ranking in top 8 in which universities are located

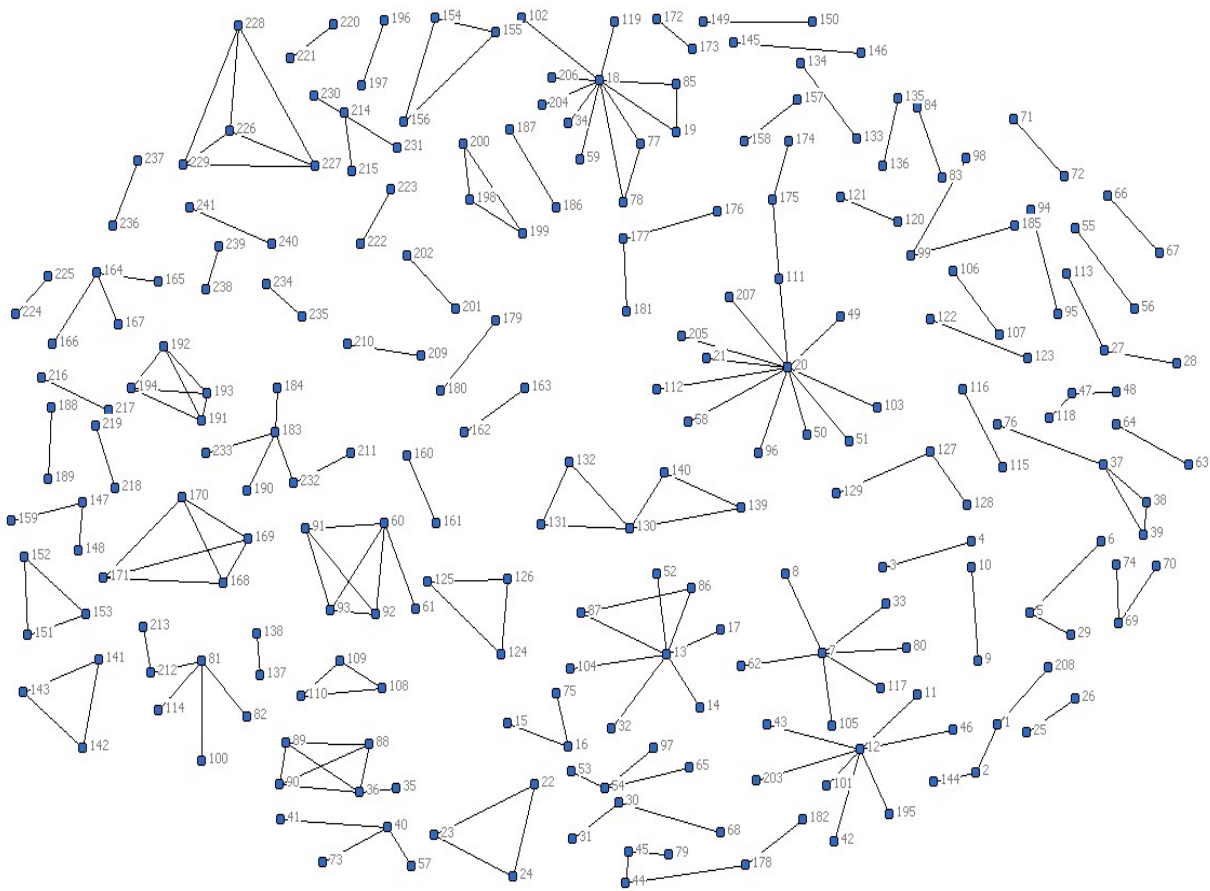


Figure 6. The cooperation network

Financial Resources Mobilization Performance of Rural Local Government: Case Study of Three Union Parishad in Bangladesh

Md. Anwar Ullah (Corresponding author)

Regional and Rural Development Planning Field of Study

School of Environment, Resources, and Development

Asian Institute of Technology

PO Box 4, Klong Luang, Pathumthani, 12120, Thailand

Tel: 66-0851-355-275 E-mail: anwarullah@hotmail.com

Soparth Pongquan Ph.D

Associate Professor

Regional and Rural Development Planning Field of Study

School of Environment, Resources, and Development

Asian Institute of Technology

PO Box 4, Klong Luang, Pathumthani, 12120, Thailand

Tel: 66-02-524-5696 E-mail: soparth@ait.ac.th

Abstract

Union Parishads (councils) being the century old rural local government in Bangladesh are yet to fulfill the expectations of rural citizen which is mainly due to own resources constraints including miserable local resources mobilization. This paper focuses on Union Parishads recent revenue trend and performance from five years secondary data (2003-2007) and primary data collected from Parishad representatives, local people, government officials and national experts. Finding of the study shows that despite revenue potentials, weak revenue administration, inadequate adjustments and assignments of local revenue sources including lack of union functionaries training become impediments on local revenue enhancement. Other finding of the study suggests that in the absence of valuation based tax assessment system, households housing pattern and literacy rate can be significant determinants in ascertaining annual average holding tax revenue while per capita household holding tax, remittances, agricultural land ownership, households having electricity connections can be used as significant variables to determine the taxpayers ability to pay holding tax.

Keywords: Basic Block Grant, Financial resources mobilization, Rural local government, Union Parishad

1. Introduction

Traditional thinking has been changed with the realization that national development is also a local responsibility and for overall progression, genuine partnership is essential between central and local government. Therefore, to serve both national and local interest, rural local government financing need to examine with own local taxation or raising other forms of local revenue, grant from central government, local borrowings or assistance from foreign sources. Recent trend shows that policy makers and donors are emphasizing on rural local governments fiscal capacity from local economic and rural development front to integrate development programmes through citizen participation, incorporate gender issue and disadvantaged groups in policy decisions, aid in poverty reduction, environmental initiatives at the local level, encourage local governments autonomy and innovation in addressing local needs. Fiscal capacity of rural local governments is related to fiscal decentralization that commands a prudent mechanism in mobilizing local financial resources.

It is contended that fiscal decentralization is the most critical part of decentralization which has raised challenges as an important theme of governance in developing countries (Crook and Manor, 1998; Devas, 1997; Fukasaku and deMello, 1999; Manor, 1998; Shah, 1998; World Bank, 1999). Contemporary study shows that fiscal decentralization has induced fiscal responsibility and financial resource mobilization (Bird and Vaillancourt, 2006; Loughlin et al., 2006). But the evaluation report of OECD (2004) showed that the local government revenue sources as the share of total local government funding is declining in most of the developing countries. The reasons of such decline are: *firstly*, not proper addressing of legal, fiscal and institutional frameworks and the local government incentive system; *secondly*, disincentives of central transfer system in improving revenue mobilization (DANIDA, 2000); *thirdly*, weak incentives to collect taxes (NEDA, 1999); *fourthly*, unfavorable local government tax assignments leading to unpopular tasks that are difficult to collect; *fifthly*, inefficiency in assessment, rating and weak enforcement in revenue collection; and *finally*, tax evasion tendency of most of the wealthiest part of the population and lack of sanctions and oversight in tax administrations (USAID, 1998). All these obstacles emphasize on fiscal decentralization and has turned to the question of how and what specific revenue sources might be most feasible.

The feasibility of own revenue generation at the rural local government level depends on local fiscal efforts and fiscal and non-fiscal supports of the national government. According to Iben Nathan (in Blair, ed., 1989, p.50), "local resources mobilization is the efforts of local administration to raise finances from a locality in order to fund activities within that area". The size and freedom of the local government are considered crucial aspects that determine the structures and generation of revenue and adequacy of local finance. In theory, it is contended that a sizeable local government in terms of human settlements and productive land area have better prospects of more revenue generation (Hye, 1985, p.180). But rural local government revenue generation in developing countries is always a great challenge and the mechanisms by which local financial resources can be mobilized have raised some pertinent issues, like revenue raising ability, effects on economic efficiency, equity implications and administrative feasibility (Bahl, 1984).

Fiscal decentralization in South Asian countries have been initiated but the existing pattern of rural local governments self financing is not impressive. Bangladesh is not an exception. Rural local governments in Bangladesh are devolved with some revenue power and functions but practically they cannot exercise their mandated responsibilities due to shortages of funds and institutional capacities. Besides insufficient central allocation, institutional weaknesses are also continuing for the lack of effective mechanism to coordinate and integrate the role and functions of rural local governments' functionaries, sectoral agencies, NGOs, cooperatives as well as private sectors (Aminuzzaman, 2004; Haque, 2002). Understanding the realities, recent concentration of Bangladesh government on poverty reduction strategy has integrated local governments' role to instil rural development, combating rural poverty and attainment of Millennium Development Goals. In this respect, the relatively small scale Union Parishad (UP), the lowest tier rural local government, closest to the rural people, has offered realistic possibilities to play the vital role. Therefore, the objective of the study is to examine the trend and performance of UPs own financial resources mobilization.

2. Study context, Problem and Significance

Bangladesh government has recognized UP as a primary economic and administrative unit of rural local government and has undertaken initiatives to streamline the local revenue administration and resources mobilization. Ministry of Local Government, Rural Development and Co-operatives (LGRD) in 2003 has issued a guideline known as 'Strategy for Union Parishad Tax Assessment and Collection', 'Model Tax Schedule' and a 'Performance Based Special Grant' system for UPs. During 2000-2005, government has piloted Sirajgonj District Local Government Development Project (SLGDP) to support local development initiatives in an effective, sustainable and participatory manner. Learning from SLGDP, government has launched Local Governance Support Project (LGSP) which is (2006 to 2011) the biggest project (US\$ 218.12m), supported by GOB, World Bank, Swiss Development Cooperation, UNCDF, UNDP with European Commission and DANIDA. In addition, from 1997 to 2009 spending of development partners and donors for UPs strengthening is US \$147.468 million, and approved support onward 2010 is US \$ 448.82 million. (Note 1)

In 2004 government has introduced discretionary Basic Block Grants (BBG) for UPs on flat rate basis and is confined to small infrastructure investment and maintenance in the core local public goods sectors (roads, education, sanitation, water and the like). Besides BBG, Annual Development program (ADP) allocations are also being provided to UPs. ADP allocations are distributed through Upazila Development Coordination Committee (UDCC) which is consisted of Upazila chairman and UPs chairmen of that Upazila. Apportionment of ADP block grant is 90% for general and 10% for operational performance. General grant allocation is based on population 50%, land area 30% and backwardness 20% (GOB, 2006).

On local revenue mobilization, two studies were conducted for all rural local governments in Bangladesh. The first study was of Syracuse University (1984) suggested for redesign of the government revenue structure and to provide incentives in mobilizing local resources (Schroder, 1984). The second study of Like Minded Group (1988) revealed that local resources is but a fraction of the potentials and no institutional framework exists for dealing with maximum revenue raising (Blair, 1989). Since there has not any other empirical study after these two and since there have been changes in the local initiatives and central government grants mechanism this study is appeared appropriate in the current context.

However, flawed resources mobilisation in rural local governments has been a matter of continuing debate for last three decades in Bangladesh like many other developing countries. The debate basically centres on making sound fiscal health of local governments to serve citizen and aid in local development. Recently, donors and central government's supports have brought about some positive changes in UPs fiscal role, but much success yet to be achieved. The on going dismal revenue performance of UPs is due to central government's inapt political choice, commitment and policy as well as UPs weak revenue efforts and strategies which is identified as main research problem and focused in this study. UP being a democratic institution, is also missing the opportunity of democratic local governance which is due to heavy handed control and dominance of district and Upazila administration, especially local resources sharing and allocation choices. It is contended that flawed fiscal devolution, with a wide variety of central checks and controls, has serious discouraging effect in exploiting potential revenue from local sources (Bird, 1990). For UPs, it is not untrue, where they have limited own sources, little revenue raising authority, and almost no influence on how the central government allocate local resources in their areas (ADB, ADBI & UNCDF, 2004). Hence, the significance of the problem lies in the inadequate understanding of the fiscal structure, devolution system, feasibility frontiers of revenue sources and allowing local governments' choices in fiscal domain, and how all these together concurrently can be addressed, both in the national and at the local level.

Thus, the present study hypothesized that limited financial resources mobilization of UPs is caused not only by the fiscal structure and devolution system but also the disparities of fiscal capacities and revenue efforts of UPs. However, this study has both national and local relevance with regard to tap the untapped revenue, capitalization from local revenue potentials and lessening the central government's burden in local finance.

3. Evolution and structure of Union Parishad

At present, there are Three rural local government tiers in Bangladesh, known as Zila Parishad (ZP) at district level, Upazila Parishad (UZP) at sub-district level and UP at the union of villages level. The field level administrative structure is comprised of six division, 64 districts and 483 Upazila. The total number of UP is 4498 with an average population of 27,000 in each UP and average land area of 30 sq. km. (UNDP, 2002). The structure, functions and finance of rural local government institutions have undergone many changes from the ancient period to British colonial period and Pakistan regime to the present day.

During the British rule (1765-1947), Bengal Local Self-Government Act, 1885 laid the formal legal foundation of Union for a group of villages (Shafi, 2001, p.3). Union Councils were provided both revenue and development functions as the lowest tier rural local government (Rahman and Khan, 1997, p.8) under 'Basic Democracy Order' system of the then ruler of Pakistan (1959-1970). Immediately after Independence in 1971, system of basic democracy was abolished and in the article 9, 59 and 60 of Bangladesh constitution articulated about the local government formation, functions and revenue powers where union council remain the lowest tier rural local government. Local government Ordinance, 1976 and later on Local government (Union Parishad) Ordinance, 1983 (amended up to 1997) and recent UP act, 2009 have provided UP with powers to levy, tax and fees including women representation at UP. Each UP is now comprised with nine wards, one chairman, and nine members from nine wards including three elected women members representing for each three wards. UP secretary is the only official staff of UP and chairman is the chief executive. Each UP has 13 different standing committees to perform its 38 different types of functions in which special participations are allowed from different occupational groups like, freedom fighters, cooperatives society, disadvantaged group, landless, destitute women, farmers, fishermen or weavers etc, as non-voting representatives.

UP remain chronically resource poor and their reliance on central grants is still about 57% (GOB, 2007). Central government has declared policy to enhance local government expenditure but it is still below 3% of GDP while in the national level, the share of tax and non-tax revenue in the GDP has increased from 7.1% in 1990-91 to 11.2% in 2007-08 (GOB, 2009). The current share of local government and rural development in the total national public expenditure is only 7.2% (GOB, 2008). On the other hand, being a century old democratic body, UP is yet to be a decentralised rural local government while this institution is provided with mandatory and

discretionary functions including own revenue raising powers. Despite its long history, frequent changes in the composition of this elected body and its use for political mobilization have also prevented it from pursuing long term development efforts in the rural area, even in the era of national democratic governance system during last two decades, central-local relations remain weak in many fronts including local resources mobilization efforts.

4. Study area and Methodology

Based on the record of ministry of LGRD, three UPs are purposively selected from three different regions, districts and Upazila of the country. An average annual revenue performance criterion is used to classify three UP cases, based on their five years (2002/03-2006/07) actual revenue collection which is also compared with other UPs published data of the country. The categorization of UPs are: High Revenue Performing (HRP) (More than Tk.1000 000), Moderate Revenue Performing (MRP) (not less than Tk.500 000) and Low Revenue Performing (LRP) UPs (low Tk.250 000 to nearly Tk 500 000). (Note 2) This broad categorization is made to show comparison on UPs own fiscal capacity and revenue efforts including similarities and dissimilarities on their revenue performances. Since all UPs are assigned with similar functional and revenue raising authority, the categorization is considered rational for case study purpose and from specific and broader policy perspectives (Patton, 1990; Yin, 1989; Miles and Huberman, 1984). This study is based on field works (2007/08) and case study approach is used to provide analysis and findings in a comparative perspective and then to generalize findings based on commonalities. Since Bangladesh government has embarked on new measures for local resources mobilization onward 2003, the study is concentrated investigation on five years (2002/03-2006/07).

Three study areas have focused on three major regions except southern coastal area of the country. Sampled UP cases also focus on variations in socio-economic activities, remoteness, demographic settings and recent revenue performance of each UP. Other selection criteria includes good documentation of revenue records, human settlements, natural disaster, NGO's activities, distance from town or district and Upazila headquarters, and existing resources base with potentials of local resources generation. It is however, believed that only with a few exception, there is no great variation in the socio-cultural, economic and geographical settings of the rural areas of Bangladesh including government policy toward UPs. Exceptions are context specific, such as UPs in coastal areas, where variations either in terms of vulnerability owing to frequent natural calamity or harsh climatic conditions or a few remote UPs that are far removed from the nearest rural town or urban centre. These variations might have some impact on local revenue mobilization. Among three cases, SLGDP assisted program was carried (2002-2005) in MRP UP for capacity building and awareness creation on own resources mobilisation, while in HRP and LRP UP, there were no such projects being carried though LGSP have been implementing in all UPs from 2006. However, the sampled UP cases are, more or less, said to be a representative character of other UPs. Selection procedures, profile and key statistics of three UP cases is shown in Table 1.

To collect data, researchers interacted with district and Upazila officials, UP members as well as with purposive sampling of local citizenry of various strata. During study networks have developed with key informants through a constant process of iterative interviewing and cross checking to build an understanding of the dynamics and problematics of local resources mobilization. The reconnaissance survey, observation, questionnaire survey, interview and focus group discussions (FGD) including written information where it required, are used in data collection and triangulation and cross checking of data. Primary data collected from 227 respondents comprising four categories. First category, UP functionaries (18.5% of total respondents), consisting 21.4% female and 78.6% male, were key informants and checklist interview, questionnaire survey and FGD are used to collect data from them. Second category, local people (61.7% of total respondents), comprised of taxpayers Households (21.4%), Businessmen (21.4%), Local leaders/elites (21.4%), NGO workers (14.3%) and representatives of Marginal groups (21.4%) and for them FGD and structured questionnaire survey are applied. Third category consist of relevant Upazila, District and Ministry officials (18.1% of total respondents) and fourth category is national experts (2% of total respondents) For third and second categories structured interview is conducted to obtain their opinions on current practices and policy issues.

Secondary data obtained from UP budget, tax assessment and collection registers and additional data were obtained from Upazila, District and local government Ministry. Study also reviews available literature, published report and relevant regulation/policy documents. Quantitative data on local revenue efforts, trend and performance are explained through illustrative tables and descriptive statistics which also included coefficient of variation to examine the fluctuation of annual average revenue of sources, for each UP and for all three UPs, in a comparative perspective. Pearson's correlation coefficient is applied to examine the relationships between UPs own revenue assessment, collection and development expenditure. Qualitative data in the form of opinions and multiple responses are used to complement the quantitative analysis. To find alternate way out, in the absence of use of specific valuation method for holding tax assessment and collection, two multiple regression model is

used, the first set of regression model is to explain the relationships between average annual holding tax as dependent variable and households housing pattern and literacy rate as independent variables, in the second set of regression, taxpayers ability to pay is used as dependent variable while per capita household holding tax, remittances, households occupational status, and enjoyment of utility services, like electricity connection, water and sanitation facilities are considered independent variables, especially for rural context.

5. UPs tax revenue structure

Fiscal structure for each UP is provided with authority to assess and collect only on the following six bases as per guideline and rate stipulated in the Model Tax Schedule, 2003 that set under the Local Government (Union Parishad) ordinance 1983 which is recently replaced by Local Government (Union Parishad) Act, 2009:

- Tax on the annual value of homestead (land and building) not exceeding 7% except land and building owned by religious institutions those are run not for commercial purpose. Agricultural lands are excluded from such tax.
- Tax on institution run as a profit making body in the form of company, farm, bank (except registered cooperative) and other professions, trades and callings within UP jurisdiction. The tax will be imposed in term of absolute amount that are ranges from low Tk. 15 to maximum Tk. 300 under four categories like, contractors or their agents, private training or educational institutions including coaching centers, private nursing home, and the rests profession, trade and callings are in the fourth category which include about 93 different types of trades and callings.
- Tax on cinemas, dramatic and theatrical shows will be 10% of the collected entry fees subject to the UPs discretion in exempting such shows arranged for educational or charitable purposes.
- Fees for licences and permits granted by the Parishad on non-motorized vehicles, normal carrier boat and mechanized boat.
- Tax on fair, agricultural and industrial exhibitions arranged on commercial motive within UP jurisdiction, will be 10% of the collected entry fees.
- Tax on signboard within UP jurisdiction will be imposed on board fixed on private place Tk. 5 and on UP owned land or building Tk. 6 per square feet.
- Marriage registration fees (this source is included in the UP Act, 2009).

6. Discussion and findings

6.1 Holding tax assessment and collection performance

UP use the holding tax concept instead of property tax on homestead. Holding tax is defined as ‘the annual tax based on the rental value on immovable property (Land and Building) which also include union and chawkidary (village police) rate and lump them together is Holding Tax’. Agricultural land is excluded from this base. Section 65–70 and Section 108 of the Local Government (Union Parishad) Act, 2009 is the legal basis of UPs tax authority. By dint of law, ministry of LGRD in 2003 also issued a guideline known as ‘Strategy for Union Parishad Tax Assessment and Collection for UPs. Union Council (Taxation) rules, 1960 is still the basic guideline for assessment and collection of holding tax. UP functionaries are authorized sufficient power and responsibilities in this rule that can be utilized for strengthening local resources mobilization. According to the guideline of ministry, property tax on homestead is to be calculated based on the annual rental value of the house (including the land on which the house is sited) and the tax rate shall not exceed 7%, subject to maximum limit of Taka 500, for any one house except commercial premises. Both residential and commercial homestead can be assessed under same guideline and criteria for five years. UP functionaries can collect tax directly and at the same time they can appoint temporary commission based tax collectors.

6.1.1 Holding tax assessment

It is found that the assessment procedures and strategies that set out in the guideline have raised debate among local people who raised two main issues in FGD, which are: Firstly, strategy paper contains deduction provision for the interest expenses where land and house is subject to a loan or mortgage in determining the assessment which is likely to benefit the better off who are more likely than the poor to use loan finance for their house. Secondly, there is a one-fourth deduction of rental value allowed for owner occupiers, on the grounds that they are not earning income from the house which has created an inequity between types of tenure, and will benefit owner-occupiers. It is also observed and understood from FGD that the rental or value based property taxation is possible only in those UPs who have major sources of resources from industrial and commercial establishments and UP having peri-urban character, while in other cases based on availability of required information, the

capital value of the house can be estimated by using standardized construction costs converted to rental value and adding the ground rent for the land. But UP functionaries in remote rural areas are still think that it would be more convenient to make assessment based on ability to pay.

Despite these limitations, in practice, it is found that none of the three UPs have been using any complete particular value based assessment. In HRP UP, it is observed that existing guideline is partly used, but there is also pressure from taxpayers to make some adjustments with taxpayers which is due to complicity of the assessment method as explained by UP secretary. On the other hand, MRP and LRP UP members said that they are facing difficulties in using central guideline because the guideline is common for all types of UP which is more relevant with urban or peri-urban than remote rural areas where no rental value is defined or never been estimated except in the case of business premises. Other common problems raised in FGD are: UP has no authority and fund to appoint professional assessor; no formal training on assessment; lack of previous correct assessment rolls and thus lack of data; incompatible guideline for assessing rural house and land on rental or construction cost basis; longer-term tradition of taxpayers noncompliance with no legal effects on them; and lack of approving authority's guidance and supervision. It is noticed that assessment made arbitrarily, mainly based on ability to pay (even sometime willingness to pay) of HH and the rate ranges from 3% to maximum 7% though lower rate is not specified in the guideline.

Assessment disparities showed in three UPs have significant differences in terms of total and per capita HH. The coefficient of variation related to assessment of per capita HH holding tax in LRP and MRP is higher than HRP UP. It can also be found that maximum assessment per capita HH of MRP is 5 and 11 times lower than HRP and LRP UP respectively, and when compare with minimum assessment, HRP UP is 10 and 2.8 times higher than MRP and LRP UP respectively (see Table 2). These disparities have implications on assessment policy and strategy, like local household pattern (residential and non-residential), progressive or regressive taxation, ability to pay and also coverage of maximum HH with minimum rate in all three UPs.

The assessment status and calculation revealed that annual real growth of per capita HH assessment in LRP (247.6%) and MRP (38.8%) is higher than HRP UP (12.2%), which indicates that annual untapped revenue is higher in HRP (Tk.987 000) in compare to MRP (Tk.34 000) and LRP UP ((Tk.23 000). In particular, for HRP and MRP UP, tax efforts have addressed year to year assessment but there are fluctuations in the increasing trend. If a cross comparison among UPs are done it can be seen that assessment of HRP UP is 5.6 times higher than MRP and LRP UP including higher rate of collection (6.9 and 10.8 times of MRP and LRP UP respectively). This disparity of assessment is influenced by the socio-economic profile of UPs. It is found that HRP UP is a sub-urban area, high density, mostly non-agriculture based economy, near to town area, have many small industries and not vulnerable to frequent natural disaster. On the other hand, MRP and LRP UPs are vulnerable to natural disaster like, flood and riverbank erosion, local earthen road are affected by harsh climatic condition (flooding) though the socio-economic profile of LRP UP has revealed that this UP is better in terms of non-economic activities, better internal communication system and higher density in compare to MRP UP and LRP UP can be converted to MRP UP, if central-local concerted efforts are given for this. The property related tax of HRP UP is higher than other two UPs, which might have much more higher if we compare it on per capita HH basis. In MRP and LRP UP, the effective existing assessment rate is very low and as is the collection.

UP functionaries and local people in FGD opined that the current assessment is low in compare to the potentials. They identified some causes for low assessment those are being verified through questionnaire survey and from survey multiple response show (see Table 3) that in all three UP cases main causes are lack of sincerity of UP representatives (56.6% cases) followed by assessment not done by professional assessor (56% cases) and UP has no accountability for low assessment (55.5% cases). But when individual UP case is concerned it is found that there are some variations which shows that in HRP UP, representatives do not like to antagonize rich people due to sociopolitical reasons (62.3% cases) followed by assessment not done by professional assessor (57.4% cases), not use of particular valuation method (57.4%) and lack of UP members' sincerity (57.4% cases). In MRP UP main cause is identified as UP has no accountability for low assessment (65.6% cases) followed by assessment not done by professional assessor (57.4% cases), lack of sincerity of UP representatives (54.1% cases) and so on. In LRP UP main causes are identified as no proper use of particular valuation method (66.7% cases), lack of UP members' sincerity (58.3% cases), and assessment not done by professional assessor (53.3% cases) and so on. (Note 3)

It is observed that in MRP and LRP UP, a cruder system being used as criteria for assessing like, number of rooms, size of rooms, house construction materials, provision of tube well and toilet. The resulting assessment is also modified by assumptions about the occupiers' ability to pay. In general, 'ability to pay' concept of assessment is desirable to majority of rural households. Majority representatives of MRP (71.4%) and LRP UP

(50.0%) support 'households ability to pay' method but in case of HRP UP majority representatives (64.3%) support rental value method. On the other hand, when all UPs are concerned majority of UP representatives (45.2%) are also provide their opinion in favor of ability to pay method which they described as lump sum to be fixed taking into consideration of homestead area, house pattern, occupational status, agricultural land holding and enjoyment of public or private utility facilities like tube well, toilet, electricity connections etc. They argued that rental or capital value based assessment is complicated which are not easily understandable to all classes of rural people rather ability to pay system is more transparent to taxpayer since local people know each other. National experts opined that assessment by UP representatives under present rental value based guideline is not a practical solution and even if the assessment is perfect, the UP would encounter another problem, the fixing of an appropriate rate of assessment. International experience shows that property tax in most of the countries are based on rental value based where as, in some cases, market value is considered and in some cases mixed method is still used (Nickson et al., 2008). In a study of Martinez-Vazquez and Rider (2008) also shows that out of 59 developing countries nine countries are not following any particular valuation method.

About assessment policy, Hoffman and Gibson (2005) observed that tax rates set at the local level can increase local accountability which indeed leads to better local services. In MRP UP, it is found that UP members prepared ward basis tax assessment rolls. But in the case of HRP and LRP, it is found that assessments is initially made by UP secretary and then UP members on ward basis verify and submit it to the Parishad for finalization. In some cases tax collectors are also asked to involve in assessment. UP functionaries opined that due to economic change, assessment should be for three instead of present five years and there should be minimum tax which can be fixed at Tk 75 for each HH. Regarding fixation of base and rate there is mixed views among UPs. Majority (78.6%) representatives of HRP UP and MRP UP opined that bases should be fixed by central and rates by UP where LRP UP is indifferent on this point. On the other hand, fixation of bases and rates by UP has got less support from all UPs (45.2%).

During study, UP representatives opined on five options for assessment procedures that shows differences of opinion between and among UPs. As per first option is concerned, majority members of MRP (85.7%) and LRP UP (92.9%) shows negative views while majority members of HRP UP (57.1%) opined in favor of contractual appointment of an external professional assessor on the seasonal basis. Second option related to appointment of a permanent assessor, for which majority of three UP members (83.3%) opined negative views on the ground that UP has no legal authority to appoint a permanent assessor and also shortage of fund to pay permanent assessor. Regarding option three of taking assistance from Upazila staff for assessment is also has got negative views (91%) in the case of all UPs. UP members said that Upazila staffs are controlled by their line department and in some cases it is difficult to get this service without any honoraria or travel expenses to the staff who will work for UP. Majority members of MRP UP (57%) supports that they themselves can do the assessment with their argument that they know each household and their ability to pay including motivate tax payers. About option five, majority members of LRP UP (64%) support that UP tax collectors and members can jointly make assessment with a view to make an environment that taxpayers, collectors and UP members have reached in an agreed amount to be assessed that will be easy to collect.

National experts have opined that if UP members involve directly with the assessment, then there will be question of same authority being involved in assessment and disposal of objection. On the other hand, if UP members and tax collectors jointly work there will be chances of political favor or negotiation and corruption due to same person's involvement both assessment and collection. National expert and government officials also added that if relevant information of households are computerized and the seasonal assessors are trained to make assessment under administrative control of UP and supervised by an officer of Upazila, then the accuracy of the assessment can be achieved to a greater extent and at the same time the administrative cost for assessment will be less than a permanent assessor.

6.1.2 Holding tax collection performance

Despite lack of UPs autonomy, it is found that the positive role played by UP can trigger the collection of holding tax until the full utilization and increase of rate of the source while at a certain point, tax will remain same due to fixed nature of real property and have little chance to generate cash, especially in rural areas. It is found that average annual growth of revenue collection of MRP UP (85%) is higher than HRP (16%) and LRP UP (56%) (see Table 4). The higher collection of MRP UP is due to their innovative strategies like, motivation of taxpayers through demonstration of a project implemented from tax payers money, encourage local people to express their voice in open UP budget discussion, UP members efforts in preparing ward basis assessment roll, allowed more tax rebate to regular tax payers who pay in time, not providing any certificate to tax defaulters and disclosures of some major defaulters' list in public at the initial stage of their tax efforts program. This study

reveals that in the case of LRP UP, own initiative of UP chairman has compelled UP members and secretary to increase the assessment and collection without adopting any new measures. The chairman of LRP UP mentioned that the taxes paid by the people now are not so high while their ability to pay taxes at a higher rate than the current is quite obvious as per as the socio-economic context of the UP. On the other hand, it is observed that all residential households of HRP UP are not under holding tax coverage though tax are assessed and collected from all industrial and commercial establishments. This reflects that accurate tax assessment and arrears are yet to display in HRP UP.

In addition to UP representatives' role, recent introduction of discretionary and operational performance grants and rewarding UPs chairmen for local revenue performance has brought about positive changes in UPs tax assessment and collection onward 2003-04 in compare to previous year (see Table 5). UP members also provided commitment to taxpayers to increase local development project implementation from LGSP assisted program, if they can upgrade their own revenue status. It is found that in HRP and MRP UP, tax efforts have addressed year to year assessment but there are fluctuations in the increasing trend with an overall collection efficiency of 106% and 85 % respectively. For LRP UP, collection has increased year to year but in terms of percentage, it is fluctuating with an exception in 2005-06 that shows a highest collection effort (86%). Functionaries of LRP UP noted that due to occurrence of flood in 2003 and 2006 affected taxpayers were exempted from tax and due to that tax collection has reduced than the normal years. It is found that HRP, MRP of and LRP UP able to capture holding tax collection only about 46% 70% and 50% respectively, in comparison to their existing potentials. (Note 4)

To make an evaluation on UPs holding tax collection performance, the determinants of current average annual actual holding tax collection is taken to look into the future prospects and sustainability of the system of ability to pay based assessment and collection. In fact, in most of the developing countries, especially in rural areas, holding tax is levied on accrued property and economic conditions of the households, not on the basis of realized income from the property they belong, and people know that they pay lump sum, which suggest the possibility of a break between the amount of tax liability and the ability to pay (Bahl and Wallace 2008, pp. 8-9). It is found that in all three UP cases, ability to pay method is widely used based on relevant factors which are identified during field works. Martinez-Vazquez and Rider (2008) contended that countries where there is not a tradition of raising revenue at the local level from own sources, assigning revenues from the property tax to the local level while simultaneously giving them power to set rates within a range (with a minimum rate greater than zero) may lead to greater local tax effort. FGD with local people and key informants interview helped in identifying eight explanatory variables. Explanatory variables show that there are diversities among the size of population and households, revenue generation ability, household with electricity connection, housing pattern and households' occupational status (see Table 6). For example, the literacy rate shows variations of 20% and variation of this important variable indicates the variation in fiscal performance. Literacy rate is likely to be associated with stronger economic development and therefore revenue mobilization. The disparities in literacy rates are also a reflection of expenditure need. Similarly the other variables are also showing larger variations which in fact shows the relative variations in determining the size and collection of holding tax from each category of UP and it has definite impact on local resources mobilization and as well as expenditure need.

However, two regression sets is run from eight variables and for each regression set, 27 wards of three UP cases are considered as observations. Since UPs existing policy of tax assessment, collection, development plan and resources allocation are done on ward basis, the selection of 27wards (49 villages) as observations is considered justified for regression.

The first set of regression (see Table 7) seeks to explain the determinants of average amount of annual holding tax revenue which reveals that households house pattern and literacy rate are two significant determinants. The adjusted R^2 indicates that this regression can accounts for 77% of all the variance in holding tax revenue size and collection for each ward of three UPs. This regression also tells us that the changes in the rural housing pattern and literacy rate have better possibility of increase generation of holding tax revenue of UPs (Hosn and Hammoud, 2009). The next set of regression (see Table 8) presents estimation results for a posited relationship between households' ability to pay and other explanatory variables. From this regression, per capita household minimum holding tax, households having agricultural land ownerships and electricity connection are significant determinants with 62% variance in ability to pay while the significant relationship between ability to pay and remittances nevertheless holds negative which might be due to influence of other "need" variables, such as 'debt burden' or 'earning limit', which is not entered in explanatory variables for data collection limitation. Debt burden and limited income may affect households' ability to pay if there are no substantial earnings are being geared up. In general rural unskilled labour in most of the cases has to mortgage their belongings or need to go

for distress borrowings in paying charges to get an overseas employment. (Note 5) In general, flow of internal remittances in rural area is also high in addition to the flow of foreign remittance. Deshingkar (2006) mentioned that migrants in Dhaka city send up to 60% of their income to relatives those are living in rural areas which have significant implications for agricultural production.

6.2 Business licence and Non-motorized vehicle fees collection performance

It is observed that businesses are taxed using flat rate fees irrespective of nature of businesses. UPs are not allowed to collect sales tax, VAT, or other types of business tariff. Most of the UP has no updated data for imposing fees on shops and enterprises and the rate where applied found within the range of Taka 100 to 200 which do not match the government prescribed Model Tax Schedule, 2003. In HRP around 50% and in LRP UP around 20% commercial enterprises were not within tax coverage where as in MRP UP, negligible fees were collected. In general, UP functionaries pointed out that there is no legal provision in getting prior clearance from UP before starting any business enterprise within UP jurisdiction which have tax non-compliance effect in administering the source. UP has very weak administrative authority in imposing penalty or apply legal course on business enterprises who has no licence or who are default in renewing existing licence. National expert opined that the Model Tax Schedule, 2003 is to be revised to reflect differences in the scale of commercial and industrial activity, rather than just the type of activity, and to incorporate a more progressive tax structure. Descriptive statistics analysis from UPs data shows that there is a considerable variation in annual growth in each UP and among UPs as well. Standard deviation of MRP UP (91.047) is higher than LRP (61.908), and LRP is higher than HRP UP (14.506) which indicates horizontal imbalance and fluctuation of revenue contribution of this source. The non-motorized vehicle fees in MRP UP is zero due to not collecting any fees while UP officials explained that the vehicle under this category is very few. Only in the HRP UP, this source still has potentials but in LRP and MRP UP there is no potential exist as per information being obtained through FGD and from UPs registers.

6.3 Users fees and charges collection performance

It is found that the viable source of fees and charges for UPs in most of the UPs are trivial and not cost effective. There are some fees though mentioned in the act, to be collected by UPs as their own revenues, but UPs have never utilized those sources, like fee on cinema, dramatic and theatrical shows, fees on fair, agricultural and industrial exhibitions arranged on commercial motive and fees on signboard. No cinema hall is found and signboard tax is never been collected in any one of the UPs. They also added that these are source on which UP has no administrative authority and there is no legal provisions in compelling organizers of fairs, dramas etc., and signboard owners to get prior permission from UPs. UP functionaries also said that there are new areas like fees on mobile tower, special cattle market during Eid festival, toll on heavy vehicle etc., can be utilize through legal support for UPs revenue sources.

6.4 Miscellaneous fees, charges estimation and collection Performance

It is found that MRP UPs has small amounts of revenue for rent on their properties, such as community halls, fees on nationality certificates but these amounts are not showing in the budget. In HRP UP, there are receipts from village court fees and fines, but these are trivial. It is found that over 2002/03 to 2006/07, UPs earnings from minor revenue sources are nearly absent. MRP UP has generated some income from investment. On the other hand LRP UP is earning revenue from slaughter house where as this sources are not used in MRP and HRP UP. Some sources are not equally utilized by each UP whereas some are not feasible in all UPs. UP functionaries said that the tradition of non-collection and in some cases these are not feasible sources that can be utilized right way. The tradition of non-collection influences local resources mobilization at UP level. Moreover, the government does not emphasize the collection from defined sources by penalizing UPs if there are poor collections.

6.5 Shared revenue from local sources

UPs are entitled to receive share of revenue from some local sources which are subject to the control of rates, bases and administration by central government though these are completely derived from UPs jurisdiction. UPs are allowed only the specified percentage as UPs own revenue. Upazila administrative official also noted that there is no legal restriction for UPs to inquire about the total revenues being derived from these sources. National expert opined that defining these revenue as own source is somewhat misleading while UP has no local democratic governance on them. National experts and UP functionaries also contended that these are sources can be adjusted without regulatory reforms or political pain. National expert added that a national policy framework would be required in such case where fiscal capacity of UP needed to be matched with clearly defined

expenditure responsibilities. Revenue adjustment possibilities, impact including implication of the local shared revenue sources are discussed in the following paragraphs.

6.5.1 Share from land registration fees

Land registration fee is an important revenue source of UPs and in the absence of alternative tax bases at the local level, this source is likely to remain of major importance in future. This revenue is controlled by the Ministry of Law while study has revealed that the administration of these sources is the main constraint. Upzila Nirbahi officer (UNO)—head of Upazila administration, can only know UPs share from the statement sent by Upazila sub registrar (collecting officer). It is found that UP officials have made little attempt to know whether they are receiving their correct share of the tax revenues. Rather, they simply know the amount of share being received and do not know how much remain outside their control. The account of this source is maintained and administered by the UNO who has to pay salaries of village police working under UP, and after this payment and administrative cost of maintaining record related to this, if there is any surplus, is used for matching fund for UP development projects which in fact not transparent to local people or elected representatives. During FGD, both UP functionaries and local people opined that the fund should be increased and directly credited to UP account to pay village police including exercise their own discretion to spend for UPs development programs.

Descriptive statistics analysis from UPs data shows that coefficient of variation of HRP (203.5%) and LRP UP (101.9%) are less impressive than MRP UP (204.0%), which might be caused by under reported sale value of property. The general trends of this source in three UPs are showing impressive average annual growth over the five years which are 47.7%, 41.1% and 25.0% for HRP, MRP and LRP UP respectively. Majority UP functionaries' as well local people opined in increasing UPs share from 1% to the break of 10 to 15%. If it is considered the existing 1% share to be increased to 5%, the contribution of this source in UPs total revenue will be 55%, 73% and 84% for HRP, MRP and LRP UP respectively and for all three UPs it will be average 70% (Note 6). Local people argued that UP should receive an appropriate share, since the land is located in their jurisdictions, and the activities of them have an effect on the value of property while UPs are currently provided with only 1% (i.e. 0.025% of the sale value) of collected revenue.

6.5.2 Share from Market and Water body auction fees

The operation of markets (daily and periodic) within UP area is contracted out on annual lease basis, as is the use of water bodies for fishing. The income is distributed 5% to the Ministry of Land, 20% for the salary of the UP staff, 15% for the maintenance and development of market, 10% for the Upazila development fund, 5% to the UP where the market is located and the rest 45% to be deposited in the Upazila development fund for distribution among UPs in the Upazila. Descriptive statistics analysis from UPs data shows that year to year growth from this source is highly fluctuating in all three UPs. HRP and LRP UP are higher than MRP UP and average growth in HRP UP is much higher than MRP and LRP UP. On the other hand, the coefficient of variation shows that the variation in LRP UP (1396.3%) is much higher than HRP (182.4%) and MRP UP (138.8%). However, the average increasing growth trend of this source is an indication of revenue potential.

Due to lopsided vertical allocation, the contribution of this source to UPs total own revenue is not impressive which ought to be more as opined by the UP functionaries and local people. Their responses from a questionnaire survey shows that majority respondents (86.3%) is in favor of increasing existing 5% share to the break of 11 to 20%. UP functionaries of HRP, MRP and LRP UP expressed (100%) their demand to increase the share to the break of 21% to maximum 60%. (Note 7) If it is considered that existing 5% share to be increased to 20%, UPs current average annual revenue of this source will increase by four times and contribution of this source in UPs total revenue will be 42.0%, 63.8% and 34.4% for HRP, MRP and LRP UP respectively.

6.5.3 Share from land development tax

In the Local Government (Union Parishad) Act, 2009 includes provision for UPs share which is yet to be decided by the central authority. It is observed that UP land office is responsible for collection of and development Tax (LDT) which is administered and controlled by the Ministry of Land. Any holding having total agricultural land of 3.34 hectares (8.25 acres) are exempted from this tax. Union land office informed that at present there is no rationale to allow tax exemption on any holding whatever the size is. Land price all over the country have been showing increasing trend for the last decade and people want to pay, even their land is eroded by the river, because land owner perceived that the tax payment receipt serve as an ancillary evidence of ownership. Local people also added that the UPs share from this source will have positive impact on tax assessment and collection. Five year tax collection data analysis shows that percentage share if provided to UP, based on annual average LDT collection, will have differential revenue impact. Calculation shows that the option of providing 2% share will increase total income by 2.9% for all three UPs, while for HRP, MRP and LRP UP it will be 3.7%, 1.9%

and 1.7% respectively and similar differential impact is also evident from the option of providing 10% share which shows that total income will be increase by 18.3%, 6.2% and 5.8% for HRP, MRP and LRP UP respectively. Since annual average LDT in HRP UP is higher the total amount is also around three times higher than that of MRP and LRP UP. (Note 8) In such case fixed 'total amount plus percentage' criteria will minimize the horizontal imbalance of the source.

6.5.4 Share from sand and stone granary/estate auction

Natural resources like forest resources, natural gas, coal, open fisheries are not allowed to any UP due difficulty in delimitation and administration. Though there is provision for providing share to UP, in reality national interest and inter-jurisdictional position also restrict UP in benefiting from these sources. UP functionaries and local people opined that revenue of from such resources can be raised by Upazila and Zila parishad which afterward can be distributed to UPs.

6.6 Overall own revenue performance of UPs

It is found that viable revenue sources available to UPs are quite limited and low yielding (see Table 9). Proportion of tax and non-tax revenue is 59: 41, 25:75, and 33:67 for HRP, MRP, and LRP UP respectively. The non-tax revenue share from market auction (only 5%) and land registration fees (only 1%) are lopsided vertical allocation between central government and UPs. (Note 9) To examine the overall revenue mobilisation performance, tax effort index is important which is calculated from actual level of taxes divided by the estimated level. Over the five years, with similar revenue structure, average tax effort index of HRP UP shows 21% above average while for MRP and LRP UP, it is 8 % and 43% below the expectation respectively, though there is an increasing revenue trend onward 2004-05 (see Table 10).

It is observed that discretionary grant and performance grant, have created a competitive environment in enhancing tax revenue collection which shows that despite fluctuation of conditional grants, discretionary grants have stimulation effect on UPs revenue augmentation onward 2003-04 (see Table 11). For HRP UP, tax revenue generation in 2001-02 and 2002-03 is 5.2% and 66.4% whereas in 2004-05, 05-06 and 06-07 tax revenue generations increased to 157%, 166% and 188% respectively. For MRP UP, the effect of discretionary grant is higher than HRP UP which shows that in 2004-05 to 06-07 the tax revenue generations have increased to 372, 475 and 730 % respectively as compared to 2000-01. Similar effect also evident in the case of LRP UP, which shows that in 2004-07 tax revenue collection have increased to 277%, 645% and 534% respectively as compared to 2000-01. (Note 10)

It is found that MRP UP have had innovative efforts like, employed young new tax collectors, prepared house to house assessment rolls, motivated tax payers to attend UPs open budget discussion, discouraged tax defaulters in providing any certificate (like, nationality, death, birth or inheritance etc) from UP, encourage tax payers with tax rebate as incentive and made local publicity including demonstration of development projects implemented from UPs own fund. On the other hand, in HRP and LRP UP tax collectors have been working for about 10 to 25 years whose average age is more than 60 years and weak effort being provided to motivate local people in participating UPs open budget discussion until government has imposed condition under BBG allocation system. HRP and LRP UP functionaries mentioned that the collection of local tax and fees traditionally has got little importance by the previous office bearers and owing to longer term non-compliance habits become obstacle in enhancing collection within any particular regime. It is also found that there are strong positive relationship between discretionary grant and UPs tax revenue generation for MRP UP (0.993) with significant at 0.01, for HRP and LRP UP this relationship is also showing positive with significant at 0.05 but the relationship between discretionary grants and conditional block grant for HRP is negative and for MRP and LRP UP, it shows positive weak relationship with no significance level (see Table 12).

Despite some recent progress in revenue collection, it is however, collection of holding tax is poor in size, in compare to potentials and assessment coverage. When interviewed local people, the multiple responses show that main reasons behind poor collection is lack of taxpayers trust on UP functionaries (70% cases) which is followed by other reasons like, long tradition of tax non-compliance (68% cases) that leads to tax avoidance tendency among local people; in-built weakness of UPs tax administration system (66% cases) which also refers to the UPs inherent status of local revenue administration; lack of transparency in tax assessment and collection (66% cases) for individual case that shows UPs political motive in escaping party line political workers from proper tax charges; and finally, wealthiest people are major tax defaulters (62% cases) that indicates UPs inability or fear that might arise out of losing support in the next election. Local people also opined on reasons behind tax non-compliance. They mentioned that major reason of tax non-compliance is related to perceived corruption of UP functionaries (83% cases) followed by other reasons related to the perception of local people

that hold the views that local development is the responsibility of the central authority (81% cases), absence of punitive measures against the tax defaulters (78% cases), inequality in assessment system (72% cases) and absence of visible benefit of tax (67% cases). (Note 11)

Overall, it is found that in all three UP cases revenue assessment, collection and development expenditure have increasing trend and this trend is reinforced by the introduction of discretionary and performance grants but the sustainability of this trend depends on both central financial and non-financial support including local efforts with the exploitation of additional and new sources of resources. The increasing trend of UPs revenue assessment and collection has impact on UPs development expenditure. From Table 13, it is found that in HRP UP, the higher per capita assessment of revenue has strong positive linear association with per capita revenue collection with significance at 0.05. Similarly strong positive associations are also being evident in the case of MRP and LRP UP with significance at 0.01. On the other hand, the linear association between per capita revenue collection and per capita development expenditure show positive relationship in the case of HRP and LRP UP while it is negative in the case of MRP UP with no significance level. The negative relationship of MRP UP is due to its higher non-development expenditure in comparison to other two UPs.

7. Conclusion and Observations

UPs being a democratically elected body, working closest to the rural people, have little achievements in relation to serve rural people to whom they are responsible by the statute. Recently donors, international agencies, central government and higher tiers rural local governments including UPs representatives have shown their serious concerns over how this body can operate, and to what extent UP can fulfill expectations of local constituents. This study reveals that much achievement yet to attain through mobilization of local resources to make UP a viable and financially sound body. In summary, it is evident from findings that the local resources mobilization performance of UPs do not lie in lack of commitment, but rather a pragmatic fiscal devolution policy of central authority to induce UP in strengthening revenue efforts which is confirmed by the stated hypothesis. Fiscal devolution policy adopted by the government is still, in its infant that requires continuous central commitment as well as local efforts and strategies.

This study has revealed that UPs major sources of own revenue is holding tax which is not assessed or collected based on particular valuation method rather ability to pay method is informally used on feasibility frontier of the rural context (World Bank, 2004, p.10). In this case, the regression result suggests that households housing pattern and literacy rate can be used as major determinants of annual average holding tax revenue and for this accomplishment, the regression result also suggests that household ability to pay can be based on last years actual per capita households holding tax, foreign and domestic remittances, agricultural land ownership and household having electricity connection. Since complicated taxation system is not understood by the rural commoners, link of visible benefit of tax is weak and non-compliance become a hurdle in harnessing property and community tax, easy and transparent method will help in increasing tax revenue collection. Compliance habit and culture including local economic development over the course will entail the use of a formal value based taxation system. But there are still arguments that some conditions need to be fulfilled for ability to pay based criteria, such as accurate households statistics, a clear commitment of local representatives, transparency and ability to mobilize local resources by addressing all constraining factors that may derived from existing social, economic, political and administrative and legal factors. In this connection, the training efforts must be undertaken for UP functionaries which should include both technical aspect of tax assessment and administration as well as more purely consciousness-raising efforts. (Note 12)

It is also found that there are still existence of untapped revenue that can be exploited with extended efforts and incentive mechanism. There should be greater efforts both from central and local government in prioritizing internal resource mobilization by identifying local potential sources, motivating local people and creating a stake of local ownership on development projects including administrative and regulatory supports. Central and local government, is therefore, need to formulate policy and strategies based on the realities and consequences likely to be occurred in the devolution system. Study also revealed that conditional grants in various forms have shown negative relationship in the case of high revenue generating UP and very weak positive relationship in the case of moderate and low performing UP which suggests that strategy is required to increase discretionary block grants to encourage UPs and on the other hand, strategy is required to provide incentive based conditional grants or substitute part of conditional grants by discretionary grants keeping an eye on UPs own revenue efforts and revenue administration.

As per as local resources potentials are concerned, it is observed that there are many avenues still available for additional revenue sources for UPs including increase of UPs share from land registration fees, 1% to 5% or

more, which is considered as easy to do and have a big impact on the UPs own financial resources availability with only a marginal effect on national budgetary resources. Share of land development tax and marriage registration fees including enhancement of share of market/water body/sand extraction etc. auction fees from 5% to 20% can be other extended area of UPs local resources. In addition, UP functionaries should strive towards improving internally generated revenue from existing sources and sought for new sources for capitalization and instill transparency and accountability in their management structure. This can be effectively carried out through community participation in their various activities. They also need to carry people along in the execution of the projects which will encourage administrative openness and accountability including taxpayers' compliance and sacrifice.

References

- Aminuzzaman, M. Dr. Salahuddin. (2004). Decentralization in Bangladesh: What went wrong? *New Nation Online Edition*, Friday, 2 July.
- Aminuzzaman, M. S. (2008). *Issues and Challenges of Local Government Capacity Building: Bangladesh Experiences*. Paper presented to International Conference on Challenges of Governance in South Asia, Kathmandu, Nepal December 15-16.
- ADB, ADBI & UNCDF. (2004). *Local Governance and Service Delivery to The Poor: Bangladesh Case study*, Paper prepared for the Manila workshop: Local Government Pro-Poor Service Delivery, 9th-13th February.
- Bahl R., and Wallace S. (2008). *Reforming the Property Tax in Developing Countries: A New Approach*, International Studies Programme, Working Paper no. 08-19. Andrew Young School of Policy Studies. Georgia State University. USA. [Online] Available: <http://aysps.gsu.edu/isp/files/ispwp0819.pdf> (March 5, 2010).
- Bahl, Roy W. and Jorge Martinez-Vazquez. (2008). The determinants of revenue performance, In Bahl Roy, Jorge Martinez-Vazquez, and Joan Youngman eds., *Making the property tax work*, (pp.35-57). Cambridge, MA: Lincoln Institute of Land Policy.
- Bahl Roy. (1984). Mobilising Local Resources in Developing Countries. *Public Administration and Development*, 4, 215-230.
- Bird, R. M. and Vaillancourt François (eds). (2006). *Fiscal Decentralization in Developing Countries Trade and Development series*, Library of Congress, Cambridge University Press.
- Bird, R. (1990). Intergovernmental Finance and Local Taxation in Developing Countries: Some Basic Considerations for Reformers. *Public Administration and Development*, 10: 27788.
- Blair W. Harry (ed). (1989). Research Findings. In Blair W. Harry (ed), *Can rural development be financed from below? Local resources mobilization in Bangladesh*, study sponsored by Like-minded Group, University press Limited, Dhaka, p. 50.
- Chowdhury, L. H. (1987). Local Government and its Reorganization in Bangladesh, National Institute of Public Administration (NIPA), Dhaka, Bangladesh. p. 20.
- Crook, Richard C. and James Manor. (1998). *Democracy and Decentralisation in South Asia and West Africa. Participation, Accountability and Performance*. Cambridge: Cambridge University press.
- Cummings, Ronald G., Martinez-Varquez, J and McKee, M. (2001). *Cross Cultural Comparison of Tax Compliance Behaviour*, Working Paper no. 01-3. Andrew Young School of Policy Studies. Georgia State University. USA.
- DANIDA. (2000). Rakai District Development Program, Synthesis report and Vol. 1-12.
- Deshingkar, P. (2006). Internal Migration, Poverty and Development in Asia, *In Asia2015: Promoting Growth, Ending Poverty*, London, 6-7 March 2006.
- Devas, Nick, (1997). Indonesia: What Do We mean by Decentralization? *Public Administration and Development*, 17(3), 351-367.
- Elster, J. (1989). Social Norms and Economic Theory. *The Journal of Economic Perspective*, 3(1), 99-117.
- Fox W.F and Menon, B. (2008). *Decentralization in Bangladesh: Change has been Illusive*, International Studies programme. Working Paper 08-29. Andrew Young School of Policy Studies. Georgia State University. USA.
- Fukasaku, Kiichiro and Luiz R, de Mello Jr., eds. (1999). *Fiscal Decentralisation in Emerging Economies. Governance Issues*. Paris: OECD, Development Center.
- GOB. (2009). Bangladesh Economic Review, Ministry of Finance, Government of Bangladesh, Dhaka.

- GOB. (2008). Monitoring Wing, Ministry of Local Government, Rural Development and Cooperatives, Government of Bangladesh, Dhaka.
- GOB. (2007). Report of the Local Government Strengthening committee, Ministry of Local Government and Rural Development and Cooperative, Government of Bangladesh. Dhaka, Vol. 2, November.
- GOB. (2006). Signing Ceremony of Local Governance Support Project (LGSP), Speech by Mr. Abdul Mannan Bhuiyan, Honorable Minister for Local Government Rural Development and Cooperatives, Government of Bangladesh, Wednesday, 28 June.
- GOB. (2006). Union Parishad operational Manual, Government of Bangladesh, Dhaka.
- Haque, M. S. (2002). The Changing Balance of Power between the Government and NGOs in Bangladesh. *International Political Science Review*, 23(4), 411- 435.
- Hoffman, B.D. and CC. Gibson. (2005). *Fiscal Governance and Public Services: Evidence from Tanzania and Zambia*. Department of Political Science, University of California San Diego, August.
- Hosn, W. A & Hammoud W. (2009). *Indicators on Rural Development and Agriculture Household Income*, a Power point presentation in Expert Group Meeting on Adopting the Sustainable Livelihoods Approach for Promoting Rural Development in the Economic and Social Commission for Western Asia Region, Beirut, 21-22 December.
- Hye Hasnat Abdul (ed). (1985). *Decentralisation, Local Government Institution and Resources mobilization*. BARD, Bangladesh, Comilla. pp.110-329
- Manor, J. (1998). *The Political Economy of Democratic Decentralization*. World Bank, Washington, DC.
- Miles, M.B. and Huberman, A. M. (1984). *Qualitative data analysis: A sourcebook of new methods*. Beverly Hills. CA: Sage.
- Martinez-Vazquez, J. and Rider, M. (2008). *The Assignment of the Property Tax: Should Developing Countries follow the Conventional Wisdom?* International Studies Program, Working Paper 08-21, Andrew Young School of Policy Studies, Georgia State University, USA.
- Naylor, R. (1989). Strikes, Free Riders, and Social Consensus. *Quarterly Journal of Economics*, Vol. 104, pp.771-786.
- NEDA. (1999). District rural development projects in Tanzania, Integrated Area Development Experiences with Netherlands Aid in Africa. *Focus on Development*, No. 10.
- Nickson A, Devas N, Brillantes B. A, Cabo W. L and Celestino A. (2008). *Decentralization and local Democracy in the World: First Global Report: Asia Pacific*, United Cities and Local Governments (UCLG)
- OECD. (2004). Lessons Learned on Donor Support to Decentralisation and Local Governance, OECD DAC Evaluation Series, DAC Network on Development Evaluation. [Online] Available: <http://www.oecd.org> (November 5, 2008).
- Patton, M. Q. (1990). *Qualitative evaluation and research methods (2nd ed.)*. Newbury Park, CA: Sage.
- Rashed Al Hasan. (2006). *Harnessing Remittances for Economic Development of Bangladesh*, working paper series no. 1, INAFI, Bangladesh.
- Schroder Larry. (1984). *A review of Bangladesh Zila and Union Parishad Finances*. The Maxwell School of Citizenship and Public Affairs, Syracuse University, Syracuse, New York, USA.
- Shafi Ahmed. (2001). *One Decade of Bangladesh Under Women Leadership*. Alochona Magazine, October 2001, p.3. [Online] Available: <http://www.magazine.alochona.org> (November 5, 2008).
- Shah, A. (1998). *Fiscal Federalism and Macroeconomic Governance – For Better or For Worse?* Policy Research Working Paper No. 2005, November, World Bank, Washington DC.
- UNDP. (2002). Role of UNDP in promoting *Local Governance & Decentralization in Bangladesh*, Report of the Initial SPPD Scoping Mission, May 29-June 12. [Online] Available: www.unCDF.org/english/local.../uploads/other/scopingmissionrptexternal.pdf (January 10, 2010)
- USAID. (1998). *Impact Assessment, Governance and Local Democracy Project*, GOLD, Research Triangle Institute, USA, 13 February.
- World Bank. (1999). World Development Report 1999/2000: *Entering the 21st Century: The Changing Development Landscape*. London/New York: Oxford University Press.

World Bank. (2004). World Development Report 26654-IN: India Fiscal Decentralisation to Rural Governments, Rural Development Unit, Vol. IV- Kerala Case study, South Asia Region, pp.10-20. [Online] Available: <http://go.worldbank.org/SZBGQTLS80> (May 7, 2010)

Yin, R. K. (1989). *Case study research: Design and methods* (2nd ed.). Newbury Park, CA: Sage.

Notes

Note 1. GOB (2008) & Available: www.lcgbangladesh.org/inventory/13_pdf (January 5, 2010).

Note 2. Fox and Menon (2008) and GOB (2007) in their study on 30 and 10 UPs respectively, showed that average annual own revenue of each UP is Tk 470 000–540 000 with minimum Tk 145 000 and Maximum Tk. 1719 000. Similar flow of UP revenue during 2003–07 was found in the study report of Rupantor (2008), a NGO working with a project known as ‘Improving Local Level Governance by Strengthening UP and Creating Citizen’s Awareness Including SIDR Reconstruction Activities’ under USAID finance, covering 50 Union Parishad in southern coastal part of Bangladesh.

Note 3. Bahl and Martineez-Vazquez (2008) contended that confidence in the property tax as the main source of own local government revenue may be misplaced in many developing countries and local governments have not been able to realize the potential of this tax as a source of local revenue.

Note 4. Since ability to pay method is used by UPs instead of any particular valuation method, Holding tax revenue potential is calculated from UPs assessment rolls where eligible HHs are multiplied by the minimum average holding tax rate that based on per capita HH which is applied to each eligible HH and this minimum average rate is estimated (Tk.75.00) and agreed by UP functionaries and local people during FGD.

Note 5. Rashed Al Hasan (2006), showed that general utilisation pattern of remittances in Bangladesh is 20.5% for food and cloth, 11.2% for agricultural land purchase, 15.1% for home construction/repair, 10.6% for repayment of loan (for migration), 9.1% of social ceremonies, 7.2% for sending family members abroad, and only 4.8% are used in business and 3.1% for savings.

Note 6. Report (April 1998) of the ‘Local government institution strengthening committee’, formed by the government of Bangladesh, recommended that UP should receive the share of land registration fees @10% and later on another report (November 2007) of ‘Local Government strengthening committee’ recommended that land registration fees @2% can be provided to UP. But none of these recommendations were executed by the central government.

Note 7. Report (April 1998) of the ‘Local government institution strengthening committee’, government of Bangladesh, recommended that UP should receive the share of lease money from market, water bodies, ferry Ghat and sand extraction @50%, and later on another report (November 2007) of ‘Local Government strengthening committee’ recommended that lease money from stone or sand extraction @3%, can be provided to UP. But none of these recommendations were executed by the government.

Note 8. Report of the ‘Local government institution strengthening committee’, of the government of Bangladesh in April 1998, had recommended to provide UP a share of land development tax @10%, and later on another report of ‘Local Government strengthening committee’ in November 2007 recommended to provide a share of land development tax @3%, to UP. Government as per UP act, 2009 is yet to decide on it.

Note 9. Report (April 1998) of the ‘Local government institutions strengthening committee’, government of Bangladesh, recommended that UP should receive lease money from market @50%, land registration fees @10%, share of land development tax @10% and accordingly report of ‘Local Government strengthening committee’ in November 2007 again recommended that land registration fees @2%, lease money from stone or sand extraction @3% and share of land development tax @3% can be provided to UP. But none of these recommendations were implemented by central government.

Note 10. Approximately similar trend of UP tax revenue increase (2003-04 to 2006-07) was found by Rupantor (2008) in 50 Union Parishad in southern coastal part of Bangladesh.

Note 11. Elster (1989) and Naylor (1989) found that tax compliance with rules is affected by social norms while study of Cummings et.al. (2001) contended that there is evidence that these norms are influenced by the tax regime and by the responsiveness or behaviour of the government to the wishes of the citizen.

Note 12. Study of Aminuzzaman (2008), showed that significant portion (85%) of UP functionaries have not received any training.

Table 1. Selected UPs profile

Description	Fatullah (HRP UP)	Garadah (MRP UP)	Barellah (LRP UP)
Geographic Information			
UPs location in the region	Central	North-West	South-East
Location in Division	Dhaka	Rajshahi	Chittagong
Location in District	Dhaka	Sirajgonj	Comilla
Location in Upazila (Sub-district)	Narayangonj	Shajadpur	Burichong
Distance from district head quarter (Kilometre)	2	20	35
Distance from Upazila head quarter (Kilometre)	5	7	18
Land area (sq. km)	5.096	14.10	19.53
Total land (hector)	725.46	371	1904
Demographic Information			
Population	117 833	31 113	43 223
Density (per sq. km)	23 104	2206	2213
Villages	11	20	18
Households	26 558	8890	6882
Literacy rate (%)	49	70	45
Basic Socio-Economic Information			
Small industries	170	4	4
Commercial shops/enterprises	1473	250	490
Rice mills	-	-	25
Open and permanent markets	7	4	4
Non-motorised vehicles	2961	132	396
Bank and Insurance company	6	2	3
NGOs	5	9	5
Infrastructure and physical facilities^a			
UP owned earthen road	5 km	30km	24 km
UP owned HBB road	8 km	1 km	1.5 km
Bridge and culvert	4	7	80
Agricultural irrigation scheme	2	20	30
Tube well for drinking water supply	3000	4400	3700
Natural disaster Information			
Major natural disaster occurred every year	Water logging and temporary flooding	River bank erosion and flood	Flood and water logging

Source: UP and Upazila Statistics Office, 2008

^aSpecifically UP has no ownership on any road, only for functional purpose roads connected to village to village or within villages are classified as UPs own roads while rests are belong to Upazial road, zila parishad road and Roads and Highway (R&H) department roads.

Table 2. Descriptive statistics of holding tax assessment disparity based on per capita HH^a

	HRP UP		MRP UP		LRP UP	
	Total	Per Capita HH	Total	Per Capita HH	Total	Per Capita HH
Average	822	91.59	147	17.82	144	118.96
Std. Dev	186.20	20.72	91.32	9.17	61.27	98.36
Coeff. of Var.	22.65	22.63	62.12	51.44	42.55	82.67
Maximum	1100	122.53	214	24.59	172	273.00
Minimum	610	68.00	36	6.80	35	24.32

Source: Authors calculation from UP office data, 2008

^aTotal (in 1000) and per capita in Tk (2002/03-2006/07)

Table 3. UP representatives and local peoples' responses on causes of lower assessment of holding tax^a

Multiple Responses	HRP UP		MRP UP		LRP UP		All 3 UP	
	f	% of cases	f	% of cases	f	% of cases	f	%
Lack of sincerity of UP representatives	35	57.4	33	54.1	35	58.3	103	56.6
Assessment not done by professional assessor	35	57.4	35	57.4	32	53.3	102	56.0
UP has no accountability for low assessment	31	50.8	40	65.6	30	50.0	101	55.5
No proper use of particular valuation method	35	57.4	25	41.0	40	66.7	100	54.9
Rich HHs are not properly assessed on socio-political reasons	38	62.3	30	49.2	32	53.3	100	54.9
'No minimum tax limit' is being used by UP as an excuse	28	45.9	26	42.6	26	43.3	80	44.0
Low assessment is to show better collection performance	25	41.0	26	42.6	26	43.3	77	42.3
Tradition of use low tax rate with nominal yearly adjustments	25	41.0	26	42.6	24	40.0	75	41.2
Total	252	413.1	241	395.1	245	408.3	738	405.5

Source: Field survey, 2008

^aN = 182 (each UP 61, and for all three 182 valid cases, no missing cases).

Table 4. Average assessment, collection and arrears of holding tax (2002/03 to 2006/07)

UP	Annual assessment (In 1000)	Annual assessment growth (%)	Annual collection (In 1000)	Annual collection growth (%)	Annual arrears (In 1000)	Annual arrear growth (%)
HRP UP	822	46	872	16	-	-
MRP UP	147	24	126	85	22	15
LRP UP	144	38	81	56	64	41

Source: Authors calculation from UP office data, 2008

Table 5. Assessment and collection efficiency of holding tax^a

Financial Year (FY)	HRP UP			MRP UP			LRP UP		
	Assessment	Collection	Collection efficiency (%)	Assessment	Collection	Collection efficiency (%)	Assessment	Collection	Collection efficiency (%)
2002-03	610	562	92	36	2	6	35	30	86
2003-04	700	737	105	60	52	87	172	51	30
2004-05	850	1054	124	214	186	87	172	67	39
2005-06	850	985	116	214	193	90	172	148	86
2006-07	1100	1024	93	214	196	92	172	108	63
Total	4110	4362	106	738	629	85	723	404	56
Average	822	872	106	147	126	85	144	81	56
Per capita ^c	30.95	32.83	-	16.65	14.17	-	21.07	11.77	-

Source: Authors calculation from UP office data, 2008

^aAmount in 1000 Tk., average taxpayers HH are 13293, 7662 and 1290 as against total 26558, 8890 and 6882 for HRP, MRP & LRP UP respectively and per capita is calculated based on total HH.

Table 6. Descriptive statistics of response and explanatory variables

Variables ^a	Minimum	Maximum	Average	Std. Deviation	CV (%)
Average annual holding tax revenue	23000 (6.1)	520830 (100.9)	10400 (24.5)	109731 (19.3)	1055.1 (78.8)
Active population (age 10 to 59 years)	593	24833	5007.9	5217.5	104.2
Households with domestic and foreign remittance income sources	5	2427	322.2	551.0	171.0
Households with non-agriculture income source	115	4618	946.8	981.9	103.7
Literacy rate	30.86	66.69	48.2	9.9	20.5
Household with agricultural land ownership	76	2941	652.6	575.4	88.2
Household having Electricity connection	0	6390	1045.1	1467.4	140.4
Households with Pattern of house (Pucka, semi-pucka and Kutch minus Jupri House) ^b	280	7100	1312.4	1479.2	112.7
Household ability to pay holding tax.	70.00	5250.00	521.7	1018.5	195.2

Source: UP office, 2008 & BBS, 2001.

^aAverage annual holding tax and ability to pay tax (in Tk.) are from UPs records and other variables are from population census, 2001 (District series), figure in parentheses are per capita HH's current tax revenue collection (in Tk.).

^bPucka means building, semi-pucka is brick wall with tin roof, Katcha is wooden fence with tin roof and Jupri means house which is made of very cheap construction materials like straw, bamboo, grass etc.

Table 7. Determinants of average annual holding tax revenue size^a

	Constant	Households with pattern of houses (Pucka, Semi-pucka, Katcha minus Jupri)	Literacy rate	Adjusted R ²	F-value	df
Beta	-	0.799(3.369)	0.203(503.58)	0.77	44.261***	26
t-statistics	-1.884*	7.985***	2.026**			

Source: Authors calculation from population census data, 2001 and UP office record.

*Significant at 0.10. **Significant at 0.05. ***Significant at 0.001.

^aRegression result is from 7th iteration under backward method, figure in parentheses are Std. Error.

Table 8. Determinants of households ability to pay tax^a

	Constant	Per Capita household holding tax revenue	Households with domestic and foreign remittance income sources	Households having agricultural land ownerships	Households having electricity connection	Adj. R ²	F-value	df
Beta	-	0.858(7.156)	-2.028(1.124)	0.713(0.643)	1.407(0.424)	0.62	11.501***	26
t-statistics	-3.553**	6.312***	-3.334**	1.963**	2.301*			

Source: Authors calculation from population census data, 2001 and UP office record.

*Significant at 0.05. **Significant at 0.01. ***Significant at 0.001.

^aRegression result is from 5th iteration under backward method, figure in parentheses are Std. Error.

Table 9. Composition and contribution of own revenue sources^a

Revenue Sources	HRP UP	MRP UP	LRP UP
Holding Tax	4362 (45)	629 (24)	404 (21)
Business licence Fees	1371 (14)	34 (1)	187 (12)
Non-Motorized Vehicle fees	506 (5)	Nil	23 (1)
Market Auction fees	1469 (15)	828 (31)	192 (12)
Land registration fees	1938 (20)	948 (35)	850 (54)
Income from Investment	Nil	110 (4)	Nil
Others	1 (1)	163 (6)	Nil
Total	9647 (100)	2712 (100)	1656 (100)
Average annual own revenue	1929	542	331
Average annual per capita total own revenue	16.37	17.42	7.66

Source: Authors calculation from UP office data, 2008

^aAmount in 1000 Tk. and figure in parentheses are percentages (2002/03-2006/07)

Table 10. Tax effort index

Financial year	HRP UP			MRP UP			LRP UP		
	Estimated per capita own sources revenue ^a	per capita own sources revenue collection	Tax effort index	Estimated per capita own sources revenue	per capita own sources revenue collection	Tax effort index	Estimated per capita own sources revenue	per capita own sources revenue collection	Tax effort index
2002-03	9.05	9.69	1.07	7.55	6.23	0.83	4.63	4.49	0.97
2003-04	10.17	12.54	1.23	13.56	13.27	0.98	8.31	5.74	0.69
2004-05	11.59	16.5	1.42	18.03	16.62	0.92	9.02	6.66	0.74
2005-06	16.61	20.26	1.22	17.48	15.43	0.88	11.43	10.00	0.87
2006-07	17.1	19.41	1.14	23.46	21.79	0.93	13.84	11.73	0.85
Average	13	15.67	1.21	16.02	14.67	0.92	13.61	7.72	0.57

Source: Authors calculation form UP office data, 2008

^aPer Capita calculation is based on average population.

Table 11. Effect of discretionary and performance grants on UP's tax revenue^a

FY	HRP UP			MRP UP			LRP UP		
	Per capita conditional grant	Per capita BBG and PG	Per capita Tax revenue collection	Per capita conditional grant	Per capita BBG and PG	Per capita Tax revenue collection	Per capita conditional grant	Per capita BBG and PG	Per capita Tax revenue collection
2000-01	3.90	n/a	4.23	8.03	n/a	1.47	8.17	n/a	0.62
2001-02	4.30(10.3)	n/a	4.45(5.2)	9.64(20.0)	n/a	1.47(0.0)	7.05(-13.7)	n/a	0.62(0.0)
2002-03	6.54(67.7)	n/a	7.04(66.4)	10.25(27.6)	n/a	1.41(-4.1)	8.10(-0.9)	n/a	1.30(109.7)
2003-04	4.81(23.3)	n/a	9.26(118.9)	10.61(32.1)	n/a	2.35(59.8)	9.16(12.1)	n/a	2.46(296.8)
2004-05	3.37-13.6)	2.97	10.89(157.4)	12.41(54.5)	14.31	6.94(372.1)	5.11(-37.4)	8.41	2.34(277.4)
2005-06	4.10(5.1)	3.15	11.28(166.7)	6.75(-15.9)	15.20	8.45(474.8)	8.65(5.9)	8.94	4.62(645.2)
2006-07	4.31(10.5)	3.82	12.19(188.2)	18.51(130.5)	23.58	12.21(730.6)	13.23(62.0)	8.65	3.93(534.0)

Source: Computed by Author from UP office data, 2008

^aBBG is Basic block grant and PG is performance grant and both are discretionary grants, figure in Parentheses are revenue collection growth in percentages in compare to 2000-01.

Table 12. Correlation coefficient matrix based on per capita revenue

	Tax Revenue generation		
	HRP UP	MRP UP	LRP UP
Conditional central grants	-0.196	0.616	0.492
Unconditional central grants	0.858*	0.993**	0.826*

Source: Computed by Author from UP office data, 2008

* Correlation is significant at the 0.05. ** Correlation is significant at the 0.01.

Table 13. Correlation matrix of revenue assessment, collection and development expenditure^a

Variables	HRP UP		MRP UP		LRP UP	
	RA	RC	RA	RC	RA	RC
Revenue Assessment (RA)	1.000	--	1000	--	1000	--
Revenue Collection (RC)	0.942*	1000	0.994**	1000	963**	1000
Development Expenditure (DE)	--	0.808	--	-0.287	--	0.151

Source: Computed by author from UP office Data, 2008

^aNumber of observation is 5 (2002/03 to 2006/07)

*Correlation is significant at the 0.05. **Correlation is significant at the 0.01.

Research on Green Logistics System Based on Circular Economy

Liwen Zheng

Economics and Management Institute, Department of Management
Changchun University of Science and Technology
Changchun 130022, China
E-mail: zhangjuan5791@163.com

Juan Zhang

Economics and Management Institute, Department of Management
Changchun University of Science and Technology
Changchun 130022, China
E-mail: zhangjuan5791@163.com

Abstract

The development of cycle economic needs green of the area of material flow, green logistics is the main development trends of modern logistics. This paper explains the circular economy and the relationship between green logistics, using foreign concept of circular economy development of the green practice logistics, put forward a concrete implementation strategy of circular economy in China to develop green logistics from the view of government and business.

Keywords: Cycle economy, Green logistics system, Green logistics

1. Cycle economy and green logistics

Cycle economy is in accordance with the natural ecological system of material cycles and energy conversion law through the clean production technology and waste recovery technology to maximize the efficiency of resource use and minimization of waste discharge in order to achieve economic and environmental development. An important aspect of concept of circular economy is green material circulation, namely the development of green logistics.

Green logistics is the management activities to pursue customer satisfaction and social development goals, connecting the main body of green supply and demand, overcoming space and time obstacles to achieve efficient and rapid movement of goods and services. It inhibited the damage to environmental to achieve the purification of the logistics environment and the best use of logistics resources. Green logistics is a multi-level concept which includes both the green logistics business activities and social activities for green logistics management, standardize and control.

1.1 Green logistics is the basic ties of circulatory system of green economy

Green logistics form a resource conservation of resources, green products and green consumption. Green design and manufacturing is the premise to achieve green logistics and green consumption. Green logistics and other related distribution channels can react to promote green design and manufacturing and to meet and promote green consumption. Green logistics is the link between resources and products, products and consumer. Because of the existence of green logistics it was able to constitute a circular economy. Green logistics is the performance of cycle economic in the logistics industry, which status in the cycle economy can not be replaced and it is an important tool for the development of circular economy.

1.2 Green logistics is an inherent requirement of the development of circular economy

Material flow is the nature of all production and industrial operation. Material flow and energy flow is the basis for industrial systems. To achieve efficient use of materials and energy and a closed loop of material it is necessary to re-integration on the existing enterprise energy flow, material flow and information flow. It is the inherent requirement of circular economy and ecological industry to establish a good flow and recycling of green material between enterprises, and it is the essential characteristics of modern enterprises. In the performance of

enterprises it is mainly the rationalization of production logistics and reasonable configuration management of supply chain logistics for the purchase and sale between enterprises, which is the important research of green logistics.

1.3 Green logistics is an important way for the development of circular economy

Logistics is the main artery of national economy. Both the exchange of material and energy between enterprises and society's economic activities can not be separated from the logistics. Green logistics is the logistics to further enhance its consideration of environmental and resources issues, which is a necessary requirement for sustainable development. If you only pay attention to the logistics without considering the green factor, then the economy will collapse at any moment of crisis. To further enhance the recycling economy, it is need to make further research and to develop green logistics, in particular it should be emphasized that the research on key issues of efficiency of logistics and reverse logistics, which plays an important role to the healthy development of circular economy. At the same time the healthy development of circular economy will promote the deepening of the theory of green logistics and further development of green logistics.

1.4 Non-Green logistics limit the development of circular economy

There is a one-way problem in non-green logistics, reflected in the only concern to the products from the resource to the consumption, not concerned about the waste product to be consumed after the logistics activities, only bring attention to the economic value of value-added logistics activities. Such activities may ignore the resource and environmental impact. The performance in logistics activities is such as the flow of processing, storage, transport, handling, packaging, distribution and other basic sectors, which inevitably run damage to the environment. For example, the transport of energy consumption and environmental pollution, the congestion distribution, storage, loading and unloading of waste production, distribution processing, packaging resource consumption and pollution.

To correct this negative effect, we need to change a perspective view of modern logistics activities, to consider the modern logistics in the place of ecological system, then, modern logistics is not only a subsystem of the economic system, but also "bridges" of economic and ecological systems that is to say to develop into green logistics in order to achieve economic development, logistics and the coupling cycle.

2. Green logistics system based on circular economy in China

2.1 Government macroeconomic guide to green logistics system

2.1.1 Overall planning

The Government should pay attention to green logistics system construction, planning green logistics development and implementation steps overall.

2.1.2 Legal constraints

The Government should continue to improve the logistics associated with the green laws and regulations, such as the "Environmental Protection Law", "Solid Waste Pollution Prevention Law," and noise pollution control regulations, and to build a green logistics system involving a set of all elements legal system.

2.1.3 Policy control

Government should guide green logistics enterprises with the use of various control methods, such as the increase in sewage charges, tax regulation, through credit, prices, subsidies and other ways to support the business development of green logistics.

2.2 Concrete implementation on the green logistics system of enterprise

2.2.1 Use of green packaging

First, use green packaging materials. Green packaging requirements in the selection of packaging materials environmental performance must be an important aspect of study. Paper is the most widely used green packaging materials. Biological gradable plastics are considered the most promising green packaging materials. Second, use recycling materials. If the packaging waste can be easily recovered, regenerated, not only help to reduce its impact on the environment, but also help to the use of recycled materials and to reduce waste disposal costs, which has obvious social and economic benefits. Thirdly, simplify packaging and appropriate packaging. The formation of excessive packaging waste is also cause unnecessary pollution. The new trend of simplify the packaging can significantly reduce packaging waste in line with the principle of reduction of circular economy. We should be vigorously promoted.

2.2.2 Green transport

First, change the mode of transport, as far as possible to be consistent implementation of complex system of transport. The greatest impact on the environment is the means of transport, especially emissions, noise and traffic congestion caused by road transport. To change the mode of transport from road transport to railway transport or sea transport, this can reduce total traffic volume and ensure the transport process of optimization and efficiency as whole. Second, carry out joint distribution to improve resource utilization. Unified set of goods and uniform delivery can significantly reduce the flow of goods and effectively eliminate the staggered transport to ease traffic congestion conditions, which can improve the efficiency of urban freight transport, reduce no-load rate, and significantly reduce the level of business inventories. Third, develop third-party logistics. Third Party Logistics, which can help use and allocation of resources benefits in the broader context to avoid such issues as the amount of funds, used its own logistics, transportation low, and distribution links in red tape, increased pollution.

2.2.3 Implementation of Green Storage

The so-called green storage is reasonably required warehouse layout in order to reduce transport mileage and save transportation costs. If the warehouse layout is too dense, it would increase the number of transport, thereby increasing energy consumption and emissions of pollutants. If the layout is too loose, it will reduce the efficiency of freight transport and increase load rate. In addition, it also should take custody for different categories stored in different ways according to the performance of materials, characteristics. Various types of design and construction of storage facilities must meet the requirements of non-polluted environment, while strengthening maintenance of good humidity, corrosion, waterproofing, anti-change, leak-proof, anti-flying and so on.

2.2.4 Green flow of processing

One is to change consumers distributed processing to professional centralized processing to improve scale efficiency of resource use practices to reduce environmental pollution; Second, focus on scrap materials processing produced by consumer goods to reduce the spread pollution of consumers caused by the waste processing.

2.2.5 Development of reverse logistics

Reverse logistics are divided into recycling and waste logistics. For the repair of failed items, returns and turnover of packaging containers using renewable resources, companies can associate with other persons of supply chain to follow the circular economy of recycling and reuse principles through the construction of the Industrial Park and Green Supply chain approach to the establishment of recycling systems and to form logistics cycle systems. For waste, according to the actual need for the collection, classification, processing, packaging, handling, storage, and distribution to specialized treatment facility for processing.

3. China's development strategy of logistics to promote circular economy

3.1 *The Government should play a positive guidance and effective regulatory functions*

Government takes effectively functions which can create a good external environment for the development of green logistics, especially in the initial stage of green logistics. The Government should attach great importance to and vigorously support. The Government should control the activity occurred in sources of pollution such as sewage collection vehicle, a positive development of clean fuel vehicles, promote the railway, water transport, improve transport combinations, etc. From the limited of traffic to guide by the government in promoting enterprises choose the right transport way, such as the development of a common distribution, co-ordinate the establishment of a modern logistics center, ultimately limited by the logistics of traffic to improve efficiency; Through the development of road and rail interchange, the establishment of the city center ring road, development of on-street parking rules and traffic control systems to achieve modernization measures; the formulation of relevant laws, through the development of laws on resource exploitation, the use of new materials, emissions and waste recycling waste to regulate; development of transport vehicles such as the development of emission standards, noise standards, speed standards, safety standards, equipment specifications, provides equipment, use of fuel standards, handling tools to achieve standardization and standardization of packaging size; take fiscal, monetary instruments, give the necessary support and encouragement to the implementation of green logistics companies.

3.2 *The enterprise should build a kind of self-discipline-based logistics management system*

The basic subject of Green Logistics is business, so effective measures should be taken including all logistics companies to operate green. Environmental protection should permeate in the whole company functions and other functions and duties.

3.3 Establishing the concept of green consumption and to carry out green consumption

Green consumption concepts and actions can stimulate green business operations of enterprises and promote the development of green logistics. Public green consumption should actively be promoted to choose green products (green products means the products and their packaging in the full life cycle are environmentally friendly and can be recycled after disposal and recycling); Recovery activities and renewable resource products should be supported.

References

- Wang, Lan. (2005). Based on the circular economy of Green Supply Chain. *China's urban economy*, (11).
- Wang, Shuyun & Cao, Yongzhi. (2006). Review of Logistics Management Structure on transaction costs. *Dynamic Economics*, (4).
- Wu, JianWen. (2005). On the Green Logistics. *Logistics Technology*, (6).
- Zhang, Zeqiang & Cheng, Wenming. (2003). Green logistics for eco-industry and circular economy. *Crane*, (9).

Physical Education at Secondary School Level in Gujranwala, Pakistan

Dr. Muhammad Sarwar (Corresponding author)

Department of Education, University of Sargodha, Pakistan

Tel: 92-321-860-0055 E-mail: drsarwar@ymail.com

Dr. Shafqat Hussain

Department of Education, GC University Faisalabad, Pakistan

Tel: 92-771-1441 E-mail: drhssn@yahoo.com

Tariq Mehmood

Education Department, Government of Punjab, Pakistan

Tel: 92-300-645-8958 E-mail: drtariqgu@yahoo.com

Dr. Riffat-un-Nisa Awan

Department of Education, University of Sargodha, Pakistan

Tel: 92-300-600-9104 E-mail: riffarukh@gmail.com

Abstract

It is common phrase a sound mind is in a sound body. In addition, involvement in physical activity can positively affect grade scores of students in elementary schools. Physical education can aware the individuals to keep themselves healthy and active. Through physical activities a student can cure himself from different types of diseases. The present study discusses the results of a survey conducted in an eastern city (Gujranwala) of Pakistan near the border of India. The Gujranwala is an industrial city consisting of mainly factory workers. The data revealed that the physical education teachers of schools in Gujranwala (Pakistan) have positive attitude towards physical education with no significant gender differences. The main problems in the development of physical education are lack of funds, space, facilities and no interest of staff, students and parents.

Keywords: Physical education, Secondary school, Attitude towards physical education, Pakistan

1. Introduction

The human body is made to move but most of the inventions of present age tend to prevent the person to move. To combat the decreasing levels of physical activity in many young people, health professionals in are calling upon school physical education to equip students with the skills and knowledge necessary to become physically active for a lifetime (Krouscas, 1999). Many behaviors such as physical inactivity and poor dietary habits, which are risk factors for cardiovascular diseases, are established in childhood (Harris et al., 1997). A positive attitude towards physical education and physical facilities are required to promote physical education in schools. Therefore, schools at all levels should develop and encourage positive attitudes toward physical exercise, providing opportunities to learn physical skills and to perform physical activities (American Heart Association, 1992).

The attitude towards physical education is mainly determined by curriculum content, class atmosphere, teacher behavior, dressing out, and self-perception (Krouscas, 1999). There is no difference in students' attitude towards physical education in elementary and secondary schools (Tomik, 2008).

Participation in physical activities helps physically vigor and promotes clear thinking mentally, it is common phrase that a sound mind is in a sound body. In America school physical education has been promoted by as one of

the most promising interventions in the nation's battle against physical inactivity, obesity and morbidities (President's Council on Physical Fitness and Sports, 2009).

Physical education programs in schools can benefit the students as Sallis (1997) concluded that a health related physical education curriculum can provide students with substantially more physical activity during physical education classes

After establishing the significance of physical education, now the question is whether it is at the cost of other academic performance or not. Parents and students usually think that the time students use in physical activity or physical education decreases the time used on academic activity and hence it reduces academic performance of students. Physical activity can positively affect grade scores of students in schools (International Society of Sport Psychology, 1992). Trudeau and Shephard (2008) found that allocating up to an additional hour per day of curricular time to physical activity programmes does not affect the academic performance of primary school students negatively, even though the time allocated to other subjects usually shows a corresponding reduction.

Zaman (1995) related that Quaid-i-Azam regarded the pursuit of physical education and sports as an integral part of the educational process, it made strong an individual physically, mentally and morally. This education supports in learning discipline and develop the habit of team work.

Physical education is necessary for healthy mind and healthy body. The status of physical education in Pakistan is not up to the mark. Unfortunately in Pakistan this subject is totally ignored, the physical education teachers in Pakistan are underprepared and not prepared at all. Physical education teachers in secondary schools are either matriculate (10 years regular study) and have one year diploma in physical education or retired army soldiers having no training in physical education. Whereas the situation even worse in private schools, where usually untrained teachers work as physical education teachers. This state of affairs leads to the narrow view of physical education, restricted to only games and playing.

Physical education needs to be promoted in Pakistan. There are two basic elements in the development of physical education: attitude towards physical education and physical facilities. A survey of the attitude towards physical education teachers and physical facilities is needed for proper planning and development of physical education facilities. This makes this study imperative. This study explored the attitude of physical education teachers towards physical education. Moreover, it also explores the gender and qualification differences in attitude towards physical education.

2. Methodology

The population of the study was the physical education teachers of all government secondary schools in Gujranwala district (Pakistan). It is an industrial city in the eastern Pakistan. The data from local education department show that there were total 179 government schools in the Gujranwala district including 80 female and 99 male schools. Again there are 191 posts of physical education teachers in the district, amongst which 85 are filled and 106 are lying vacant. Among 85 physical education teachers 12 were ex-army soldiers with no training in physical education, 24 matriculate (10 years of education) with one year diploma and 49 were FA (12 years of education) with one year diploma in physical education. This state of affairs leads to the narrow view of physical education, restricted to only games and playing. One of the researchers who himself was a head of school managed to collect data. He visited the schools personally briefed the respondents that the collected data will be kept secret and will not be used in such a way that identity of the individuals could be traced. The respondents of the study consisted of 52 physical education teachers of Gujranwala district.

An attitude towards physical education scale used by Chan and LO (1992) was used with changes. The questionnaire was consisted of 38 Likert type item along with open ended questions and questions on background information.

Keeping in view the limited English language ability of the respondents, it was decided to translate the questionnaire into Urdu (National language of Pakistan). Again there was a problem that most of the respondents understand the terminology only in English. So, finally bilingual questionnaire was used.

The attitude towards physical education was measured by asking the respondents to indicate the extent of agreement and disagreements with each item of the scale on a five point scale of responses (strongly disagree, disagree, uncertain, agree, and strongly agree). The points on a scale were rated as strongly disagree=1, disagree=2, uncertain=3, agree=4, and strongly agree=5 in case of positive item. This coding was reversed in case of items (22, 23 and 24 are negative items). The item (38 attitude items) in the scale have high internal consistency (Cronbach Alpha=0.92). The scale has maximum score 190 for most positive attitude and minimum 38 for most negative

attitude and the midpoint score 114 for neutral attitude towards physical education and sports. T-test, analysis of variance and Chi Square were used to analyze the data via statistical package for social sciences.

3. Findings and conclusions

The physical education teachers have positive attitude towards physical education and sports ($t=18.59$, $df=51$, $p<.000$). There is no difference in attitude towards physical education of male and female physical education teachers of government secondary schools ($t=.241$, $df=50$, $p<.81$). Similarly, No difference was found in the attitude towards physical education of respondents with different qualifications ($f=.945$, $df=5,46$, $p<.461$). The respondents considered the following barriers in the promotions of physical education: no funds (62%), No space(50%), No facilities (38%), No interest of physical education teachers (25%), No interest of teaching staff(13%), Community disinterest(12%), No interest of head teachers (10%), Parental disinterest (10%), Untrained PE teachers(8%), Religious restrictions (6%) , No interest of students (2%), and Govt. disinterest(2%).

It was concluded that the attitude of school principals and teachers towards physical education were positive. It was also noted that the attitude were not affected by age, sex, or type of schools (private and government). Lack of funds, space, facilities coupled with no interest of physical education teachers were the main barriers in the development of physical education.

References

- Arabacı, R. (2009). Attitudes toward physical education and class preferences of Turkish secondary and high school students. *Elementary Education Online*, 8(1), 2-8,
- Ginsburg, K. R. (2007). The Importance of Play in Promoting Healthy Child Development and Maintaining Strong Parent-Child Bonds. *Guidance for the Clinician in Rendering Pediatric Care*, Vol. 119, No. 1, p1-10.
- Hargreaves, J. (1994). *Sporting females: critical issues in the history and sociology of women's sports*. Routledge. New York.
- Harris, K.J., Andrews, A.P., Richter, K.P., Lewis, R.K., Johnston, J.A., James, V., Henke, L., and Fawcett, S.B. (1997). Reducing elementary school children risk of academic diseases through school lunch modifications, Nutrition education, and physical activity interventions. *Journal of Nutrition Education*, 29(4), 195-202.
- Henning, B., Stark, T. (2001). Gender equity in a physical education classroom: a look at achievement and engagement in a heterogeneous coeducation classroom. Unpublished master thesis. Saint Xavier University and IRI/Skylight. Illinois, Chicago.
- Koca, C., Atencio, M., and Demirhan, G. (2009). The place and meaning of the field of PE in Turkish young people's lives: a study using Bourdieu's conceptual tools. *Sport, Education and Society*. Sport, Education and Society, Vol. 14, No. 1, February 2009, pp. 55-75.
- Koca, C. Ascı, F.H. and Demirhan, G. (2005). Attitudes toward physical education and class preferences of Turkish adolescents in terms of school gender composition. *ADOLESCENCE*, Vol. 40, No. 158, 365-375.
- Krouscas, J. A. (1999). Middle school students' attitudes toward a physical education program. Unpublished PhD thesis. Virginia Polytechnic Institute and State University.
- President's Council on Physical Fitness and Sports. (2009). School Physical Education as a Viable Change Agent to Increase Youth Physical Activity. *Research Digest*, 10(2) p.1-8
- Reid, J.M. (1998). Gender equity in coeducational institutions: myth or reality. Unpublished masters thesis. Concordia University, school of graduate studies, Canada.
- Sallis J. F., McKenzie, L., Alcaraz, J.E, Kolody, B. Faucette, N., and Hovell M.E. (1997). *American Journal of Public health*, 87(8), 1348-1334.
- Scruton, S. (1992). *Shaping up to womanhood: gender and girls' physical education*. Open University press. Philadelphia.
- Tomik, R. (2007). School Sports Clubs Members' Attitudes towards Physical Education and Sport. *Journal of Human Kinetics*, 17, 89-104.
- Tomik, R. (2008). Adolescent Attitudes towards Sport Depending on School Level, Gender and School Sports Club Membership. *Journal of Human Kinetics*, 20 (section 3) 121-130.
- Trudeau, F., and Shephard, R. J. (2008). Physical education, school physical activity, school sports and academic performance. *International Journal of Behavioral Nutrition and Physical Activity*, 5 (10): 1-12.
- Wright, J. (1996). Mapping the discourses of physical education: articulating a female tradition. *Journal of curriculum studies*, 28(3), 331-351.
- Zaman, S. M. (1995). Quaid-i-Azam and education. National institute of Historical and cultural Research. Islamabad, Pakistan. 132-133.

Development of Textile Industrial Clusters in Pakistan

Muhammad Shahzad Iqbal (Corresponding author)

Department of Business Studies

The University of Faisalabad, Faisalabad, Pakistan

Tel: 92-300-866-0601 E-mail: shahzad.iqbaal@gmail.com

Faiz. M. Shaikh

Assistant Professor, SZABAC-Dokri, Pakistan

E-mail: faizmuhammed_2000@yahoo.com

Dr. Babak Mahmood

Assistant Professor, Department of Business Studies

The University of Faisalabad, Pakistan

E-mail: babakmahmood@gmail.com

Kamran Shafiq

COMSATS-Abbott bad, Pakistan

E-mail: kamranhashmi@ciit.net.pk

Abstract

This research investigates the textile industry clusters in Pakistan. A cross sectional data were collected from 30 textile industries by using simple random technique and data were analysis by using E-Views software. Structural questionnaire was the basic tool for measures the performance of textile clusters in Pakistan. It was revealed that the industry is in urgent need of financial and technological investments. However, according to recent official figures, the Pakistan textile industry contributes more than 60% to the country's total exports, which amounts to around 5.2 billion US dollars. The manufacturing sector contributes to around half of the total exports and textile sector contributes around 46% of the manufacturing sector's contribution. The negative growth of 2.6 % declining from \$ 16.4 billion last year to \$ 16.0 billion in July-April 2008-09. Ministry of Textile Industry should launch and endorse the development of cluster-based textiles vision. It further revealed that Government should emphasis on increase Efficiency and Productivity with the help of research and development department and identifies key areas for process.

Keywords: Textile, Clusters, Empirical analysis, Pakistan

1. Introduction

Textile Industry is one of the oldest industries in Pakistan and despites its inherent strengths; it is losing its competitiveness to other countries, especially in South East Asian Countries. The Industry is in urgent need of financial and technological investments. However, according to recent official figures, the Pakistan textile industry contributes more than 60 % to the country's total exports, which amounts to around 5.2 billion US dollars. The industry contributes around 46 % to the total output produced in the country. In Asia, Pakistan is the 8th largest exporter of textile products. The contribution of this industry to the total GDP is 8.5 % (Economic Survey of Pakistan-2008-09). It provides employment to 38 % of the work force in the country, which amounts to a figure of 15 million. However, the proportion of skilled labor is very less as compared to that of unskilled labor. All Pakistan Textile Mills Association is the chief organization that determines the rules and regulations in the Pakistan textile industry. Pakistan textile industry is currently facing several challenges. There is a need for the industry to improve the quality of its products. There is also the need for greater value addition in its products (Bari, 2003). The textile machinery used in Pakistan is imported mainly from countries like Japan, Switzerland, Germany, China and Belgium. Also, there is lack of efficient R&D and training. Our main competitors in

primary textile products with the advantage of large engineering sector in this region are China and India. The only country in this region without strong engineering base is Pakistan and our dependence upon outside Engineering Industry keeps our cost of production higher with low engineering skills. Looking into the future a strong competition from China and India for these market requirements can be used to involve them to start assembly plants under their guidance and cooperation. Some progress in the direction has led to the development of a Task Force in the Ministry of Industries and Textile Engineering is growingly lucrative for investors, local and foreigners.

This paper presents an analysis of the Textiles and Apparel Cluster in Pakistan. The report gives an overview of the socioeconomic performance of the country followed by an assessment of its business environment. It also explores the performance of the cluster with a special focus on its role in the national economy, its historic evolution, and analysis of the cluster Diamond. The penultimate section of this paper summarizes the strategic issues faced by the country and the cluster. The final section presents a set of recommendations to improve the performance of the cluster.

2. Country Analysis

2.1 Background

The population of Pakistan is approximately 181 million people and it is the sixth most-populous country. Geographically, it is situated in south Asia with its borders with India in the East and Afghanistan in the West. About 20 % of the population lives below the international poverty line of US\$1.25 a day (Economic Survey of Pakistan-2008-09). The majority of southern Pakistan's population lives along the Indus River. By population size, Karachi is the biggest city of Pakistan. In the northern half, most of the population lives about an arc formed by the cities of Lahore, Faisalabad, Rawalpindi, Islamabad, Gujranwala, Sialkot, Gujrat, Jhelum, Sargodha and Shekhupura. Pakistan also faced a major set-back when East-Pakistan (now Bangladesh) seceded and became an independent nation. Pakistan geopolitical problems were further compounded by its strategic location and proximity to Afghanistan which made her a frontline state during the cold war against Russia. Now Pakistan is an important helper of the USA in the global war against terrorism, but unfortunately Pakistan also faces the swear condition of terrorism

2.2 Economic Performance

- The overall foreign investment during the first ten months (July-April) of the current fiscal year has declined by 42.7 % and stood at \$ 2.2 billions against \$3.9 billion in the comparable period of last year.
- Foreign direct investment (private) showed some flexibility and stood at \$3205.4million during the first ten months (July-April) of the current fiscal year as against \$3719.1 million in the same period last year thereby showing decline of 13.8 %.
- The total investment has declined from 22.5 % of GDP in 2006-07 to 19.7 % of GDP in 2008-09.
- Fixed investment has decreased to 18.1 % of GDP from 20.4 % last year.
- Agriculture sector has depicted growth of 4.7 % as compared to 1.1 % witnessed last year and target of 3.5 % for the year.
- Major crops accounting for 33.4 % of agricultural value added registered a remarkable growth of 7.7 % as against a negative growth of 6.4 % last year and a target of 4.5 %.
- Pakistan's per capita real income has risen by 2.5 % in 2008-09 as against 3.4 % last year. Per capita income in dollar term rose from \$ 1042 last year to \$ 1046 in 2008-09, thereby showing marginal increase of 0.3 %.
- Manufacturing sector has contracted by 3.3 % in 2008-09 as compared to expansion of 4.8 % in last year and over-ambitious target of 6.1 %.
- Large-scale manufacturing depicted contraction of 7.7 % as against expansion of 4.0 % in the last year and 5.5 % target for the year.
- Small and medium manufacturing sector maintained its healthy growth of last year at 7.5 % (Economic Survey of Pakistan-2008-09).

2.3 Trends in GDP Growth Rate

The economy has lost significant growth drive due to massive contraction in the industrial sector. The current account deficit is likely to decelerate from as high as 8.5 % of GDP to around 5.3 % of GDP in 2008-09 a reduction of 3.2 %age points in just one year. The improvement allowed for a build-up of the country's foreign exchange reserves beyond \$11 billion. Pakistan's economy still faces pressures from uncertain security

environment, higher inflation in food prices. Pakistan's GDP is almost contract by 3 % in average year 2009. Real GDP grew by 2.0 % in 2008-09 as against 4.1 % last year and growth target of 4.5%. The commodity producing sector witnessed marginal positive growth of 0.2 % which is the lowest ever in the last eighteen years.

2.4 Pakistan Export Situation

The main export items of Pakistan are rice, furniture, cotton fiber, textiles, leather etc (Textile Vision 2005, 2000). Exports were targeted at \$ 19.0 billion or 6.9% lower than last year. Exports started to face global financial crisis since November 2008 and the contraction of world over demand has exacerbated export contraction. The manufacturing sector contributes to around half of the total exports and textile sector contributes around 46% of the manufacturing sector's contribution. The negative growth of 2.6 % declining from \$ 16.4 billion last year to \$ 16.0 billion in July-April 2008-09.

In terms of export clusters, Pakistan's economy is mostly concentrated in textile & apparel, leather goods, agricultural products, construction material, logistics, transportation, fruits, row cotton, fish, vegetables and sports good. Out of which Textile & apparel are the biggest and the fastest growing clusters. The challenge for Pakistan is thus to develop other emerging clusters to expand its portfolio.

3. Business Environment of Pakistan

Pakistan's national business environment is characterized by abundance of semi-skilled and low wage labor, moderate natural resources, poor infrastructure, high rates of corruption, poor governance, moderate level of university-industry collaboration and low scientific research on the factor side. American Business Council of Pakistan (ABC), a formal association of American Multinationals operating in Pakistan conducts informal business survey annually to assess how their members view investment climate in Pakistan. The survey conducted in July – August, 2002, shows that Pakistan's economy is picking up and the investment environment is improving (sheikh, 2005).

Key results of the survey:

- 85% of respondents indicated improvement in Pakistan's overall economic prospects while 73% indicated improvement in Domestic Economy.
- 83% reported increase in their revenues in Rupees while 78% in US \$ terms.
- 79% observed that the policies were more consistent than before while 68% felt that the Government was positively impacting business.
- 75% indicated increase in their pre-tax profits.
- 63% indicated improvement in implementation of policies by the Government.
- 51% of the respondents reported that they were planning to expand investment in Pakistan.

3.1 Trends in business environment and textile policy

During the last five years, Pakistan has registered some significant improvement in the factor conditions. Islamabad (September 10 2009): The 'IFC-World Bank Doing Business-2010' report has projected no improvement in ease of doing business in Pakistan and the country continued to be ranked at 85th in world among 131 countries. According to the report available on World Bank website, Pakistan shows declining trends in ease of doing business the business ranking of Pakistan has been determined at 85 in Doing Business Report-2010. Whereas in Doing Business Report-2009 Pakistan was also ranked at 85th in the world, showing no improvement. Pakistan's ranking in starting a business has improved and the country has been ranked at 63rd in 2010 report whereas Pakistan was ranked 80th in 2009. In Pakistan some 10 procedures are required and it takes some 20 days and it costs 5.8 % of income per capita.

Wage rate: Between 1994-2006, annual productivity growth average 1.2% while the corresponding wage figure was 3.63%, and it affecting the ability of the country's competitiveness. And according to the World Bank report ease of employing workers in Pakistan has shown no improvement in 2008-09 and the country continued to rank at 146th in the world.

Data Collection Methodology

A cross sectional Data were collected from 30 textile industries by using simple random technique and data were analysis by using E-Views software. A structural questionnaire was developed as basic tool of measurement of textile industry in Pakistan.

4. Cluster Analysis

4.1 Importance of the Textile Cluster

The Textiles and Apparels is the backbone of Pakistan's economy. In 2005, textile's contribution to overall GDP was 10% while its share in the exports was at a high of 60%.

Moreover, it is the biggest source of employment in the country providing employment to more than 1.3 million people. About 38% of the manufacturing sector employment is in textile sector.

4.2 Historic Perspective

Pakistan's textile industry has long historic roots. In the Indus River Valley of Pakistan, cotton was being grown, spun and woven into cloth about 3,000 years BC (Cotton Counts 2007). The Production of textiles continued flourishing during different historic regimes such as Sultanate 10 period, Mughals dynasty and the British colonial times (Ali 1962). During the British colonial Regime, India was a primary supplier of raw cotton for textile mills based in Manchester and other parts of the United Kingdom. After Pakistan's independence in 1947, the textile industry continued to grow largely due to Government's investments in irrigation systems and attractive packages for industry start-ups. Over time, the share of textiles in Pakistan's overall economy as well as in the manufacturing sector remained significantly high.

4.3 Trends in Textile Exports

Pakistan is exporting around US \$ 10 billion of textile goods each year the exports of composed of both basic textile products such as yarn and value added exports including made-ups (www.apma.org.pk).

Textile Export:

Overall exports are increasing with increase in the value-added exports. However, it also shows that value added exports as proportion of overall textiles Exports has largely remained same.

4.4 Textile Value Chain

A typical textiles value chain starts with cotton production which then passes through ginning where fiber is separated from the cotton seed. The next stage is spinning where the fiber is spun into yarn. At this stage, Manmade Fibers (MMF) such as polyester is also used as substitute for cotton fiber. The next stage of processing includes knitting and weaving depending on the type of fabric to be produced. The knitted or woven fabric then goes through dyeing and further processing such as bleaching. Once the fabric is processed, the last stage is stitching through which various made-ups are produced. Additional steps in the value chain include branding and retailing. These core activities of the value chain are facilitated by a network of supporting activities that include transport and logistics as well as export support.

4.5 Textile Cluster Map

The textile cluster contains a very diverse set of players and interconnections amongst the players. Some of the supporting include suppliers of machinery and tools; financial service providers, agriculture, transport and logistics. Whereas the textiles finished goods side, exporters, distributors and the leather clusters are important one.

5. Textile Diamonds

The textile cluster has generally shown a good performance in terms of overall growth. Nonetheless, the cluster has largely remained engaged in low-end of the value chain with heavy dependence on basic exports. The Diamond analysis identifies (in appendix) various strengths and weaknesses that have led to the current outlook of the textile cluster

5.1 Condition of Demand

Pakistan's textiles cluster heavily depends on global market. Currently, the global demand for textiles account for US \$ 300 billion which is likely to increase to US \$ 800 billion within the next 10 years. In addition to increasing global demand, Pakistan is also enjoys a huge domestic demand owing to its huge population size i.e. 160 million. Currently Pakistan caters to about 3% of the global demand as it produces about US \$ 10 bn worth of textile products. China has the highest market share in global textile market, followed by India and Pakistan in the region (see table in appendix)

In terms of export destination, Pakistan is heavily dependent on European countries, USA and the Middle East. In addition to clothes Pakistan also exports cotton yarn and basic textiles to East Asian countries.

5.2 Related Industries

The growth of related industries in the textile cluster has largely taken place in the informal sector in a very haphazard manner. There are examples of organic clustering but a conscious effort on the part of industry players or government to promote a cluster based approach have always lacked. Generally, the capacity of related and supporting industries is often weak. Though, the linkage between various actors is also a cause of concern but there are some examples where the norms of reciprocity and interaction are very high. Faisalabad, one of the largest textile producing cities in Pakistan gives a good example of organic clustering and interconnection amongst the members. Table in appendix gives the list of variety of players that are involved in the textiles sector.

5.3 Factor Conditions

As textiles cluster involves diverse set of activities requiring different of inputs, a detailed analysis of factors conditions across the value chain is required. Figure 1 summarizes the factor conditions faced by the cluster. Across the value chain, low cost of labor emerges as the major strength. The estimated cost of labor was 43 cents for Pakistan followed by 47 cents in India, 57 cents in China, 52 cents in Indonesia and 60 cents in Egypt while Bangladesh and Vietnam outweighed this advantage with even lower costs 27 and 29 cents respectively (BR 2007). However, gaps in skill set of labor and poor technology—two major constraints faced by the cluster largely offset advantage of cheap labor.

Strengths

Pakistan is the fourth largest producer of cotton (9% world share) and is endowed with fertile lands and extensive irrigation network (USDA 2007; UNU 2007). However, the cotton sub-sector faces serious productivity and quality gaps. The cotton yields for Pakistan were 586 kgs/hectare compared to 1129 kgs/hectare in China in 1999-2000. Moreover, most of the commercial varieties of cotton were of small to medium length (22mm-28mm) with coarse texture (SMEDA 2000). One of the major contributing factor to this low productivity and poor quality is non-adoption of modern planting techniques such as furrow planting which is 6-7%. At the ginning, spinning and weaving stages, dependence on outdated and less efficient technology is seriously hampering the productivity rates. For instance, the processing rate at the ginning stage is 8.3 bales per hour compared to 20 in the case of USA. Similarly, the spinning sector is largely dependent on less efficient technology e.g. spindles (9.2million units) compared to a meager 147,852 units of routers (Ibid). Similarly, weaving sector is dominated by conventional looms. The ratio of conventional power looms to shuttle-less looms is estimated to be 1 to 92 (2006).

Gaps in skill set of labor force only add to the problem of low productivity. Informal apprenticeship mechanism such as Shagirdi is the dominant form of skill transfer which eventually leads to inconsistencies in product quality. Ultimately, these inhibiting factor conditions, such as low quality of raw material, poor technology and insufficient skills, lead to low value addition and high defect rates. For example, 40% of exported fabric was grey in 2000—an indicator of low value addition. Similarly, the defect rate at the processing/printing stage was 10% (SMEDA 2000). It is pertinent to mention here that the overall factor conditions of the country particularly those related to road infrastructure and energy also play significant role shaping the productivity of textile sector. For instance, cost of freight from China to USA was 50% cheaper than that from Pakistan (GoP, 2007).

5.4 Context for Firm Strategy and Rivalry

Pakistan's Textiles and Apparels industry is highly fragmented comprising many small-scale players with majority of them working in the unorganized sector (see Table). This fragmentation and emergence of small-scale operators is partly due to government policies of the past which declared unit size 40 looms and below as cottage industry and hence provided exemption from tax and stringent labor policies (2006).

Another important feature of the textile industry in Pakistan is that it is largely dominated by family owned businesses. For instance, in Faisalabad, largest textiles producing city in Pakistan, three families dominated the business and trade groups. This, on the one hand, promoted trust and effective contract enforcement thus reducing transaction cost, it also led to regulatory 'capture' thus diverting government incentives to benefit a few and stifled the competition (2006). Some policies of the government with regards to taxes as well as incentives have been listed in the Fig-2.

World Bank notes that textile sector suffered from low diversification due to government restrictive policies on import of polyester (25% tariff rate) coupled with poor administration of import duties and duty rebates schemes (World Bank, 2002). Lack of access of finances constitutes another important constraint for large number of small businesses in the cluster as the banking system is more aligned to serving large scale firms (2006).

6. Challenges Faced by Textile Cluster

- Unavailability of standard raw material.
- Lack of skilled workers.
- Poor coordination between cluster players.
- Financial problems.
- Gaps in quality of local suppliers.
- Increase global competition.
- Low foreign direct investment.
- Not setting specific strategies.
- High tax rates.
- Poor state of technology and production process.
- Lack of specialized workers.
- Excessive dependence on textiles and apparel cluster and limited diversification of exports.
- Poor governance and its implication for overall business environment and foreign investment.
- Rising Cotton Prices.
- China and India being considered as countries for high value added garments.
- Limited use of modern technology.
- Confusion in political / religious scenario.
- Low levels of managerial capabilities.
- Poor physical infrastructure.
- Lack of a well coordinated approach at the cluster level

7. Conclusions

Pakistan is the fourth largest producer of cotton (9% world share) and is endowed with fertile lands and extensive irrigation network (USDA 2007; UNU 2007). However, the cotton sub-sector faces serious productivity and quality gaps. The cotton yields for Pakistan were 586 kgs/hectare compared to 1129 kgs/hectare in China in 1999-2000. Moreover, it is the biggest source of employment in the country providing employment to more than 1.3 million people. About 38% of the manufacturing sector employment is in textile sector. The manufacturing sector contributes to around half of the total exports and textile sector contributes around 46% of the manufacturing sector's contribution. The negative growth of 2.6 % declining from \$ 16.4 billion last year to \$ 16.0 billion in July-April 2008-09

8. Recommendation

After all above data we recommend that we need to be done.

- Ministry of Textile Industry should launch and endorse the development a cluster-based textiles vision.
- Increase Efficiency and Productivity with the help of research and development department and identify key areas for process.
- Improve supply chain management.
- Government should coordinate with private sector.
- Initiate educational and awareness programs for firms in the textile industry on the business value of formal and modern training.
- Building Logistic Capabilities.
- Developing long term relationships with Clients.
- Collaborating with buyers on forecasting and inventory management.
- Investing in IT infrastructure and compliance.
- Think Value Not Price.
- Be on the Cutting Edge of Performance.

- Reduce Cycle Time, Improve Flexibility.
- Redefine Strategic Partnership.
- Encourage private sector, increase public expenditure, and work with international institutions such as the World Bank and Asian Development Bank to improve the infrastructure particularly energy by exploiting the huge hydroelectricity potential available in the country.
- Diversify the export portfolio by facilitating the development of multiple clusters particularly in the areas of logistics and communication, medical devices, horticulture, and tourism.
- Development of skills in labor and offer trainings time to time.
- Conduct global market research in textile apparels.

References

- [Online] Available: <https://www.cia.gov/cia/publications/factbook/geos>. (14/10/2009).
- [Online] Available: <http://www.brecorder.com>. (10/11/2009).
- [Online] Available: http://www.cybercity.online.net/yp/OPs/html/mnc_s_views_of_business_enviro.html. (19/12/2009).
- [Online] Available: <http://www.khaleejtimes.com/pakistan/Textileindustry.asp>. (20/12/2009).
- [Online] Available: <http://www.links of emo project/Population Association of Pakistan-Statistics.html>. (10/12/2009).
- [Online] Available: <http://www.pap.org.pk/statistics/Economy.html>. (10/12/2009).
- [Online] Available: <http://www.ptj.com.pk/Web%202004/03-2004/trend.html>. (30/11/2009).
- A Survey of owner managed business Department of Employee, September 1990.
- All Pakistan Textile Mills Association (APTMA). [Online] Available: www.aptma.org.pk. (14/10/2007).
- Bari, K. Malik (2003). *The Competitive Advantage of Pakistan – Empirical Analysis of the Textile/Apparel Industry*, PhD Thesis, University of Strathclyde, Glasgow, U.K.
- Cotton Counts 2007. [Online] Available: (20/11/2009).
- Economist Intelligence Unit's. [Online] Available: www.eiu.com. (25/11/2009).
- Government of Pakistan, (various years), *Economic Survey of Pakistan*, Ministry of Finance, Islamabad.
- Government of Pakistan, (various years), *Pakistan Statistical Year Book*, Federal Bureau of Statistics (FBS), Statistics Division, Islamabad.
- Government of Pakistan. (2000). *Textile Vision 2005*. Islamabad, Pakistan.
- Government of Pakistan. (2002). Ministry of Commerce, *Text of the Trade Policy of Pakistan*, Islamabad, Pakistan.
- Khan, S. R. (1999). *Fifty Years of Pakistan Economy: Traditional Topic and Contemporary Concerns*. Oxford University Press, Karachi, Pakistan.
- Sheikh, H. R. (2005). *Growth and BMR Requirements of the Textile Industry – Problems and Prospects*, Textile Institute of Pakistan.
- Small and Medium Enterprise Development Agency (SMEDA), 2000. [Online] Available: www.smeda.org. (28/12/2009).
- Trade Development Authority of Pakistan. [Online] Available: www.epb.gov.pk. (25/12/2009).
- United States Department of Agriculture (USDA). (2007). [Online] Available: www.usda.gov. (30/12/2009).
- World Development Indicators various issues
- [Online] Available: www.pakistan.gov.pk/ministries/index.jsp?MinID. (10/10/2009).
- [Online] Available: www.epb.gov.pk. (20/11/2009).
- [Online] Available: www.worldbank.org. (20/12/2009).

Appendix (Tables and Figures)

Table 2.1.

Year	GDP-real growth rate	Rank	Recent Change	Date of Information
2003	4.50%	48		FY01/02 est.
2004	5.50%	45	22.22%	2003 est.
2005	6.10%	47	10.91%	2004 est.
2006	6.60%	48	8.20%	2005 est.
2007	6.60%	59	0.00%	2006 est.
2008	5.30%	104	-19.70%	2007 est.

Source: World Development Indicators, 2008-09

Table 2.2 Pakistan share of major commodities in worlds contribution

(Value in \$ million and share in %)

	1977	1982	1987	1989	1991	1992	1993	1994
Total Export								
World Total	1041000	1882355	2527885	3080000	3506000	3642000	3257589	3617591
Pakistan	1283	2348	4105	4698	6464	7264	6842	7328
Share	0.12	0.12	0.16	0.15	0.18	0.20	0.21	0.20
Textile and Clothing								
World Total	69071	75217	166200	193900	196834	222708	217926	238433
Pakistan	1521	1071	2447	2734	4423	5041	5091	5593
Share	2.20	1.42	1.47	1.41	2.25	2.26	2.34	2.35
Leather and Leather Goods								
World Total	2339	4115	7949	8706	10660	11751	12697	14645
Pakistan	64	104	270	265	271	254	240	269
Share	2.74	2.53	3.40	3.04	2.54	2.16	1.89	1.84
Fish and Fish Products								
World Total	23862	12225	22126	24588	31982	33038	33384	36531
Pakistan	36	79	121	92	110	137	202	143
Share	0.15	0.65	0.55	0.37	0.34	0.41	0.61	0.39
Carpets, Carpeting and Rugs								
World Total	531	857	1089	1199	1123	1346	1440	1213
Pakistan	103	136	225	224	217	204	158	187
Share	19.40	15.90	20.66	18.70	19.32	15.16	10.97	15.42

Source: General of economic corporation among Islamic countries

Table 2.3. Export, Import and Balance of Trade

Series	* November, 2006		* October, 2006		% Change in November, 2006 over October, 2006	
	Rs.	\$	Rs.	\$	Rs.	\$
Exports	83,805	1,380,001	77,688	1,282,058	7.87	7.64
Imports	168,433	2,773,554	129,170	2,131,662	30.40	30.11
Balance of Trade	-84,628	-1,393,553	-51,482	-849,604	64.38	64.02

Series	* November, 2006		November, 2005		% Change in November, 2006 over November, 2005	
	Rs.	\$	Rs.	\$	Rs.	\$
Exports	83,805	1,380,001	66,546	1,113,472	25.94	23.94
Imports	168,433	2,773,554	137,400	2,299,021	22.59	20.64
Balance of Trade	-84,628	-1,393,553	-70,854	-1,185,549	19.44	17.54

Series	* July - November 2006		July - November 2005		%Change in July - November, 2006 over July - November, 2005	
	Rs.	\$	Rs.	\$	Rs.	\$
Exports	418,937	6,927,683	393,548	6,591,866	6.45	5.09
Imports	745,989	12,333,301	667,277	11,176,213	11.80	10.35
Balance of Trade	-327,052	-5,405,618	-273,729	-4,584,347	19.48	17.91

Source: Govt. of Pakistan statistic division federal bureau of statistic

Provisional figures are based on figure provided by the member (FB&S) CBR, Islamabad.

Note: Rupee value is converted into US\$ on monthly average exchange rate for November 2006 (\$+Rs.60.728219)

Table 4.1. Sector wise Share of Textiles

Sno	Sector	Ranking
1	Share in merchandize exports	63%
2	Share in manufacturing sector	46%
3	Share in manufacturing sector employment	38%
4	Share in GDP	9%
5	Ranking in World textile trade	10 th
6	Ranking in World Clothing Trade	15 th

Table 4.2. Share of Textiles in Employment

Sub-sector	# of people
Ginning	10,000
Spinning	201,152
Weaving	294,213
Knitting	47,221
Processing and Finishing	61,206
Stiching	734,805
Total	1,348,597

Table 4.3. Export of textile

Year	Textile	Apparel	Total
1995	4.26	1.61	5.87
1996	4.92	1.87	6.79
1997	4.61	1.81	6.42
1998	4.3	1.81	6.14
1999	4.26	1.86	6.11
2000	4.53	2.14	6.67
2001	4.53	2.14	6.67
2002	4.79	2.23	7.02
2003	5.81	2.71	8.52
2004	6.13	3.03	9.16
2005	7.09	3.6	10.69
2006	7.47	3.91	11.38

Source: All Pakistan Textile Mills Association (AMPTA)

Table 4.4. Country wise analysis

Countries	Textile	Apparel	Total
Pakistan	7.47	3.91	11.38
China	48.68	95.39	144.07
India	9.33	10.19	19.52
Bangladesh	0.23	7.18	7.41
Veitnam	0.63	4.9	5.53
Indonesia	3.6	5.7	9.3

Source: All Pakistan Textile Mills Association (AMPTA)

Table 5.1. Global market share 2005-06

Countries	Production		Consumption	
	000 tons	% of World	000 tons	% of World
Pakistan	2,058	9%	2,584	11%
China	5,700	24%	10,000	41%
India	4,148	18%	3,655	15%
Total of the above three	11,906	50%	16,239	67%
Others	11,740	50%	8,095	33%
World Total	23,646		24,334	

Source: USDA

Table 5.2. Participants in the Textile Cluster

S No	Textile Sub-Sector Activities	No. of Firms	S. No	Textile Sub-Sector Activities	No. of Firms
1	Cotton ginning and pressing	26	11	Textile composite	4
2	Cotton waste processing	53	12	Textle weaving (independent units)	32
3	Doubling of yarn	22	13	Textle weaving (power looms)	1500
4	Embroidery	21	14	Textle exporters	700
5	Hosiery products	301	15	Yarn merchants	800
6	Ready-made garments	40	16	Fabric Whole Sellers	300
7	Sizing of yarn	119	17	Textle Chemicals and Dye Manufacturers	9
8	Textile machinery, parts and service	197	18	Whole Sellers of Textle Chemicals & Dyes	200
9	Textile processing (printing/dyeing/finishing)	210	19	Textle Knitting	6
10	Textle spinning	42	20	Other Textle Firms (carpets, Towels etc)	60

Source: Ul Islam F. (2006)

Table 5.3. Industry Structure and Capacity

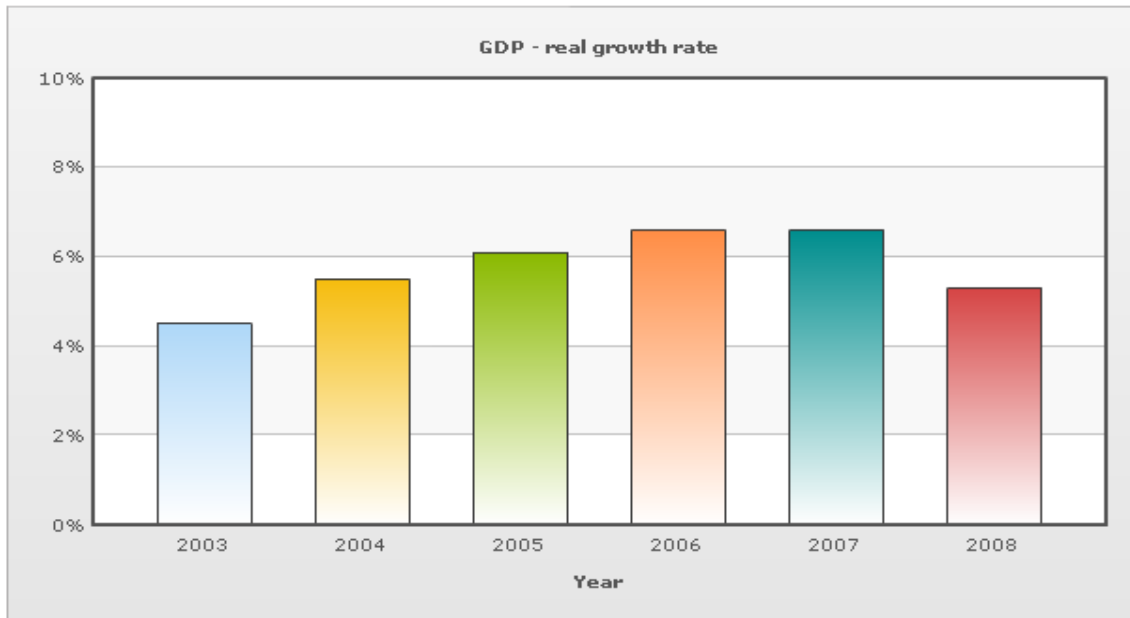
Sub-Sector	No of Units	Installed Capacity	Production
Ginning	1,221	5,488 Saws	10,314 M Bales
Spinning	445	a. 9,217 Spindles b. 147,852 Routers	1,758 M. Kgs. Yarn
Weaving			
a. Composite Units	a. 50	20,000-25,000 Shuttle-less looms	5,6000 M. Sq MT (Approx)
b. Independent Mills	b. 140	225,000 Conventional looms	
c. Power Loom Sector	c. 18,000		
Finishing			
a. Organized	a. 106	-	2,700 M. Sq. MT
b. Small Scale Sector	b. 625		
Garment Units	5,000	450,000 Sewing Machines	650 M Pcs
Terry Towels	400	7,600 looms	55 M. Kgs.
Canvas	100	2,000 looms	35 M. Kgs
Knitwear	700	21,000 Knitting Machines	5.50 M. Pcs

Source: UI Islam 2006



Source: World Atlas 2007

Figure 2.1.



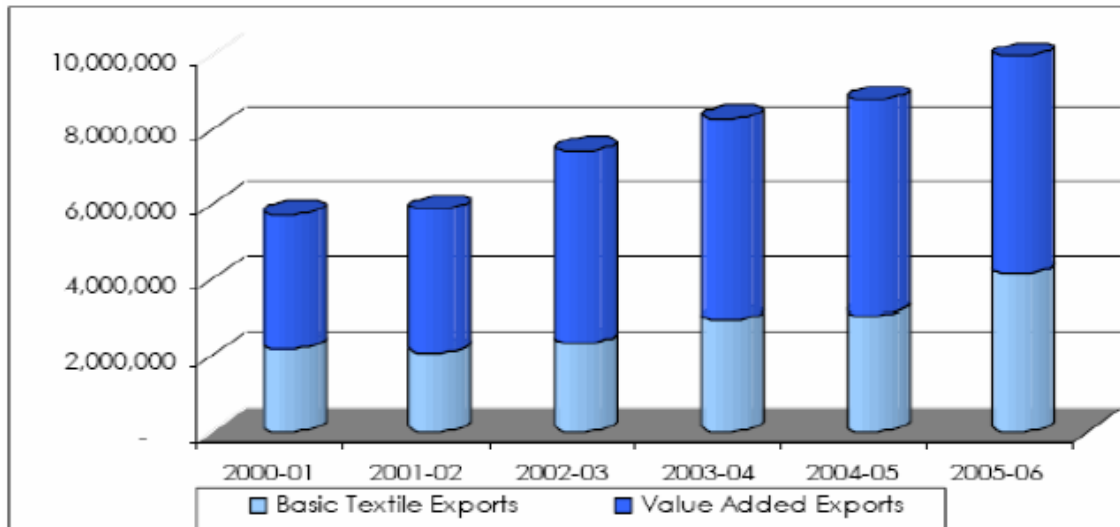
Source: World Development Indicators, 2008-09

Figure 2.2.



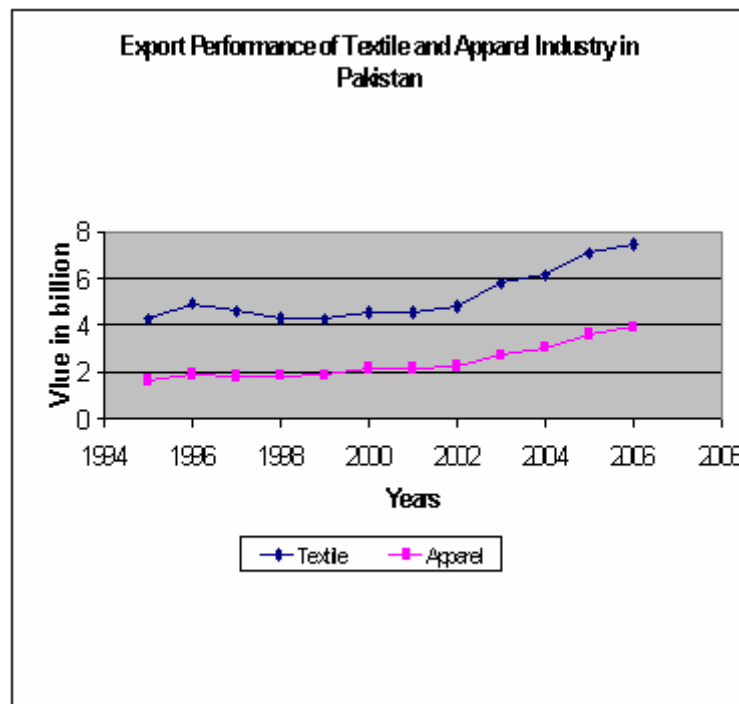
Source: Economist Intelligence Unit's

Figure 3.1.



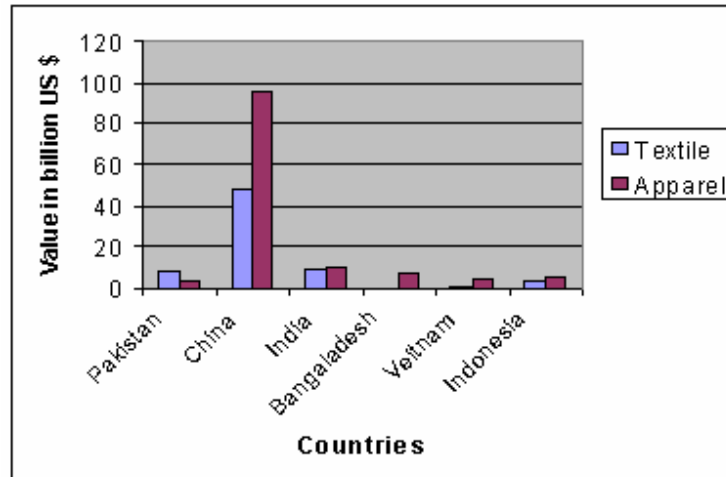
Source: All Pakistan Textile Mills Association (APTMA)

Figure 4.1. Trends in Textile Exports



Source: All Pakistan Textile Mills Association (AMPTA)

Figure 4.2. Export of textile



Source: All Pakistan Textile Mills Association (AMPTA)

Source: AMPTA

Figure 4.3. Pakistan Vs Major competitor

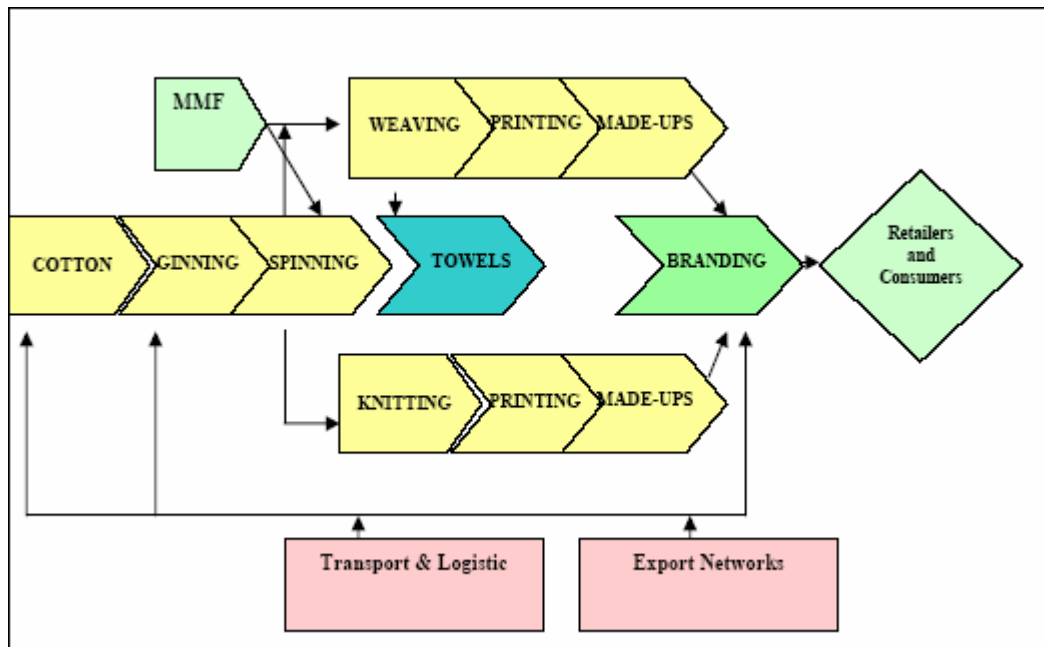


Figure 4.4. Textile Value Chain

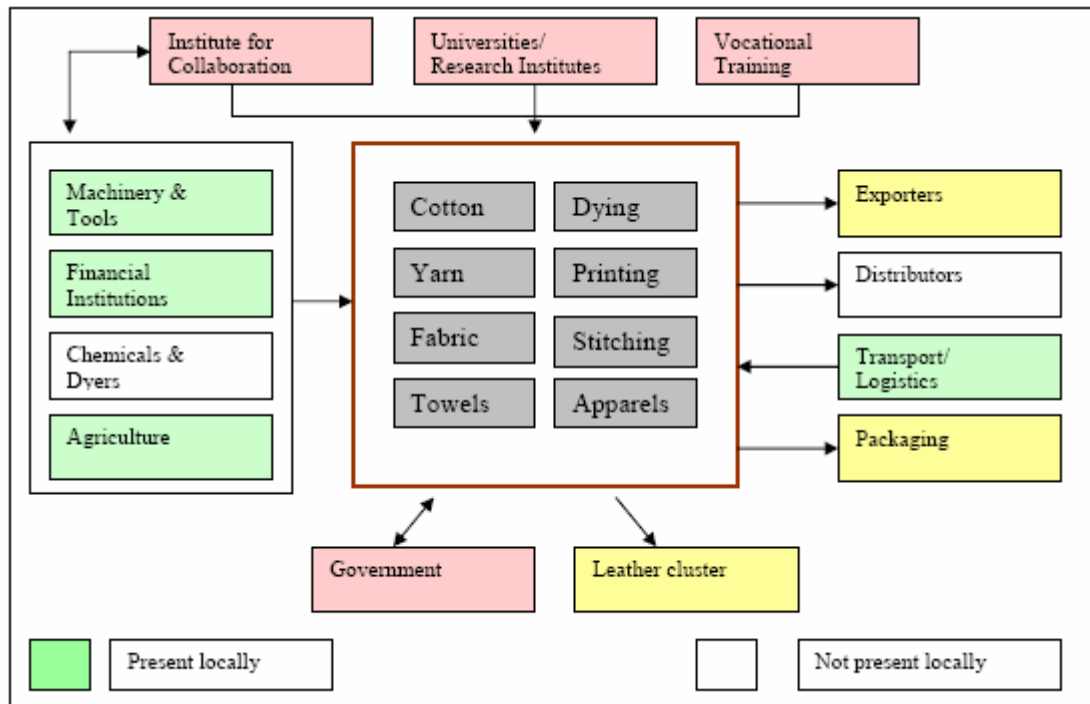


Figure 4.5. Textile Cluster Map

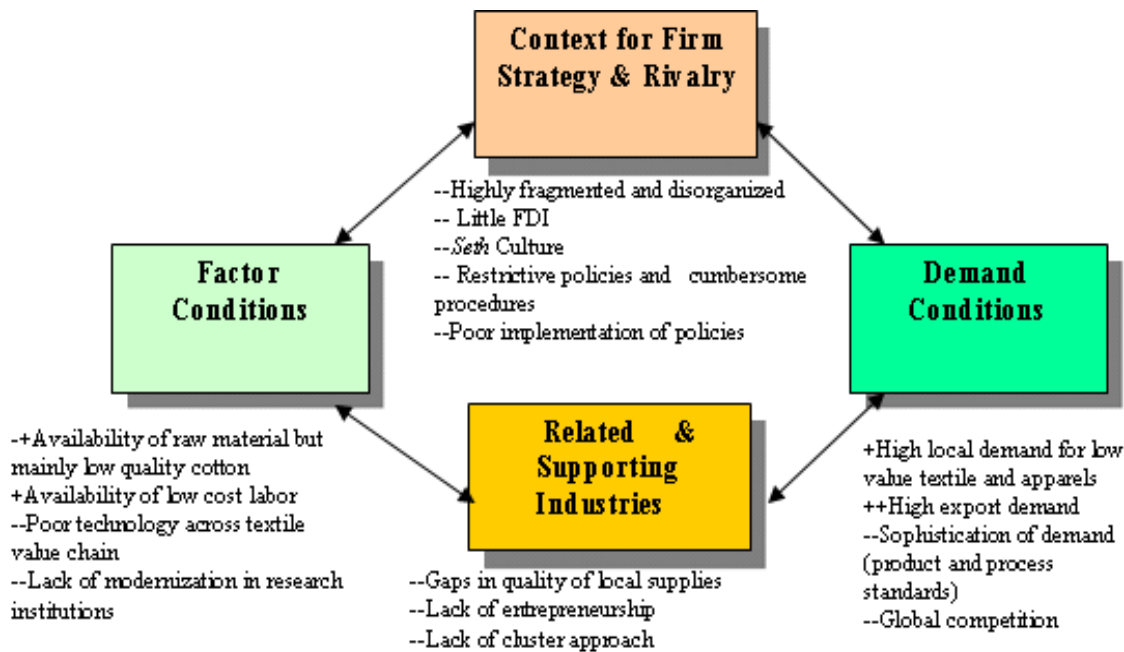
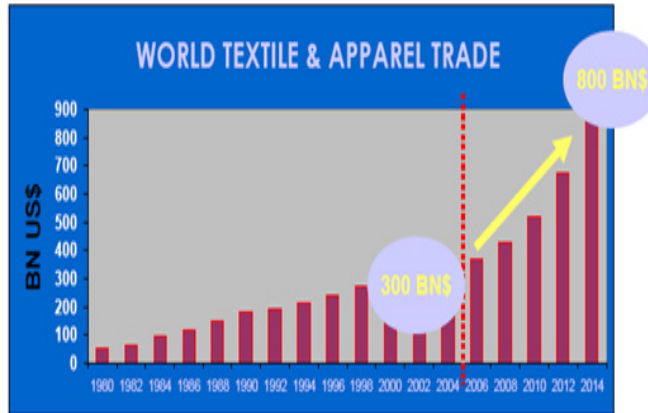
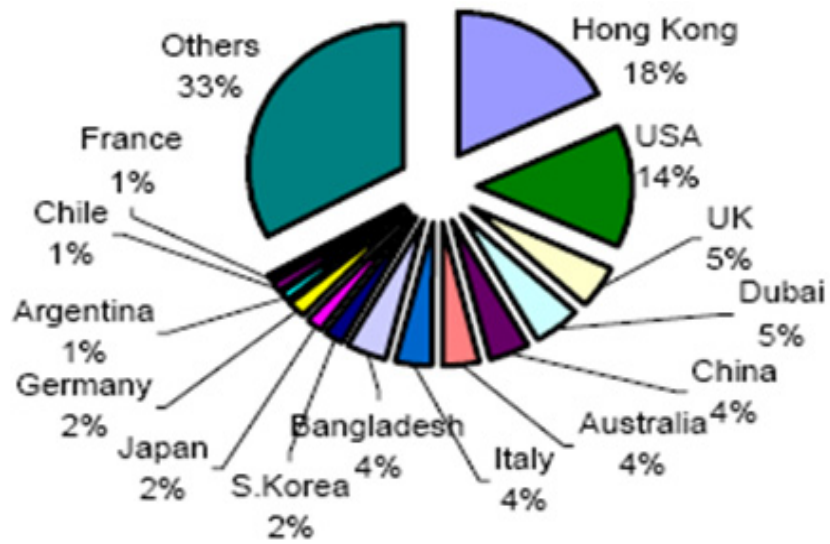


Figure 5.1. Textile Diamonds



Source: Werner International USA 2005

Figure 5.2. World Export Demand



Source: SMEDA 2000

Figure 5.3. Export Destinations

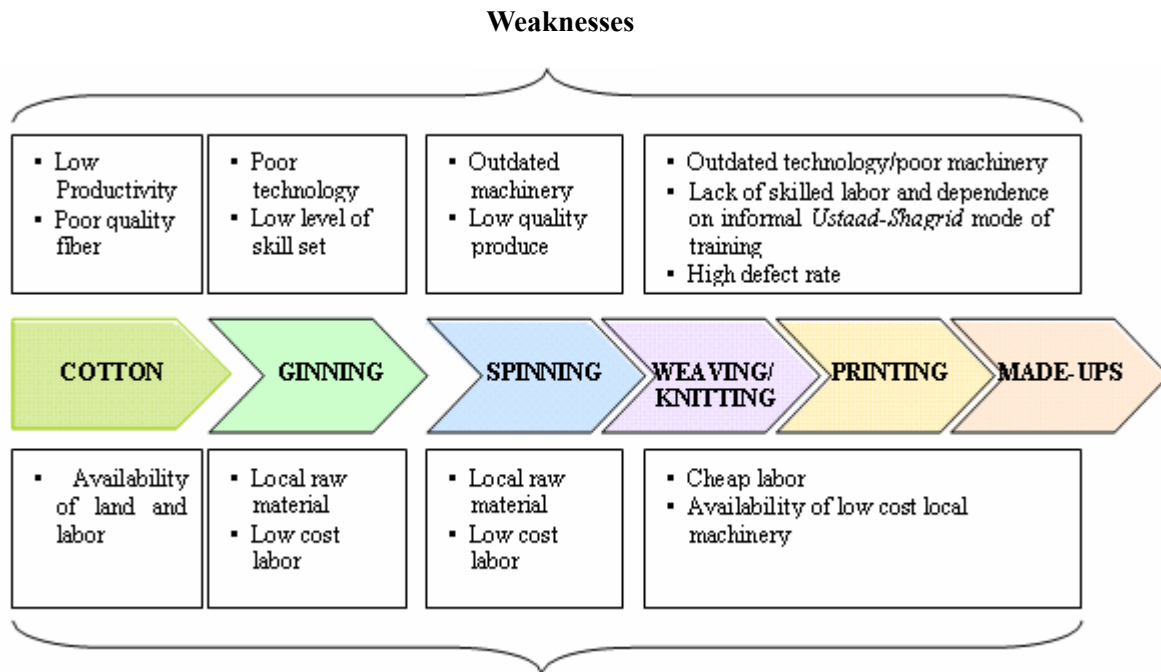


Figure 5.4. Factor Conditions across Textile & Apparel Value Chain

“Autonomy” Replacing “Heteronomy”: Transfer of Management Model of Urban Community

Jie Ma

Department of Law and Politics, Changzhou University

Changzhou 213164, China

E-mail: maleikejie@sina.com

Abstract

“Management model” is an important theoretical and practical proposition in study on urban community. Urban community is defined as a harmonious community with psychological and regional congruence. Rebuilding of a harmonious urban community is, as a matter of fact, a process of urban management model transferring from “heteronomy” to “autonomy”. Urban community autonomy means self-governance of self-organization on community affairs. Transfer of urban community management model is a systematic project with reformation significance. On one hand, generation of the autonomy model is not a simultaneous behavior, but is dependent on creation and accumulation of system, law, economy and organization, etc. On the other hand, selection of appropriate reform means is based on consideration of transfer conditions and development stages.

Keywords: Urban community, Management model, Transfer conditions, Reform means

1. Urban community: dispute and definition

The bone of contention on urban community can be summarized into two aspects: one based on "psychological" level and the other based on "regional" level. The former stipulates qualitatively whether urban community exists and has strong "Toennies sentiment" and the latter stipulates quantitatively dispute on positioning of urban community and reflects strong practice orientation.

As the founder of the concept of “community”, Toennies held a pessimistic attitude towards urban community. The sort of “community” he described is generally a sort of intimate interpersonal relationship in which everyone trusts and helps each other and is obedient to the authority. Community is an organism full of vigor, while society is mechanical aggregation and artifact. Traditional rural area is representative of community, while the newly emerging city is representative of the society. Community and society and rural and urban area are diametrically opposed, and transfer from “community” to “society” is just as “one steps to a certain strange place.” The psychological community concept of Toennies provided the earliest root for the dispute of whether there exists urban community. Thus, the two view points of “theory of disappearance” and “theory of existence” were formed in the academic circle. According to the former view point, urbanization is power that damages traditional community and it makes features of “community” fade away and traditional community go to break up, community no longer existing in cities. By contrast, according to the latter, urbanization is not the necessary factor for community life to go to break up, and on the contrary, the sense of belonging in communities of areas with high degree of urbanization is also high, and urban community is not extinct, but changing and is becoming the tool and carrier of social transition. Without doubt, “community” in the sense of Toennies has no means to explain modern cities, but this historical defect has not made it become a “dead concept, and the implication of “communication”, “sharing” and “common sense” that “community” has makes it impossible for it to withdraw from people’s thinking and value selection.

There are three viewpoints in the quantitative stipulation of urban community, namely, theory of street district, theory of residents committee district and theory of district between residents committee district and street district. The theory of street district runs counter to the reform value orientation of “transfer from street residence system to community system”. Street office is the field agency of the government, with the characteristics of “being only” and the motive of pursuing political performance, so work of street office has strong administrative color. The legal functions of street office do not match with burdening of community affairs, which may also result in misplacement of functions of street office. However, although the theory of district between residences committee district and street district emphasizes regulation of the scale of community, it lacks manipility in practice. On one hand, readjustment of the administrative division that has already been formed will necessarily

cost enormous adjustment expense. On the other hand, there lacks a definite direction in the organizational carrier who should assume community affairs. If both the street district and residents committee are undertakers, this will obviously lead to conflicts in sphere of jurisdiction and contradiction will also appear between the two organizations with totally different features. If neither of these two organizations is the undertaker and a third organization is the undertaker, then at least, such an organization can not be reconstructed for the time being, and even if it can be reconstructed, it is uneconomical. Comparatively speaking, it is more realistic and feasible to position community from the perspective of residents committee since it can combine organically the subject of the idea of community (residents) and the subject of action (residents committee).

Whether at the psychological level or at the regional level, definition of urban community has a strong purpose. In 1919, the famous American community worker Mary Follett put forward the proposition that “community is a process” for the first time, and she emphasized building community based on common interests. Importance of the proposition of “process” is that, it acknowledges that the real community is an ideal and is open for construction. Therefore, comprehension of urban community should emphasize what it ought to be, but not what it is or what it has already been. As such, urban community can be essentially defined as a harmonious community with psychological and regional congruence. Urban community is not merely community in its psychological sense, and in the same time, is community in its regional sense. Psychology and region are important constituent factors of urban community, neither of the two dispensable. “Congruence” means unification of urban community at the psychological level and at the regional level. “Congruence” is different from “doublication”, because unification under “doublication” is mechanical and closed, while unification under congruence is organic and open. Harmonious community is the target of urban community development and the theme of construction. In terms of target orientation, harmonious community is specific reflection of constructing a harmonious society and embodies characteristics of the contemporary times; in terms of practical operation, “the theory of rebuilding” should be brought into construction to actively promote community rebuilding and to construct a harmonious community; in terms of rebuilding, this does not only include “creation of things” at the regional level, but also includes “creation of human being” at the psychological level. Rebuilding of a harmonious urban community is actually a process of transfer of urban community management mode from “heteronomy” to “autonomy”.

2. Management model: heteronomy and autonomy

From the perspective of management essence and association of model attributes, management models of urban community can be classified into heteronomy and autonomy. Although some transitional features are manifested in transfer from heteronomy to autonomy, it is not enough to cover the overall attributes of the models. “Dichotomy” is helpful to recognize disadvantages of heteronomy and to get a mastery of the essence of autonomy, so as to strengthen motive of transfer of the models.

There are three typical patterns in heteronomy, namely, unit control under the unit system, street control under the street residence system and company control under the tenement system. To dialectically look upon the model of heteronomy, without doubt, it plays a positive role under particular conditions, but is also has some insuperable disadvantages. “Unit community”, “street community” and “tenement community” under control of heter-organization is incomplete and malformed, and it is relatively appropriate to describe it with “sub-community”: its internal value is seriously underestimated, its community role is not clear, its community functions shrink, its community mechanism is runtish and its residents participation degree is relatively low. Generally speaking, it is uneconomical and unsustainable to evaluate heteronomy from the perspective of development and variation. By contrast, autonomy is a kind of governance mechanism with low cost and high profits. To compare heteronomy and autonomy with free love and arranged marriage, the former being “autonomy” and the latter being “heteronomy”. Free love is superior to arranged marriage, and the reason for an arranged marriage to be harmonious in the end is that, it goes through a conversion process, from formerly arrangement by parents to later free love.

The model of autonomy refers to self-governance of self-organization of the community on community affairs, mainly including the following four aspects: one is self-organization, the organizational carrier of autonomy of community. Self-organization exists within the community and is not constituted by enforcement of specific external commands, and is organism of “self-organizing, self-creating and self-evolving”. Residents committee is the self-organization that has more legal status and mass foundation and the subject power of self-organization in the community and occupies a core position. Intermediary organization in the community is an important carrier for community to go towards autonomy. Introduction of the concept of “self-organization” breaks through the narrow thinking that “autonomy of the community equals to autonomy of residents committee.” Secondly, affairs of community are limited. Some believe that, all affairs in the community that are related with residents

belong to affairs of the community, which, as a matter of fact, this implies the concept of “unlimited community”, which will necessarily lead to chaos of the agent of community management and will cause weakening of the attribute of community autonomy. The three parties of community, market and government have their own functional boundaries, affairs of community has a paralleling relation with administrative affairs and market affairs, but not relation of subordination. Thirdly, self-governance is manifested in “four selves” and “four democracies”. “Four selves” are an important symbol to judge maturity of autonomy of the community and “four democracies” are the institutional conditions required by “four selves”. The logic line of self-governance is from “the four democracies” to “the four selves”, that is, members of the community settle differences, enhance trust, come to common view and gradually form the behavior model of “four selves” by identifying and practicing “the four democracies”, and finally enter the state of “self-governance”. Fourthly, right of autonomy is combination of power transferred of heter-organization and endogenous power of self-organization. The process from heteronomy to autonomy is one in which rights and resources of the community are re-distributed. In practice, people are limited to emphasize the so-called “power alienation”, not realizing that right of autonomy is also a systematic process of dynamic growth and self-evolution. Actually, right of autonomy of the community does not only origin from entrustment of heter-organization, but more comes from endogeneity of self-organization. Endogenous power and power transferred are “interdependent” in that, cultivation of endogenous power provides broad “space” for transferred power and makes heter-organization “more willing” to transfer its power to self-organization; increase of transferred power offers solid “soil” for endogenous power and makes self-organization more “competent” to take over power transferred from heter-organization.

In fact, autonomy does not mean “confrontation” or “collegiality” behavior. The academic circle has two tendencies for autonomy of the community. First is “autonomy outside the government”, which regards relation between government and community as antagonistic relation and negates role of the government in autonomy of the community. This viewpoint emphasizes separation of powers between the government and the community to ensure that community organization becomes an independent authority agent, which obviously has its rational aspect. However, it over-emphasizes “right autonomy” of the community and might go towards the extreme of absolute separation between the government and the community, and furthermore, leads to “anarchy” and even “national crisis”. As a matter of fact, even in US, a country with higher degree of autonomy, the relation between the government and the community is merely a relative separation, and autonomy of the community is unlikely to be realized without direction and support of the government. Second is “autonomy of the government and the community”, which regards relation between the government and the community as a cooperative relation and emphasizes intervention of the government in autonomy of the community. In a long run, without doubt, “cooperation” and “autonomy” have their positive significance, but a “fatal” pre-condition is neglected, that is, only “separation of government administration from commune” can make it possible to really realize cooperation “without classification of classes”. At the initial stage, implementation of “collegiality” is extremely likely to be trapped in the tight corner of “heter-organization”. The government has a strong “capture power” against the community owing to its resource superiority, so the cooperative relation usually evolves into intervention of the government to the community, while the degree of administrative power makes an inverse proportion to the degree of autonomy of a residential district.

3. Condition of transfer: regulation and guarantee

It is the primary condition for transfer of the management mode of urban community to establish autonomy-oriented “community system”. Firstly, to straighten out organizational relation and to confirm the core status of residents committee. The key to straighten out relationship between street district and residents committee is to define their own functions in a scientific way, to make clear the intervention behavior and direction behavior of street district, to carry out “system of refusal” and “system of charging”, to get rid of the relationship of administrative subordination between superiors and inferiors and to recover the equal relationship of leadership and assistance. We can adjust relation between the residents committee, tenement company and proprietor committee as below: in the short run, proprietor committee can be categorized as a subordinate body of residents committee, under direction and supervision of residents committee, while proprietor committee can establish a relationship of entrustment and fiduciary with tenement company; in the long run, the proprietor committee can be gradually cancelled. Then, functions that are originally assumed by proprietor committee can be transferred to residents committee and residents committee can directly establish a relationship of entrustment and fiduciary with tenement company. The residents committee district in the future should include several tenement administration areas. Residents committee can have a direct conversation with several tenement companies, so as to change the state of “one-to-one” between proprietor committee and tenement company in the past and embody the principle of “simplification and high efficiency”. Secondly, to optimize operational

mechanism and build functional community organizational network. According to the principle of “separation of legislation and execution”, the operational structure of the community can be divided into the leadership level, decision making level, discussion making level and executive level. As a leadership level, the Party organization has the function to grasp the direction of community autonomy in politics and ideology. Residents conference is the decision making level, which represents the fundamental interests of all residents and is the organ of highest authority in the community. Consultation conference is the discussion making level and executes the functions of consultation, discussion and democratic supervision during the closing period of resident conference. Residents committee is the executive level of the community, which is directly voted by residents conference, accepts its supervision and reports to residents conference, and manages community affairs according to the principle of “self-management, self-education, self-service and self-supervision”.

Fourthly, to straighten out relationship between setting of the community of setting of residents committee. It is the basic guarantee for transfer of management mode of urban community to carry out autonomy-oriented “community law”. The government should formulate “Autonomy Law of Urban Community”, which ought to carry out “the idea of autonomy” in a comprehensive way, define connotation of community autonomy, community self-organization and community affairs, embody the operational structure and interactive relations between the four levels of leadership, decision making, discussion making and executive and provide legal foundation for promoting autonomy of urban community. The government should revise “Organization Law of Urban Residents Committee” as below: firstly, to strengthen relationship between urban community and residents committee and correct its title into “Organization Law of Urban Community Residents Committee”; to add the content of “self-supervision” in the second Article, which is more corresponding with demand of autonomy and reflects the spirit of the times and to add the content of “being responsible for performing the function of autonomy and management of the community” so as to establish status of residents committee in autonomy management of the community. Secondly, on the basis of ensuring coherence of legal terms and compatibility of content, to try to avoid unnecessary repetitions, and the Eighteenth Article can be deleted and put in “Autonomy Law of Urban Community”. Thirdly, to subdivide functions of residents committee and Article Five can be subdivided into autonomy function, assistance function, direction function and supervision duty. Fourthly, to straighten out relationship between setting of the community and setting of the residents committee. The Eighth Article should be modified as “community is set up by the people’s government in cities and municipal districts not divided into districts according to conditions of residents’ inhabitancy and based on the principle of being convenient for self-governance of residents, being convenient for management of service and being convenient for integration of resources. Any revocation and adjustment of the scale of the community is decided by the people’s government in cities and municipal districts not divided into districts.” Fifthly, to eliminate inequality between local government and the residents committee in terms of economy. The Twenty-sixth Article should be modified as “working funds of the residents committee should be listed into the financial budget according to certain proportion of the total local revenue and should be provided directly by the country to residents committee. The scope and standard of wages of members in the residents committee should be stipulated by the people’s government in cities and municipal districts not divided into districts or people’s government of higher levels. After agreement of the conference of residents, wages of members of the residents committee can be supplemented by the economic income of the residents committee.”

To develop autonomy-oriented community economy is an important basis for transfer of management mode of urban community. Community autonomy does not only have the particular connotation of “political autonomy”, but has extremely high degree of “economic autonomy”. Establishment of economic conditions is based, first of all, on establishing independent community financial system. The residents committee should be endowed with qualification of a legal person and a financial management center should be set up to be responsible for financial management of the residents committee. All income and expenses of the residents community have to be brought under unified management of the financial management center. We should strengthen the financial budget of the community, make a balance of payments and reduce financial risks of the community. At the same time, we should carry out the disclosure system of finance, let the residents committee dominate its funds independently, publicize the financial revenue condition of the residents committee and accept supervision of the residents conference and residents. Urban community economy is both distinguished from “public sector economy” and “private sector economy”, and should be regarded as a sort of economic pattern within the scope of “the third sector economy”. Considering its behavioral agent, urban community economy is an intermediate organization of the residents committee and the community, and should not include other organizations as street district, enterprise and public institution, etc; considering its attribute, urban community economy is a kind of service-based economy, and its sociality, namely, its non-profit public benefit is the most important essential stipulation; considering its development goal, it should correspond with the goal of construction of the

community, that is, to pursue the maximization of social welfare. We should put forth effort from two aspects to develop community economy. Firstly, to reinforce the leading function of the government and to ensure the continuity of urban economic development. At present, anomie of spatial use and shortage of development space have become the bottleneck of urban economic development. The government should offer positive guidance and provide or open space of development to promote healthy and orderly development of urban economy. According to resource advantages of the community, we should confirm the emphasis and order of industrial development and direct development of community economy into the track of industrial policy to avoid blindness in development. Secondly, to set up “the committee of urban economic management” to ensure coordination urban economic development. Since the organizational carrier of community economy is not an independent economic entity, we need to establish a special institution to take responsibility for development of the community economy and to coordinate, standardize and manage in a unified way the operational behaviors of all economic organization carriers.

It is the core approach for transfer of urban community management mode to improve the self-governance-oriented self-organization competence. Transfer of management mode means exchange of the carrier that assumes affairs of the community, that is, to transfer from “heter-organization” to “self-organization”. The capacity of self-organization means the competence of self-organization, as a complex of resources, to effectively perform functions and realize the goal of self-governance. As a particular convergence pattern, the competence of community self-organization is a kind of structural force, and is constituted by such competence as “integrating resources, converging the common sense, resolving conflicts, promoting harmony, self-adaptation and realizing innovation”, etc. Endogeneity and autonomy are the essential attributes of the self-organization competence of the community. Once resources of community self-organization are formed, they will be stored as the energy of the organizational system, and when these resources are “transferred” and utilized in different contexts, they will be manifested specifically as all kinds of capacities. The self-organization competence of the community means the explicit form presented after all sorts of resources are organized to get together, allocate and utilize for a specific purpose. It can be seen, resources are the generation source and improvement source of the self-organization competence of the community. “Hard resource” of the community self-organization is constituted by such tangible resources as material resource, financial resource and human resource, etc. Material resource is the basic resource, and financial resource is the central resource and is the economic foundation for the organization to maintain continuity and fulfill its functions, while human resource is the leading resource and is the “essence of autonomy of the community”. “Soft resource” plays its role with an intangible power and is constituted by such spiritual resources as authority, system and culture, etc. Formation of authority depends on the benign arrangement of the system and improvement of the competence of participation of the community. It is indicated by experiences, an organization with low institutional degree is not only a weak organization, but also a bad organization. Cultural maintenance is the important manifestation of the self-organization competence of the community. To remould culture of the community needs to start from the following several aspects: improving the cultural system of the community, remoulding and cultivating modern community spirit, setting up the mechanism of co-construction and sharing of community culture and exhibiting culture of the community. It should be pointed out, as a result of the influences of historical traditions and urban modernization, “culture of autonomy” of the community is extremely in shortage and its theoretical study is still “black”. However, “culture of autonomy” is the “code” to constitute self-organization behaviors of the community and it vigorously dominates the autonomy behaviors of the subject. Therefore, to remould the culture of the community ought to bring prominence to the core element of “culture of autonomy”. In other words, it is a realistic and unavoidable theme of subject to construct the core of “culture of autonomy” and direct the overall moulding of the community culture in a unified way.

4. Reform means: external driving and endogenesis

Under the background of system transformation and social transition, the fact that “heteronomy model” of urban community goes towards disintegration represents the general trend and is irreversible. However, from explanation of transfer conditions, it can be found that, the process from “heteronomy” to “autonomy” is not simply a linear transition, but an extremely complicated “two-way interaction” process, which is systematic and difficult and lasts long. There is no doubt that, building of this systematic project has its reform significance. Since there is no existing model to refer to at home and it is appropriate to mechanically copy foreign experiences as a result of different national situations, we have to explore suitable reform means in order to avoid blind advancement and detours.

From the perspective of motive mechanism, means of reform of urban community from heteronomy to autonomy mainly include “external driving” and “endogenesis. External driving reform mainly depends on

intervention, direction and push of external power and fulfillment of community autonomy is the outcome of external thrust, which follows the route logic of “from the outside to the inside and from top to bottom”. Activation of this kind of reform means is usually based on external demand, but not internal appeal and advances with a compulsory means, which has strong passivity for the internal community. The term “endogenesis” mainly originates from biology, which describes an organization or entity that is within an organism and is formed through this organism. Growth of an organ is always the outcome of endogenesis, and people can promote growth of a life. However, in the last analysis, growth of a life means that this life itself is growing. Compared with external driving, endogenesis emphasizes that reform mainly depends on activation and accumulation of internal power of the community and fulfillment of autonomy of the community is the outcome of power of community itself, which follows the route logic of “from the inside to the outside and from bottom to top”. Reform of endogenesis starts out from demand and will of residents, centered with establishment of competence of community and advances in a soft, natural and progressive way, which has strong subjectivity to community itself.

Selection of reform means is an important issue encountered in autonomy practice of the community and it directly relates with success or failure of reform. However, over the years, the issue of reform means has not aroused enough attention in the academic circle and is in an extremely marginal position in study on theories of community management. Under direction which is short of theory, it is a common reality that people usually come to emotional cognition about “semantic dependency between endogenesis and autonomy”, so they may form such a thinking set: they think that external driving “is something bad by nature”, and reform with this method can not realize community autonomy in its real sense; by contrast, endogenesis is the core idea of community autonomy and is the reform means that is most matching and appropriate. Influence of the thinking set will naturally cause people to make a choice “leaning to one side”: they exclude and negate external driving means with such a psychology of “the first impressions is firmly entrenched”, while they hold endogenesis in high esteem with the mind of “their own wishful thinking”. It is proved through practice, excessive worship on the type of endogenesis will not only make the government and the community trapped in an extremely passive state, but can also make it difficult to get an ideal effect of autonomy of the community and may even lead to an outcome that deviates from the autonomy target of the community. On one hand, realization of autonomy per se is essentially a process of game between the government and the community self-organization. Thus, exclusion of the external driving type may make the government more justified in being idle to “contribute their own power”. On the other hand, as a result of limited resources and lack of self-organization capacity, self-organization of the community is unable to administer affairs of the community in an effective way. And when a huge leak appears in administration of community affairs, the self-organization has to rely on external power of the government to resolve these affairs, which may lead to “another dependence” on the government. As such, not only the degree of autonomy has not been improved, but that control of heteronomy is aggravated.

Objectively speaking, the two reform means of external driving and endogenesis have no distinction between good and bad. When either of the two means is adopted to reform but fails to achieve the target anticipated, as the subject selected, the first thing to do is not to evaluate advantages and disadvantages of this means of reform, but to reflect on whether this sort of reform means has selected right target and used right stages. “Target” is mainly contrasted with conditions required for “transfer from heteronomy to autonomy”, and different conditions and attributes determine different powers for creating conditions, which determines different reform means adopted. Specifically speaking, the system depends on support of the national policy and design of the social system, while the law is formulated by a legislative body and has its authority and enforceability. Without doubt, creating of these two conditions should resort to the external driving means. The core of organizational conditions lies in establishment of self-organization competence of the community and since it mainly relies on the internal power of the community, the endogenesis means should be selected. Channels of the economic sources of the community should include government allocation, “financial aid of the third party” and self-financing of the community, and accumulation of economic conditions should select the mixed pattern of external driving means and endogenesis.” “Stage” is mainly contrasted with the development process of “transfer from heteronomy to autonomy”, and this process is accompanied by contest between loss and gain of heteronomy and autonomy, which is manifested as obvious feature of stages. The whole process to compare the two powers can be classified into the three periods of heteronomy, mixed governance and autonomy, and difference of the development stages determines difference of the reform means. During the period of heteronomy, it is quite difficult for self-organization of the community to contend against other organizations as a result of its great disparity with other organization. If the endogenesis means is used, this obviously lacks possibility of reality. Thus, only if the means of external driving is used during this period, can it seek for a breakthrough to break down “shackles” of the control community of heter-organization and furthermore, weaken

heter-organization and broaden the survival space of the community self-organization. During the mixed period, self-organization of the community achieves a balance of power with heter-organization, but competition between the two is still quite fierce, because the self-organization of the community at this time has already obtained a “jetton” to contend with heter-organization and will try to prevent weakening of its own power. In order to further enhance the self-organization competence of the community and avoid it from “turning back the clock”, the means of external driving and the mixed means should be used during this period. During the autonomy period, use of endogenesis can guarantee continuity of urban community development. In a word, it is not that a single reform means is used in transfer from “heteronomy” to “autonomy”, but that appropriate choice is made by taking into consideration of transferring conditions and development stages.

References

- Chen, Weidong. (2004). *Autonomy of Community: Self-organization Network and Institutional Setting*. China Social Sciences Press.
- Follett, M.P. (1919). Community Is a Process. *Philosophical Review*, 28, p576.
- Gao, Jianguo. (2006). Theoretical Concept and Research Perspective of Community. *Learning and Practice*, No. 10.
- Hu, Zongshan. (2004). *Practice of Autonomy in Community*. Wuhan Publishing House.
- J.G. March & J. P. Olsen. (1989). *Rediscovering Institutions*. New York: Free Press, p158-160.
- Li, Guoxiang. (2006). Thoughts on Revision of “Organic Law of the Urban Residents Committees of the Peoples Republic of China”. *Guangxi Social Sciences*, No. 1.
- Lin, Shangli. (2003). *Democracy and Governance in Community: A Case Study*. Social Sciences Academic Press.
- Shan, Jingjing. (2005). *Community Emotion and Community Construction*. Social Sciences Academic Press.
- Tan, Zhilin. (2006). Selection of Routes for Community Building in Taiwan and Community Re-building in Mainland China. *Chinese Public Administration*, No. 10.
- Tang, Yalin & Chen, Xianshu. (2003). Community Self- rule: Rejuvenation and Development of Democracy at the Basic Level of Urban Society. *Academics in China*, No. 6.
- Wang, Qingshan & Liu, Jitong. (2004). *Study on Models of Community Construction in China*. China Social Sciences Press.
- Yang, Guihua. (2008). Rebuilding Community Culture to Upgrade the Cultural Maintenance of Community. *Journal of Shanghai University (Social Sciences Edition)*, No. 5.
- Zhang, Chao. (2004). Community Economy and Innovation of Its Management Mechanism. *Academia Bimestris*, No. 2.

Attachment Patterns and Separation Anxiety Symptom

Sakineh Mofrad

Department of Human Development & Family Studies
Faculty of Human Ecology, University of Putra Malaysia (UPM), Malaysia
E-mail: s.mofrad@yahoo.com

Rohani Abdullah

Department of Human Development & Family Studies
Faculty of Human Ecology, University of Putra Malaysia (UPM), Malaysia
E-mail: rohani_a@putra.upm.edu.my

Ikechukwu Uba

Department of Human Development & Family Studies
Faculty of Human Ecology, University of Putra Malaysia (UPM), Malaysia
E-mail: ubaichechukwu@yahoo.com

Abstract

Literature suggests that child attachment and anxiety symptoms are related. One purpose of the present study was to assess this relatedness, whether attachment patterns related differently to separation anxiety symptoms (fear of being alone, and fear of abandonment). Three attachment patterns assessed were secure, avoidant and ambivalent attachment. Findings indicate that ambivalent attachment was most consistently related with higher separation anxiety symptoms. And also, different associations were found between the three patterns of attachment and separation anxiety symptoms. In conclusion, responsive and supportive mothers were more dependable for the child's health than non responsive mothers.

Keywords: Attachment, Separation anxiety, Fear of being alone, Fear of abandonment

1. Introduction

Separation anxiety is defined as a negative emotion or feeling like loneliness, loss or sadness experienced when children are separated from their attachment figure (Cassidy & Shaver, 1999). The concept also refers to a developmental stage when children experience anxiety due to separation from a primary caregiver usually the mother (Spencer, 2006). Theoretically, separation anxiety in infants is a natural process in development, which helps their survival (Bowlby, 1969). Bowlby (1969) proposed that infants who experience separation from a caregiver demonstrate some behavior characteristics like crying, chasing and calling. The goal of these tantrums is to end separation and permit a return to close proximity with the caregiver. As a result of this intimacy seeking behaviors, infants increase their life chances.

The development of the infant's caregiver directed separation protest, and contact-seeking behavior coincides with the development of the infant's attachment to his or her major caregivers (Cassidy & Shaver, 1999). Therefore, the quality of an infant's attachment to major caregivers does not influence the development of separation anxiety, but it may influence the infant's separation protest behaviors and the child's ability to cope during separations. Insecurely attached infants may have increased or decreased levels of separation protest (Sroufe, Carlson, Levy, & Egeland, 1999).

Bowlby (1973) explained that attachment, separation, and reunion responses are learned as infants develop. The scholar theorized that anxiety and the fear of abandonment are the driving forces behind attachment formation. Insecure attachment can often result when an attachment relationship is threatened, or the attachment figure is not consistently available. Bowlby (1969) proposed that children's level of anxiety might be affected, by the way, in which they are attached to their caregivers. Ambivalently attached children the scholar stated were constantly afraid of being alone and in danger, because their caregivers were unreliable concerning their needs (Bowlby, 1973;

Cassidy & Shaver, 1999; Kerns, Abraham, Schlegelmilch, & Morgan, 2007), whereas avoidant children learn not to expect comfort from their caregivers, thereby internalizing their distress, conflicting feeling, and confusion about their relationship (Greenberg, 1999). Pursuant to inconsistent and conflicting dyadic interaction, ambivalent children were usually overwhelmed by the constant anxiety of getting their needs met (Cassidy & Shaver, 1999).

On the other hand, according to etiological models of anxiety (Chorpita & Barlow, 1998), it is assumed that children with ambivalent attachment develop perceptions of autonomy that is impeded by parental difficulty, in times of separation. These types of children may perceive the environment as uncontrollable, based on their parents' unpredictable behaviors. Parent's dismissive behaviors are causes of avoidant attachment which leads to the development of negative self evaluation among children (Cassidy, 1999; Rohner, 2004).

2. Previous research

Studies indicate that sense of security consisted of a set of expectations about availability and responsiveness to others in times of stress (Bar-Haim, Dan, Eshel, & Sagi-Schwartz, 2007; Bohlin, Hagekull, & Rydell, 2000; Dallaire & Weinraub, 2005). Secure attachment in infancy is considered to be a protective factor for later mental health, while insecure attachment is considered to be a risk factor for the development of psychopathology (Wenar & Kerig, 2000). McCartney, Owen, Booth, Clarke-Stewart and Vandell (2004) contend that secure base provides the child with comfort and basic trust, which enables the child to handle distress, and facilitate engagement behaviors like environmental exploration. Some researchers (Rohner, 2004; Rohner, Khaleque & Cournoyer, 2007) presuppose that insecure attachment (i.e. avoidant and ambivalent attachment) should be viewed as a risk factor for psychopathology.

Although ambivalent attachment has been theoretically implicated in setting the stage for later development of anxiety disorders (Bowlby, 1973; Van-Emmichoven, Van-Ijzendoorn, DeRuiter, & Brosschot, 2003), supportive research data are surprisingly limited (Greenberg, 1999). The study by Bar-Haim et al. (2007) revealed that ambivalent attachment was not related to anxiety levels in a normal sample of children.

3. Objective

The main objective of the present study is to discover which symptoms of separation anxiety were associated with avoidant and/or ambivalent attachment.

4. Methodology

4.1 Sample and procedure

A sample of 120 children (54% boys and 55% girls) and their mothers were randomly selected from public school in Bushehr, a city of Iran to participate in the study. The age of the children as reported by the respondents, ranged from 6 to 8 years. All the children spoke Persian language at home and lived with their parents. The current study was explained to each child. The children were also encouraged to ask any question they may have about the study. All the children were interviewed in a private classroom for the purpose of completing the instruments. The interviewer read the questionnaire items loud and had each response recorded, so the reading ability of the children would not influence the child's capacity to understand the question.

4.2 Measures

Attachment Questionnaire-Child version (AQC): The AQC (Muris, Meesters, Merckelbach, & Hulskenbeck, 2000) is an age-downward adaptation of Hazan and Shaver (1987) instrument for measuring attachment patterns. The AQC is based on the assumption that attachment to a considerable extent defines affectionate relationships. This implies that one can infer attachment style from children and adolescents' perception of close relationships. Respondents determine that each item fits their characteristic style in their relationship. The AQC consists of three descriptions that correspond with three basic patterns of attachment: 1- "I find it easy to become close friends with other children. I trust them and I am comfortable depending on them. I do not worry about being abandoned or about another child getting too close friends with me" (Secure attachment), 2- "I am uncomfortable to be close friends with other children. I find it difficult to trust them completely and difficult to depend on them. I get nervous when another child wants to become close friends with me. Friends often come more close to me than I want them to" (Avoidant attachment), 3- "I often find that other children do not want to get as close as I would like them to be. I am often worried that my best friend doesn't really like me and wants to end our friendship. I prefer to do everything together with my best friend; however this desire sometimes scares other children away" (Ambivalent attachment). A previous study by Muris et al. (2001) provided support for the validity of the AQC. In the present study, the scales yielded high internal consistency of .89(secure), .93(avoidant) and .89(ambivalent). The mean alphas for the six sub-scales were 0.90 respectively.

Separation Anxiety Assessment Scale- Child version (SAAS-C) is a 34-item measure designed to assess separation anxiety and related anxiety symptoms (Hahn, Hajinlian, Eisen, Winder, & Pincus, 2003). The frequency of symptoms extends from 1 (never) to 4 (all the time) this indicates the relative frequency of child's problem behaviors. SAAS-C was designed to assess four key dimensions of separation anxiety which include fear of being alone (FBA; e.g., "How often are you afraid to sleep alone at night?"), fear of abandonment (FAB; e.g., "How often are you afraid to go on a play date at a new friend's home?"), fear of physical illness (FPI; e.g., "How often are you afraid to go to school if you feel sick?") and worry about calamitous events (WCE; e.g., "How often do you worry that bad things will happen to you?") (Eisen & Schaefer, 2005). FBA and FAB are considered the avoidance dimension for separation anxiety. The FPI and WCE are considered the maintenance dimensions of the SAAS-C. For example, children may fear the physical sensation of nausea because of the potential consequence of vomiting. Children with separation anxiety experience frequent and intense somatic complaints (Last, 1991). The Cronbach's alpha of the SAAS_C for each subscale of FBA, FAB, FPI, and WCE were 0.93, 0.90, 0.83, and 0.82 respectively. Mean alpha for the four sub-scales were 0.86 in the current study.

5. Results

SPSS was used to calculate mean scores, and standard deviations. Correlations were computed to examine the significant association between attachment pattern and separation anxiety symptoms in children. Regression analysis was used to find the significant predictor of child's separation anxiety dimension.

The mean and standard deviation for separation anxiety scale was $M=75.6$, $SD=12.6$, secure attachment was $M=1.5$, $SD=.14$, avoidant $M=1.2$, $SD=.25$ and ambivalent $M=1.2$, $SD=.29$. When the final distribution of children attachment classification was determined, it proved that a proportionate number of children fell into the three attachment categories secure (57%), avoidant (15%), and ambivalent (28%). Based on SAAS-C cut point with regard to separation anxiety symptoms, the children were classified into two groups. Results indicated that 35% of the children displayed symptoms of separation anxiety. More so, the findings revealed that 59.5% of the children who showed separation anxiety symptom were ambivalent, 26.5% were avoidant, and 14 % were securely attached.

Pearson Product correlation was conducted to test this relationship. As depicted in Table 1 there was a negative correlation between children separation anxiety and securely attached children ($r=-0.66$, $p<.01$), positive correlation with avoidant ($r=0.61$, $p<.01$) and ambivalently attached children ($r=0.57$, $p<.01$).

The t-test analysis was run to compare children with and without SAD symptom in regard to the three child attachment types depicted in Table 2. The results indicated significant differences between the two groups of children. The children without SAD symptoms represented secure attachment [$t(117)=8.65$, $p<.001$], less avoidant attachment [$t(117)=5.37$, $p<.001$], and less ambivalent attachment [$t(73)=7.49$, $p<.001$]. The calculated effect size for the groups were medium for avoidant ($r=.4$) to large for others ($r=.7$).

To determine the contributions of both avoidant and ambivalent attachment factors to the two dimensions of separation anxiety, multiple regression analysis was conducted with SAAS-C score as dependent variable and attachment patterns (avoidant and ambivalent) as predictors. Both P-P plots (expected cumulative probability by observed cumulative probability) show no significant deviation from the fitted line, this indicated that the relationship between the dependent variable and the predictors was linear and the residual variances are about equal or constant.

Findings on regression analysis for the Fear of Being Alone (FBA) symptom and the two predictor models were able to account for 43% of the variance in FAB symptom, $R^2=.43$, $F_{(2,117)}=44.3$, $p<.001$. More so, the results revealed that avoidant attachment ($\beta=.48$, $p<.01$) and ambivalent attachment ($\beta=.25$, $p<.05$) explained modest but significant and separate proportions of the variance of FBA symptom. In terms of Fear of Abandonment (FAB) symptom, findings indicated that the model accounted for 30% of the variance in FAB symptom, $R^2=.30$, $F_{(2,117)}=25.51$, $p<.001$. Both avoidant attachment ($\beta=.24$, $p<.05$) and ambivalent attachment ($\beta=.37$, $p<.01$) explained significant and separate proportions of the variance of FAB symptom. The results presented in Table 3 revealed that the unique predictor for FBA was avoidant attachment, while that for FAB was ambivalent attachment.

6. Discussion

Conceivably, the most interesting result of this study was the relationship between attachment classification and separation anxiety symptoms in children. Secure, avoidant and ambivalently attached children all reported significant separation anxiety symptoms. The findings is in line with the hypothesis that children classified as insecurely attached reported more separation anxiety symptoms when compared with those classified as secure (Brown & Whiteside, 2008). This result was expected based on attachment theory, with securely attached children

exhibiting less anxious behavior, while insecurely attached children displayed more symptoms of separation anxiety. Furthermore, a link between insecure attachment and separation anxiety revealed that insecure attachment constituted a general risk factor in the development of anxiety (Bowlby, 1973). The present findings extends previous findings by distinguishing types of insecure attachment (avoidant and ambivalent) and anxiety in children. The relationship between insecure attachment and separation anxiety symptoms was consistent with previous findings that suggested that secure attachment was negatively associated with childhood anxiety (Brown & Whiteside, 2008; Muris, Meesters, & Brakel, 2003; Muris et al., 2001).

The findings indicated differences among secure, avoidant, and ambivalent groups with regard to separation anxiety symptoms. The pattern of children's separation anxiety score was different among the three groups of attachment type. The children with ambivalent attachment reported the highest level of anxiety, when compared with those with secure or avoidant attachment. The study therefore indicated differences among secure, avoidant, and ambivalent groups with regards to levels of separation anxiety. The results of this study support the theoretically based expectations that children with separation anxiety symptoms differed from others on attachment experiences and current state of mind with respect to attachment. These findings converge with previous work which demonstrated a link between insecure attachment and anxiety in children (Van-Emmichoven et al., 2003). In general, people with ambivalent attachment type were more likely to experience inconsistent and unpredictable caregivers as children, leading to underlying feelings of helplessness, fear, and insecurity in their relationships (Bowlby, 1969, 1973). In the present study, it was revealed that insecurely attached children reported separation anxiety, more than the securely attached.

The results revealed that the unique predictor for the fear of abandonment was ambivalent attachment and for the fear of being alone was avoidant attachment. According to attachment theory, ambivalently attached infants are particularly prone to develop chronic levels of anxiety later in life. Because ambivalent attachment has been associated with patterns of unpredictable and irregular responsiveness to the caregiver, it is believed that ambivalently attached infants live with the constant fear of being left vulnerable and alone. This fear of separation or abandonment is thought to give rise to a coping strategy centered on chronic vigilance, which may continue throughout childhood and adulthood and lead to the development of anxiety disorders (Bowlby, 1973). This finding supported current theoretical conceptualizations that a child with ambivalent attachment may be more relevant when examining outcomes linked to types of insecurity. Studies have shown that infants classified as ambivalent were more susceptible to later problems than those in other categories, and were more likely to suffer from internalizing behavior (Brown & Whiteside, 2008; Hudson & Rapee, 2001). According to Van-Emmichoven et al. (2003), insecure individuals may be more prone to anxious feelings because they attend to anxiety-provoking cues in the environment.

This finding also, revealed that avoidant children showed greater distress in term of the fear of being alone. In the case of avoidant attachment, Manassis (2001) proposed that children feel rejected by their parent at times of distress, resulting in excessive self-reliance, and a decreased desire for social contact. Avoidance of social contacts impairs the development of coping strategies for effective arousal in social situations (e.g. entering school) and prevents the exposure to perceived threats, which, together with temperamental vulnerability to sympathetic arousal, increases the risk for anxiety, especially for social phobia (Manassis & Bradley, 1994). Similarly, Goldberg (1997) proposed that avoidant children, who learn to repress their feelings and needs, appear to display internalizing problems in which they experience pain and distress but rarely disturbs others (e.g. depression, anxiety, social withdrawal).

The overall findings of this research highlighted the importance of examining children's anxiety disorders within the context of their attachment relationships. Anxiety symptoms were highest among ambivalent than avoidant children. According to Cassidy (1999) infants are completely dependent on their caregivers, and they frequently signal their distress. Research indicated that close relationships serve as a defense against existential anxiety for people with secure attachment styles. Developmentally and functionally, insecure attachment keeps the child physically and psychologically close to the parents, however hyper anxiousness and throwing of tantrums separates the child from the caregivers.

7. Conclusion

Findings from this study revealed that secure attachment relationship is protective being that it was associated with lower separation anxiety score. The more responsive a mother is to the child's needs, the more likely the child is to develop secure attachment. Responsive parenting behavior continues to influence children's development in positive ways beyond childhood. Securely attached children don't often worry about being abandoned or about

someone getting too close to them. Low acceptance or lack of security may enforce children's feelings of insecurity and anxiety through a negative reaction to his/her feelings and activities.

The results should be interpreted cautiously due to some limitations. The age of the children assessed in the current study was 6 to 8 years, which is the most common age of onset for separation anxiety (APA, 2000). It was assumed that these children are able to get or bring back information about the behavior of their parents. In that case, it may not be true, this may lead to prejudgment. A further limitation for this research was the size of the sample. Although, a total sample completed the questionnaires, the overall sample size for the factor analysis was less than ideal. More so, respondents in any study come with their opinions, attitudes or perceptions. Furthermore, this study relied exclusively on self-report. Although, the use of children self-report is considered an important source of information on parent-child relationship, and on children separation anxiety symptoms. This study is also limited by the bias of the respondent's attitudes or perceptions. It is possible that the wording of the scales may be confusing to the respondents and therefore they may interpret questions in ways not intended. The study consequently advocates for responsive and supportive parenting to ensure a brighter tomorrow for children.

References

- Bar-Haim, Y., Dan, O., Eshel, Y., & Sagi-Schwartz, A. (2007). Predicting children's anxiety from early attachment relationships. *Journal of Anxiety Disorders, 21*, 1061-1068.
- Bohlin, G., Hagekull, B., & Rydell, A. M. (2000). Attachment and social functioning: A longitudinal study from infancy to middle childhood. *Social Development, 9*(1), 24-39.
- Bowlby, J. (1969). *Attachment and loss* (Vol. 1). New York: Basic Books.
- Bowlby, J. (1973). *Attachment and loss* (Vol. 2: Separation). New York: Basic Books.
- Brown, A. M., & Whiteside, S. P. (2008). Relations among perceived parental rearing behaviors, attachment style, and worry in anxious children. *Anxiety Disorders, 22*, 263-272.
- Cassidy, J., & Shaver, P. R. (1999). *Handbook of attachment: Theory, research, and clinical applications*. New York: The Guilford Press.
- Chorpita, B. F., & Barlow, D. H. (1998). The development of anxiety: The role of control in the early environment. *Psychological Bulletin, 124*(1), 3-21.
- Dallaire, D. H., & Weinraub, M. (2005). Predicting children's separation anxiety at age 6: The contributions of infant-mother attachment security, maternal sensitivity, and maternal separation anxiety. *Attachment & Human Development, 7*(4), 393-408.
- Eisen, A. R., & Schaefer, C. E. (2005). *Separation anxiety in children and adolescents: An individualized approach to assessment and treatment*. New York: Guilford.
- Goldberg, S. (1997). Attachment and childhood behavior problems in normal, at risk and clinical samples. In L. Atkinson & K. L. Pucker (Eds.), *Attachment and psychopathology* (pp. 171-195). New York: Milford Press.
- Greenberg, M. T. (1999). Attachment and psychopathology in childhood. In J. Cassidy & P. R. Shaver (Eds.), *Handbook of attachment: Theory, research, and clinical applications*. (pp. 469-496). New York: Guilford Press.
- Hahn, L., Hajinlian, J., Eisen, A. R., Winder, B., & Pincus, D. B. (2003). *Measuring the dimensions of separation anxiety and early panic in children and adolescents: The Separation Anxiety Assessment Scale*. Paper presented at the 37th annual convention of the Association for Advancement of Behavior Therapy, Boston.
- Hazan, C., & Shaver, P. R. (1987). Romantic love conceptualized as an attachment process. *Journal of Personality and Social Psychology, 52*, 511-524.
- Hudson, J. L., & Rapee, R. (2001). Parent-child interaction in clinically anxious children and their siblings. *Journal of Clinical Child and Adolescent Psychology, 31*, 548-555.
- Kerns, K. A., Abraham, M. M., Schlegelmilch, A., & Morgan, T. A. (2007). Mother-child attachment in later middle childhood: Assessment approaches and associations with mood and emotion regulation. *Attachment & Human Development, 9*(1), 33-53.
- Last, C. G. (1991). Somatic complaints in anxiety-disordered children. *Journal of Anxiety Disorders, 5*(139-150).
- Manassis, K. (2001). Child-parent relations: Attachment and anxiety disorders. In W. K. Silverman & D. A. Treffers (Eds.), *Anxiety disorders in children and adolescents*. Cambridge, UK: Cambridge University Press.
- Manassis, K., & Bradley, S. J. (1994). The development of childhood anxiety disorders: Toward an integrated model. *Journal of Applied Developmental Psychology, 15*, 345-366.
- McCartney, K., Owen, M. T., Booth, C. L., Clarke-Stewart, A., & Vandell, D. L. (2004). Testing a maternal attachment model of behavior problems in early childhood. *Journal of Child Psychology and Psychiatry, 45*, 765-778.

Muris, P., Meesters, C., & Brakel, A. (2003). Assessment of anxious rearing behaviors with a modified version of "Egma Betreffende Uppfostran" questionnaire for children. *Journal of Psychopathology and Behavioral Assessment*, 25(4), 229-237.

Muris, P., Meesters, C., Merckelbach, H., & Hulsbeck, P. (2000). Worry in children is related to perceived parental rearing and attachment. *Behavioral Research and Therapy*, 38, 487-497.

Muris, P., Merckelbach, H., Kindt, M., Bogels, S. M., Driessens, L., & Dorp, C. V. (2001). The utility of screen for child anxiety related emotional disorders (SCARED) as a tool for identifying children at high risk for prevalent anxiety disorders. *Anxiety, Stress, and Coping*, 14, 265-283.

Spencer, A. R. (2006). *Childhood and adolescence: Voyages in development*. Canada: Thomson Learning, Inc.

Sroufe, L. A., Carlson, E. A., Levy, A. K., & Egeland, B. (1999). Implication of attachment theory for developmental psychopathology. *Development and Psychopathology*, 11, 1-13.

Van-Emmichoven, I. A. Z., Van-Ijzendoorn, M. H., DeRuiter, C., & Brosschot, J. F. (2003). Selective processing of threatening information: Effects of attachment representation and anxiety disorder on attention and memory. *Development and Psychopathology*, 15, 219-237.

Wenar, C., & Kerig, P. (2000). *Development psychopathology*. USA: The McGraw-Hill companies.

Table 1. Correlations among the variables

Variables	M	SD	1	2	3	4	5	6	7	8
1.SAASc	75.57	12.64	1.000	.894**	.850**	.459**	.904**	-.658**	.528**	.566**
2.FBA	12.56	3.27		1.000	.779**	.229*	.788**	-.643**	.626**	.535**
3.FAB	11.46	2.99			1.000	.237**	.653**	-.527**	.466**	.516**
4.FPI	10.19	1.51				1.000	.425**	-.150	.068	.200*
5.WCE	12.00	2.97					1.000	-.637**	.611**	.596**
6.Secure	1.46	.14						1.000	-.855**	-.839**
7.Avoidant	1.19	.25							1.000	.604**
8.Ambivalent	1.24	.29								1.000

Note: FBA, fear of being alone; FAB, fear of abandonment; FPI, fear of physical illness;

WCE; worry about calamitous events.

** Correlation is significant at the 0.01 level

* Correlation is significant at the 0.05 level.

Table 2. Result of t-test between the children with/without Separation Anxiety (SA) symptom in regard to three child attachment types

Child attachment		n	M	SD	t	p
Secure	With SA symptom	42	2.7	1.0	8.19	.000
	Without SA symptom	78	4.5	1.2		
Avoidant	With SA symptom		3.0	1.4	5.37	.000
	Without SA symptom		1.7	1.2		
Ambivalent	With SA symptom		3.9	1.6	7.87	.000
	Without SA symptom		1.8	1.3		

Table 3. Results of the regression analysis with two dimensions of separation anxiety as the dependent variable and attachment patterns as predictors

Dependent	Predictors	R	R ²	F	p	B (SE)	β	p
FBA	-Avoidant	.66	.43	44.30	.000	6.22(1.14)	.477	.000
	-Ambivalent					2.69(.96)	.247	.006
FAB	-Avoidant	.55	.30	25.51	.000	2.89(1.15)	.242	.014
	-Ambivalent					3.69(.97)	.370	.000

Note: FBA, fear of being alone; FAB, fear of abandonment

How Financial Enterprises Deal with Crisis Public Relation

Hongxin Li & Chunfeng Yang

School of Economics and Management, Changchun University of Science and Technology

Changchun 130022, China

E-mail: 609677303@qq.com

Abstract

This article firstly introduces implication and basic functions of financial enterprises, theories of crisis public relation and necessity of financial enterprises in management of crisis public relation. Major problems of management of crisis public relation in financial enterprises include, imperfectness of internal system of financial enterprises, deficiency of crisis prevention system, weakness of the consciousness of crisis precaution, lack of experience in crisis public relation and deficiency of conclusion of post-assessment of crisis. Resolution of problems existing in management of crisis in financial enterprises can be conducted from the three aspects of precaution prior to the crisis, including improving financial system, setting up crisis early warning system and offering cordial service, disposal after occurrence of the crisis, including rapid response, sincere communication, public disclosure of the truth, focus on public opinions and asking the government for help, and rehabilitation after the crisis.

Keywords: Financial enterprises, Crisis, Crisis public relation, Management of crisis public relation

It is a research subject that has to be encountered to strengthen crisis management of financial enterprises, employ crisis public relation in management of financial enterprises and study basic patterns of financial enterprises to prevent and deal with a crisis, which has great realistic significance to stable development of financial enterprises.

1. Implication and basic functions of financial enterprises

Financial enterprise, also termed as financial intermediary organ, is the medium of capital flow in the entire financial system. It is a kind of enterprises that regards providing customers with financial products and financial service as the primary business, mainly including banks and other deposit and savings institutions, insurance company and investment company, etc.

There are various patterns of financial enterprises, with different functions. However, as a medium that effectively circulates necessary funds to prevent flow from surplus unit to deficit unit and realizes transfer of resources, banks are the most typical. Banks mainly have the following important functions: credit medium for circulating capital, effectively transferring social resources, creating credit monetary and expanding credit, providing wide financial service, etc.

2. Crisis public relation theories and necessity of management of crisis public relation in financial enterprises

2.1 Crisis

Crisis means an emergency that enterprises suffer from serious loss or are faced up with serious loss and threat. This kind of emergency can spread to a wide social scope within a quite short period of time and exerts baneful influences upon enterprises or their brands.

Characteristics of an emergency can be summarized as follows: (1) abruptness, (2) difficulty in predictability, (3) serious harmfulness, and (4) attention of public opinions. We can find out that an emergency has an obvious double-edged feature from the characteristics of a crisis.

2.2 Crisis public relation

The so-called crisis public relation refers to a general term of a series of public relation activities in which a social organization prevents and supervises a potential crisis and effectively controls and deals with a crisis that has already broken out to recover or maintain a good public relation condition. The basic purpose of crisis public relation is to ensure that the good public relation between the social organization and the public is not or hardly affected, so as to guarantee survival and development environment of the social organization and reduce the

negative influences of the crisis to its minimum degree.

A good public relation can enable a social organization to be able to keep good relation with the public even before a crisis event, so as to maintain normal operation of the social organization, protect its public image and reduce the negative effects of the crisis to its minimum degree. Furthermore, a crisis public relation can turn the crisis to a favorable opportunity. Each crisis itself contains root causes for failure and, at the same time, also breeds seeds for success. It is the quintessence for management of a crisis to discover, cultivate and harvest this potential opportunity for success.

The “5S principles of crisis public relation” put forward by Mr. You Changqiao, President of KeyPoint Communication Group, is a set of working principle that is quite instructional in practical work of crisis public relation. It specifically includes “Principle of Shouldering the matter, Principle of Sincerity, Principle of Speed, Principle of System and Principle of Standard”.

2.3 Necessity of management of crisis public relation in financial enterprises

As a kind of corporate institutions which offer financial products and services, financial crisis have similar functions with common enterprises. At the time of dealing with basic business, financial enterprises should also take into consideration all sorts of details in management and service. In face of all varieties of crisis, financial crisis ought to have their own response plan to adapt to the fierce competition of the market economy.

From the perspective of maintaining financial security and social order, financial crisis management is a sort of the most typical public products, whereas from the perspective of maintaining financial order, financial crisis management is a sort of public products that the government has to furnish in time. Any crisis can be possibly and directly related with the financial security and financial stability of the country at the time when it endangers the financial enterprises. Thus, demand on public relation in the process of dealing with a crisis accident for financial enterprises is higher.

3. Major problems existing in management of crisis public relation in financial enterprises

3.1 Imperfect system of crisis disposal in financial enterprises

When faced up with changes of operation environment, financial enterprises have to set up a set of complete crisis disposal system in order to effectively conduct business and disposal problems. However, as a result of weak basic management of financial enterprises and lack of basic data and lagging of research and development of information system in financial enterprises, almost all of them have not set up complete crisis analysis and disposal system.

3.2 Weakness of the consciousness of crisis precaution

Almost a large majority of crisis comes from disadvantages or errors in daily operation activities of the financial enterprises, such as, dissatisfaction of customers caused by decision making error of business in financial enterprises, dissatisfaction of customers caused by financial service quality, dissatisfaction of customers caused by imperfect functions of financial products and customers venting on financial enterprises for capital loss of customers themselves. Financial enterprises have seldom made careful analysis and reflection on the crisis environment they are encountered, have no clear and sober idea in skills and methods of crisis management and are seriously lacking in the consciousness of crisis.

3.3 Lack of experiences in crisis public relation

From the tense of occurrence of a crisis incident, most crisis incidents need to be processed after the event, which requires the managerial personnel of financial enterprises to have high response capacity and decision making capacity. However, as a matter of fact, a large majority of enterprises are quite disappointing in presence of a crisis. Firstly is their irresolution, as a result of which they lose the optimal opportunity to resolve the problem. Secondly is their avoidance of the media, as a result of which they lose the best opportunity for explanation. Thirdly is that they are absorbed in merely simply the immediate interests and try to pass the buck. Fourthly, some financial enterprises have no unified thinking among their managerial personnel for disposal of a crisis incident, which can not be understood and accepted by customers, and which will necessarily make the state of affairs more and more serious.

3.4 Deficiency of conclusion of assessment after the crisis

Competence of crisis public relation is also the reflection of core competitive force of an enterprise and conclusion of assessment on occurrence and disposal of a crisis is the best opportunity to check and revise management and operation system of the enterprise. Fundamentally speaking, a financial enterprise has to set up and improve all sorts of systems in order to prevent occurrence of a crisis. Each crisis itself not only contains

root causes for failure, but also breeds seeds for success. It is the quintessence of crisis public relation to discover, cultivate and harvest this potential opportunity for success. After they pull through a crisis successfully, they are indulged in joy and make light of summarizing and assessing the entire process of dealing with the crisis and even forget. Assessment and summarization after the crisis helps to improve the financial institutions and crisis disposal mechanism.

4. Methods of financial enterprises to manage crisis public relation

In order to resolve issues in management of crisis public relation in financial enterprises, we put forward the following resolution methods.

4.1 Measures of precaution prior to the crisis

It is the incubation period of crisis prior to the crisis. Competition aggravates the possibility of occurrence of the crisis. Precaution of the crisis can enable financial enterprises to be fully prepared when the crisis occurs and this is the guarantee for successful disposal of the crisis.

4.1.1 To accelerate reform and improve the financial system

In order to control and prevent financial risks, financial institutional reform needs to be continuously carried out since financial institutional reform has quite significant effects on improvement of financial system. Perfect financial system is helpful to effectively prevent financial risks. Financial risk is the prelude of a financial crisis, and if the financial enterprises do not eradicate a financial risk in its infancy, then there will be no end of trouble in the future. In order to ensure effective precaution of a financial risk, financial enterprises need to make efforts in macro, medium and micro aspects. In terms of macro aspect, financial enterprises should take an initiative to strengthen the all-round financial supervision of the government; in terms of medium aspect, financial enterprises should strengthen management of all sorts of financial intermediate organizations at all levels on moral aspect of industrial members. It is indicated by international experiences, effects of self-discipline management by financial intermediate organization in a certain period is obvious; in terms of micro aspect, each financial enterprise is required to continuously improve the corporate governance structure of the company and strengthen internal control system construction through reform and innovation.

4.1.2 Establishment of crisis early warning system

Establishment of crisis early warning system in financial enterprises is the most important aspect in crisis management of financial enterprises. It means that financial enterprises take measures prior to a crisis to prevent a crisis from breaking out, and it has the most obvious effect in crisis management. Thus, it is necessary to set up a set of standard and overall crisis precaution system. This mainly includes: to conduct well all crisis management work meticulously and carefully within an internal crisis management group in an enterprise; to strengthen the crisis consciousness of all staff; to discover any omen of a crisis in time; to conduct simulation training for crisis management; to establish good relationship with the government and the media, etc.

4.1.3 Cordial service to reduce service crisis

Through all surveys, it is discovered, quite a large amount of service crisis underlies in financial enterprises. Competition environment requires an obvious improvement in terms of service in financial enterprises so as to reinforce competitive force of the enterprises and reduce probability of a service crisis. The slogan of "family-based service" proposed by financial enterprises is a necessary means for enterprises to gain victory in competition. The so-called "family-based service" means that, a service should be based on "human relationship", should regard customers as a close relative, should stand in the position of customers to consider a problem, should be worried about what customers are worried about, should think about what customers think about, should start out from the immediate interests of customers, should regard customers as friends and relatives and should enable customers to have the feeling of "home" when they go to the service counter. Financial enterprises should play their subjective initiative in terms of service means and conduct family-based service at different time and places for different people and reasons. Then, they can gain trust of more customers, improve the operation efficiency and image of a brand of the enterprises and keep an invincible position in a fierce competition.

4.2 Methods of disposal of a crisis

Crisis public relation is an important measure for crisis management and has significant effect on governance of a crisis. Its major task is to let all circles of the whole society know about facts and truth, guide correct public opinion orientation, gain their understanding and support and gain time for crisis management. We put forward the following several points to do appropriate crisis public relation work after occurrence of a crisis.

4.2.1 Rapid response and control over the situation

“Extreme period, extreme rule”. Considering the characteristics of abruptness of crisis, we have to start crisis management response mechanism at the first time in order to reduce danger to the largest extent, reduce levels of organizational management, accelerate decision making action, enable the public to appreciate attitude and action of enterprises within the shortest period of time, gain understanding of the society and make the crisis resolved successfully. The attitude of response to a crisis usually directly affects diffusion and deterioration of the crisis and determines whether we can grasp the opportunity and even eradicate the crisis in its infancy. If an enterprises asks for instructions of all levels of its management, focuses on all aspects and procedures, then it may lose the confidence of the society and spoil the opportunity to win a battle.

Since financial enterprises have the characteristics of high crisis abruptness, large influential scope and rapid dissemination, when the crisis comes, the speed of response directly relates with effects of handling a crisis incident, so it can be said that crisis public relation is the most critical and first step. When a crisis occurs in financial enterprises, these enterprises should keep a calm mind, face up with the crisis with a positive attitude and make response with the fastest speed to control spread of the crisis and grasp the opportunity.

4.2.2 Sincere communication and public disclosure of the truth

We should never ignore the influential power of a sincere attitude of an enterprise towards the pure public. Whatever an enterprise which is always willing to tell the truth does, it is always indicated that this enterprise has the sincerity to take responsibility for its own behavior. When an enterprise is in a crisis whirlpool, it is a focus of the public and the media. Its every act and every move will be suspected. Thus, an enterprise should not have a fluke mind and should not have the intention to muddle through. On the contrary, it should take the initiative to contact with the news media, attempt to communicate with the public as soon as possible, explain the truth of the fact, promote mutual understanding of the two parties and eliminate doubts and worries.

When a crisis occurs, the Principle of 3T (Tell The Truth) is the most popular principle to handle a crisis at present. It is an effective prescription to resolve a crisis to strengthen the communication and management after a crisis. When necessary, an enterprise can communicate with the party involved in the crisis, hold a press conference and resort to the media to clarify some facts to the public and control spread of the crisis.

4.2.3 Emphasis on public opinions and asking the government for help

In the entire process of crisis incident, financial enterprises ought to strengthen corporation with news media and local government and eliminate unfavorable influences up the hilt.

The core content of crisis management is information dissemination management. Media are the major channel of crisis dissemination and it is the responsibility and obligation of media to disseminate crisis information to the public. Enterprises should pay attention to friendly cooperation with media and supervise well direction of public opinions. They should not only publicize information in time, but should effectively lead direction of public opinions. They can resort to support of the third party in authority or institution. For example, they can invite famous experts or scholars to make professional judgments, quote standards of international authoritative institutions and get verification of national special institutions, which can usually head off a danger and take turn to be out of danger.

If a financial enterprise takes an open attitude in handling a public relation crisis and makes full use of modern crisis public relation means, it can not only effectively maintain the perfect reputation of the institution in financial market, but is helpful to strengthen the strong confidence of the market and investors in the institution. When a crisis occurs, financial enterprises should take the initiative to cooperate with the media, attach great importance to the media, make full use of the media and pay attention to influences of the market power and social public trust, which is a kind of mentality and which is more a kind of idea.

The government and relative supervision sections are macro regulators of financial enterprises. When a crisis occurs, financial enterprises should not forget power of the direct controller of national economy. Matters of financial enterprises are usually related with stable development of the national economy. Thus, turning to the government for help can make financial enterprises obtain stronger power and more advantageous resources to resolve and control a crisis.

4.3 Rehabilitation of a crisis

When the crisis incident passes, we have to make an assessment on the entire process of disposal of the crisis incident, summarize experiences and lessons, accumulate experiences and provide guarantee for the work of disposal of a crisis in the future. After the crisis management comes to an end, the enterprises should finish a

crisis management summary or report to summarize crisis management experiences and provide text material for improvement of crisis management system. Crisis management summary mainly includes description of the affair, description of the crisis management process, assessment on crisis management effect and opinions to improve crisis management system.

The term “crisis” has the pun implications of “danger” and “opportunity”. How to seek for opportunities in a crisis requires the financial enterprises to continuously absorb experiences and lessons in disposal of a crisis incident and learn advanced crisis management theories in foreign countries. In such way, these enterprises can nip a crisis in the bud before the crisis happens and really deal with the crisis public relation and successfully resolves various crises when the crisis happens. Financial enterprises can improve the crisis public relation management by means of carrying out some effective measures.

References

- Kevin Dowd et al. (1999). *Current issues in financial and monetary economics*. China Tax Publishing House.
- Su, Weilun. (2000). *Crisis Management --- Manual of Practical Management in Modern Enterprises*. China Textile and Apparel Press, Edition 1, August.
- Wang, Hongmei & Wang, Yuzhong. (2006). Brief Analysis of Crisis Management in Financial Enterprises. *Finance Theory and Teaching*, No. 4.
- Zhang, Weigong. (2009). Advantages far outweigh disadvantages in influences of financial crisis on Chinese finance. Seminar on “analysis, predict and prospect of Banking, Securities Industry and Insurance Industry in China in 2009”.
- Zheng, Yuanyuan. (2008). Credit and Financial Crisis. *Popular Business*, No. 1.
- Zvi Bodie & R.C.Merton. (2008). *Finance*. Beijing: China Renmin University Press.

Street Vendors and the Dynamics of the Informal Economy: Evidence from Vung Tau, Vietnam

John Walsh D.Phil.

Assistant Professor

School of Management, Shinawatra International University

BBD (Viphawadi) Building, 197, Viphawadi-Rangsit Road

Phaya Thai, Bangkok 10400, Thailand

Tel: 66-2-650-6031 E-mail: jcwalth@siu.ac.th

Abstract

The role of the informal economy in promoting genuine economic development remains a contested one: optimists believe potential entrepreneurs are capable of supporting themselves and their families, perhaps with the assistance of interventions; pessimists, meanwhile, see such individuals as being subject to the forces of global capitalism with which they cannot contend and who must survive increasingly difficult housing, living and environmental conditions which threaten their security. Previous research of street vendors in Bangkok indicated some support for both points of view and this paper extends the research to Vung Tau in Vietnam, which is an oil industry centre and emerging tourist resort. To what extent are vendors able to upgrade their products and business models to take advantage of the new demands available and what difficulties do they face in their work? To date, they have not been able to take advantage of such opportunities.

Keywords: Informal economy, Street vendors, Vietnam, tourism, Economic development

1. Introduction

Informal sector workers have for some decades occupied an uncertain place in the fields of development studies, urban development studies and business studies. From a structuralist perspective, the workers have no proper status, being neither capitalist nor urbanized working class. In terms of the development debate, therefore, they tend to have been viewed as an intermediary stage between rural peasantry and urban employment. This was the view taken by the groundbreaking developing economist Todaro (1969) and his optimistic view has been influential since then. Subsequently, the Peruvian economist Hernando de Soto (2000) has characterised the urban informal sector as one which is full of entrepreneurial activity and in which the participants might be able to improve their lot if they were only able to register their assets and hence obtain leverage from them. According to such a view, micro-level interventions such as provision of finance or institutional changes would be sufficient for the entrepreneurs concerned to enter the formal sector, which would then have the benefits of regularizing employment and workplace rights, increasing the tax base and so forth. Understandably, such a view has become popular with international non-governmental organisations and such transnational institutions as the World Bank, which has been generally happy to follow an ideology that bypasses government and governmental institutions and instead works directly with on some occasions private sector bodies to involve street vendors and others at the micro-entrepreneur level. The success of Mohamed Yunus and the Al Grameen Bank represents, therefore, not just the ability of the micro-financing scheme in reducing poverty but also the embrace of such an approach by the so-called 'development establishment.'

Not everyone accepts this view of the informal sector. Davis (2007), for example, views the increasingly slum-strewn streets of the urbanizing and developing world as not being conducive to self-improvement by members of the informal sector. Instead, they are places in which such work as is available is constantly sub-divided by an excess of supply of labour, endlessly topped up by new arrivals from outlying areas. According to this perspective, it is almost impossible for individuals to escape from poverty without a widespread upheaval of the existing social order. Clearly, few governments or international organisations are willing to countenance such an approach.

As urbanisation has progressed throughout East Asia, the once vibrant but somewhat unruly street vendor sector has been largely treated as part of the indigent or beggar class and swept off the streets wherever possible. From

Seoul to Beijing to Taipei and, perhaps in the future to Bangkok, the urban street vendors have been confined to state-mandated areas, subject to receipt of services such as water and electricity and integrated into the tax base. Urban planners have tended to consider street vendors, that is, as nuisances to be hidden out of sight or at least placed into idealized locales where they may be consumer as part of a culture of museum tourism but in situations which may not be convenient for drawing customers, especially when the principal competitive advantage that vendors offer customers are convenience through location. In such cases, some vendors have fought against sequestration and fought to retain those physical positions which keeps them as close as possible to their customers (Maneepong and Walsh, 2009).

From the business studies perspective, it is convenient to divide street vendors into various categories according to the observable variables of their working style. Hence, they may be categorized according to whether they have a permanent or temporary pitch or whether they are itinerant. Other categories include the nature of goods or services provided, means of sourcing products and whether franchising or branding takes place. While it would be possible to arrange these categories in such a way as to reflect a linear progression from least to most sophisticated or in terms of increasing commitment to the business. However, there is little evidence to believe that vendors begin at a low level and progress to a higher level with a view to obtaining full-time or permanent employment. Indeed, their purposes in establishing a business may be definitively bound by time for family reasons or other personal reasons (Anantarangsi and Walsh, 2009). Research conducted in the Greater Mekong Sub-Region (GMSR), of which Vietnam is a member, indicates that most work in the informal sector is barely profitable and offers little in the way of added value activities. This contrasts with at least some street vending activities in Bangkok, where vendors (who may have been white collar workers made redundant as a result of the 1997 Asian financial crisis) have adopted quite sophisticated business models, including international sourcing, creating own brand names and franchising (Maneepong and Walsh, 2008). This phenomenon led the authors to create the label of 'new generation' of street vendors.

These issues have led to the creation of the research question investigated in this paper: that is, to what extent can evidence of a new generation of street vendors be found in locations in the GMSR other than Bangkok. One area of study was the tourist resort of Vung Tau in Vietnam, which is described below. The paper then continues with a discussion of the methodology employed in conducting the research and then goes on to enumerate and discuss the findings and their implications for policy.

2. Vung Tau

Vietnam is a developing country based in Southeast Asia. The country has a long history of struggle against imperialism and colonialism which culminated in the victory of the Vietnamese Communist Party in the war against the US and its allies in what was then South Vietnam. Millions were killed in this struggle. The subsequent autonomous Communist rule led to a boycott by the USA and this had a serious negative impact on economic growth. However, since the collapse of the Soviet system and the ending of financial and institutional support from Russia, Vietnam has taken steps to enter into the capitalist world system by employing the *doi moi* policy which provides for liberalization of the economy while retaining the autonomous political system (Painter, 2005). This has resulted in successive years of high growth (declining to 6.5% in 2008 and projected to dip further in 2009 and 2010 (ADB, 2009)). In addition to liberalization, the country has become more open to inward tourism. Official statistics indicate that in 2008 a total of 4,253,740 international tourists visited the country, which represented a 0.6% annual increase on 2007 (Vietnam Tourism, 2009). While the two principal cities of Ho Chi Minh City (previously Saigon) and the national capital of Hanoi are particularly important in tourism, beach resorts including Vung Tau are also notable.

Vung Tau is located in the south of Vietnam, in a peninsula not far from the southern capital of Ho Chi Minh City. Portuguese and French sailors passed the place and named it after St Jacques. Malay pirates also created a base there for a while. It was also the site for the first firing of cannon by the Vietnamese forces against French battleships in 1859. Vung Tau was colonized by the French along with the remainder of the country and its tourist resort nature first became manifested. During the Second Indochinese War, American and Australian troops occupied the area and tourism was heightened by use of the town for in-country rest and recreation. The tourism industry has subsequently been developed through building of hotels and infrastructure, with tourists attracted by the beaches, seafood and some cultural attractions. However, of perhaps greater economic significance has been the discovery of oil and gas in the sea offshore. This has been exploited since 1980, when the Russian (previously Soviet Union) and Vietnamese joint venture Vietsovpetro was formed in 1981 by Zarubezhneft and Vietnam's Petrovietnam (BBC, 1999). The Russian influence on the development of the oil industry and in the local community is very evident, not least because of the presence of Russian cuisine in the resort's restaurants. Gas from the Nam Con Son field supplies the 3,600 MW power complex located at the Phu

My Power Generation Centre, which was created as the country's first such development (International Financial Law Review, 2002). A Canadian-US partnership is set to build Vung Tau's largest tourism resort, including an 1,100 room five star hotel and championship golf course in a US\$4.2 billion development (Building, 2008). This is indicative of the rapid growth and development of the city.

Vung Tau today combines an impressive physical infrastructure in terms of transportation, which exceeds the quality of infrastructure to be found in the principal cities of the country, both of which suffer from considerable traffic problems. Vung Tau not only has broad and well-tended roads but a modern ferry terminal hosts the hydrofoils which each make several trips daily to and from Ho Chi Minh City. The beach front area has a strip of restaurants and entertainment venues catering to a variety of international tastes, with Russian being prominent. Various hotels offer accommodation to people operating on a variety of budgets. The backpacker sector is not very well represented and the resort appears to be aiming for a more up-market form of tourism. There are also two more or less separate karaoke sectors, one of which is aimed primarily at local and visiting Vietnamese and is entirely respectable for women as well as men to visit. Another sector is clustered behind the beachfront region and caters more for male tourists. Retailers near this area in particular have adapted their offerings for a tourist audience, with varieties of alcohol and western snacks and foodstuffs much more available. Recently, a new department store with supermarket has been opened in a shopping mall space. The range of goods available and the scope of the goods provided is quite limited still but there is space for expansion. It is notable that some ranges of frozen foods are now being provided in the supermarket and there are other value added products available both from local produce and from overseas.

Street vendors occupy many areas throughout the city, both official and unofficial. Some are mobile in nature and others prefer a more settled position. Pitches have been marked out around some of the various open public spaces for vendors to use but either there is still insufficient supply of vendors or else they only operate on certain periodic occasions. As the tourism industry is still developing, it is likely that the nature of more modern street vending operations is also developing. Further research at a later date might help to establish the extent to which this is true.

3. Research Questions

Evidence indicates that economic shocks affect the vulnerable more than average and that members of the informal sector of the economy are counted within that category (Horn, 2010). However, given that so many members of the informal sector are hidden from official scrutiny, it is not surprising that comparatively little useful information on how the sector works is available and there are gaps in locating the relevant activities within a theoretical framework (Webb *et al.*, 2009). This is particularly true in the case of countries undertaking the transition from a centralized, communist command economy to a market-based economy, since new categories of law and new institutions have to be created and enforced in conditions of often weak technical capacity (e.g. Wallace and Latcheva, 2006). It has been argued that bringing informal sector workers into the framework of the law will empower those workers and enable them to benefit from the protection of the state and its institutions (e.g. Faundez, 2009). This follows from the working definition of the modern, urban informal sector as being composed of people who receive few or no benefits, no security of employment and are usually unprotected by labour laws (or other forms of law) (Huang, 2009). As noted in the introduction, this is not a universally accepted view. Research that has been conducted in the Mekong region in connection with these issues has tended to focus on the vulnerability of informal sector workers and the fact that empowerment through legalization or regularization of their activities is compromised by the often opaque and corrupt nature of many of those institutions. This is often discussed tangentially (e.g. Nirathron, 2006; Kusakabe, 2004; Tantiwiramanond *et al.*, 2001).

In this context, therefore, this research has sought to explore the nature of informal street vendor activities in Vung Tau in southern Vietnam with a view to making a contribution to the debate on whether street vending is able to provide decent work for its practitioners and whether empowerment of the people concerned would be effected by bringing them under the protection and responsibilities imposed by the legal system.

4. Methodology

The research was based on a qualitative approach using semi-structured questionnaires. This is because the research was exploratory in nature and aimed to provide new data on the lives and businesses in Vung Tau with a view to creating more appropriate policy to improve the social and economic development of the community. The data could be compared to data from other settings and, from the data, some hypotheses or theories might emerge.

A questionnaire agenda was constructed based on existing knowledge, previous research conducted by the author and initial investigation of the population of street vendors in Vung Tau. Initial understanding of the population, subsequently confirmed by the local interviewers, indicated a division between traditional vendors with low value-added products aimed at local people and, on the other hand, smaller sectors often with slightly higher value-added products aimed at either the corporate oil sector or the national and international tourist sector. The interviewer was instructed to try to interview vendors across this range of different business people. While the respondents were selected according to random and convenience methods, the interviewer was also instructed to abide by the principle of maximum diversity within the overall sampling strategy (List, 2004). This method, which employs an exploratory qualitative approach, has yielded good results in other research projects similar in scope and style to that described here (e.g. Reid and Walsh, 2003; Reid, Walsh and Yamona, 2001; Southiseng et al., 2008; Ty et al., 2009; Walsh, 2010).

The semi-structured interview was written in English and then translated into Vietnamese by a qualified individual (university lecturer in business studies). The interviewer conducted interviews in Vietnamese and the transcripts were then interpreted back into English by the translator. The interviewer was encouraged to engage the interviewees in conversation surrounding the issues identified on the questionnaire and to probe for further information. However, the interviewer was inexperienced and the results were not as revealing as might have hoped. This represents a limitation of the research. Another limitation is the absence of statistics of the population of street vendors in Vung Tau and, indeed, of Vietnam more generally. This makes it difficult to assess the degree to which the sample achieved approximates the population. Future research might aim to quantify the population of street vendors.

Interviews were carried out between February 21st-27th, 2009. A total of 40 interviews was conducted. From these interviews, the following data about the sample was obtained: 13 (32.5%) had reached primary school level, 11 respondents (27.5%) had reached elementary school level and the remaining 16 (40.0%) finished high school. The level of education in this street vendor sample is, therefore, quite low. Elementary school level is defined as the first three years of secondary education, while high school takes the student to the age of 16.

The average age of the vendors was 40.9 (standard deviation of 11.1) and the length of time they had been in business was 8.0 years (standard deviation of 7.3 years). Some vendors had 30 years of experience, while several had been operating for just one year or less. In other words, there is quite a wide range in terms of age and experience.

5. Findings

Few respondents showed any sign of tending towards the new generation of street vending. Instead, vendors tended to talk about the freedom that their occupation gave them and to have settled into the profession as a long-term career. Few thought of investing more in their business for subsequent development, apart from trying to obtain better quality supplies of fruit or other products. Similarly, few vendors thought to diversify their product or indeed to change it at all over the period of years. They rather tended to define themselves by the products they sold and by the space their stall occupied. Many of the vendors close to them were either genuine relatives or considered to be adopted relatives.

Business practice was generally straightforward. Vendors might offer regular customers a discount and try to establish some rapport with them but that seems to be the limit of what they will customarily aim to achieve to improve their profitability. There was very little activity, according to respondents, in support of market research, product development or investment in the business with a view to future growth. The business operations were characterised as being static rather than dynamic and the response to change was reactive rather than pro-active. In short, there was little evidence to support the idea that street vending could act as a staging post into new employment. This contrasts with research conducted elsewhere and might be a result of the education received by the Vung Tau respondents. Future research might address the entrepreneurial spirit among vendors in other parts of Vietnam.

Generally, vendors sold basic products, often foodstuffs and sought to locate themselves in places close to their customers: one sticky rice seller concentrated on selling breakfast to schoolchildren and therefore waited outside the school gates. Another respondent sold fruit and cigarettes outside a factory where he was previously a full-time employee and where people knew him. Even when products were sourced from other provinces, the logistical establishment appeared to be fairly straightforward. Customers were approached with goods and vendors would attempt to persuade them to buy on the basis of convenience and, in some cases, discounts for loyal customers. The most common problem faced for vendors in this category involved excess of stock (especially fruit) at the end of the day. This indicates that the vendors concerned were part of the old generation

of vendors who are generally content to remain in their existing position on a permanent basis. Few of these respondents admitted (or claimed) to earning profits of more than 50,000 VND per day, which is the equivalent of less than US\$3 and close to the internationally recognised poverty line of US\$2 per day. Since at least some of the goods being traded are seasonal in nature, then there is additional threat of falling below the poverty line in out of season periods, unless suitable alternatives can be identified and sourced.

Respondents reported little in the way of interference by or interaction with external agents in performing their business. This ranges from a general lack of awareness of any need to register their business with authorities through to a low level of complaints about harassments or mafia-style activities. The Vietnamese legal system has been changed from one based on Communist ideology to one based on the market and has also been required to cope with national and local levels of enforcement. It is understood that some imprecision still exists with the ways that certain economic activities are governed and, in any case, it would not be surprising if street vendors were aware of all the changes that had been brought about when large companies experienced difficulties with keeping up with new and modified regulations on a very regular basis. The very low level of reported criminal activities preying on the street vendors may be a result of the social solidarity inherent within street vendor communities, which a number of respondents claimed were peopled by relatives or adopted relatives. Alternatively, it may also be a result of the researcher not having been able to claim their trust and, hence, admission of a problem larger than has been reported. It is certainly true that mafia-style activities have occurred elsewhere in the region and that Vietnam has been suffering from a culture of corruption (e.g. Tan, 2007). In any case, most respondents simply pitched up where they were accustomed to selling their products and commenced operations until they were ready to stop. This might appear convenient to vendors but acts to suppress services to vendors, taxes and quality of service to customers. Expansion of the role of the state in this respect would be likely to benefit all those involved, although there will be problems too.

Few vendors had much interaction with tourists and it appears from inspection that most international tourists, perhaps from concerns about hygiene or quality, prefer to spend their money in air conditioned and modern retail establishments catering for them. They miss, therefore, some of the atmosphere of a visit to Southeast Asia. A compromise between sanitizing the experience of street vending altogether and leaving it as something which tourists hesitate to experience must surely be possible. Tour guides and similar individuals might be used to encourage tourists to patronize suitably screened vendors and this would encourage others to improve the quality of their services too (although there will also be incentives to undesirable behaviour as well, which will need to be policed appropriately).

6. Discussion of Findings

If there are successful routes by which street vendors may find their ways into permanent employment, then those who had already done so would not be revealed by the methodology employed here. However, there should be some evidence of certain vendors improving their positions with a view to converting their existing businesses into a more permanent position with a fixed location. That there is little or no evidence of this sort may be dismissed as a feature of the research or, alternatively, as an indication that there is no progression of vendors in this regard active in Vung Tau.

One implication of the low level of interaction with the local authorities is that the vendors had little conception of any form of social contract between the vendors and the authorities. Vendors were quite sanguine about the freedom they felt in their lives and the fact that they did not pay any taxes or meet any other requirements. If the authorities wish to make policies to improve the situation of the street vendors and enable them to move further from the threat of poverty, then there is a need to introduce to the vendors the concept that authorities can provide facilities and resources which may enable them to become more profitable and to have more sustainable operations and, while that demands some obligations in return, this is nevertheless a win-win situation for both sides. Achieving this would be quite a large task in that it requires a quite different attitude by many governmental officials than has been required of them in the past. Intermediaries from NGOs might have a useful role in this case.

Currently, it would be difficult to justify the level of investment that would be required to create any kind of large-scale facility for street vendors, providing water and electricity supplies in return for a regular fee. Monitoring of the numbers of visitors coming to Vung Tau and some continued research into the nature of street vending businesses and, indeed, the retail sector as a whole should help the local authorities to determine when such an investment might become justified. In any case, the planning for the future should aim to preserve the close relationships between vendors and customers, since these appear to be valued to some extent by both parties and, also, because it would help retain the street vending interaction as the vibrant and memorable

experience that can improve the tourist experience. As the retail sector in Vung Tau continues to develop, it is likely that larger shops, particularly multiple chain retailers, will take a larger portion of trade overall. Street vendors will only be able to survive as a viable operators if they are able to offer some kind of competitive advantage in a changing environment. It will be very difficult for them to do this if they lack the education and training to understand these market dynamics and perhaps some advice concerning switching to the marketing of alternative goods or services.

The findings overall tend towards the understanding of the informal sector articulated by Davis (2007), in which existing niche opportunities disappear as new capital formation captures market demand. The existing vendors find themselves competing for decreasing income and their prospects dim. There are, it must be presumed, mechanisms by which the displaced vendors enter the expanded labour market without this being an intrinsic quality of their business development. However, the creation and operation of these mechanisms remains obscure. In other words, street vendors may find permanent jobs but not because of their own efforts but because, in the case of Vung Tau, the economy is growing. More research is required to explore this issue further.

From the perspective of market development, it is apparent that the informal economy of Vung Tau is not yet linked coherently with markets that are regional or further afield. The local economy remains dominant, although there is clearly scope for its expansion in terms of scope and sophistication. Since economic areas require some measure of business infrastructure to develop value adding activities (e.g. market research and consultancy, legal services, design and advertising), there is a need for a critical mass of vibrant businesses to justify the creation of such infrastructure. As things stand, there are few dynamic forces driving the creation of such sectors.

References

- Anantarangsi, S. and Walsh J. (2009). Income distribution and mobility in Thailand: The perceptions of migrant workers in Bangkok and vicinity. *NIDA Development Journal*, 49(2).51-78.
- Asian Development Bank. (2009). *Asian development outlook 2009*. Manila: ADB. [Online] Available: <http://www.adb.org/Documents/Books/ADO/2009/ado2009.pdf>.
- BBC Monitoring Former Soviet Union – Economic. (1999). Russian-Vietnamese oil venture holds board meeting. (November 25th). 1.
- Building. (2008). Toronto firm to build Vietnam's largest resort. (June/July). 9.
- Davis, M. (2007). *Planet of slums*. London and New York: Verso Books.
- Faundez, J. (2009). Empowering workers in the informal economy. *Hague Journal of the Rule of Law*. 1(1). 156-72.
- Horn, Z.E. (2010). The effects of the global economic crisis on women in the informal economy: Research findings from WIEGO and the Inclusive Cities partners. *Gender and Development*. 18(2). 263-76.
- Huang, P.C.C. (2009). China's neglected informal economy. *Modern China*, 35(4). 405-38.
- International Financial Law Review. (2002). Landmark project financing sets Vietnam on new path. 21(12). (December). 15.
- Kusakabe, K. (2004). Women's work and market hierarchies along the border of Lao PDR. *Gender, Place and Culture*, 11(4). 581-594.
- List, D. (2004). Maximum variation sampling for surveys and consensus groups. Adelaide: Audience Dialogue. [Online] Available: www.audiencedialogue.org/maxvar.html.
- Maneepong, C. and Walsh, J. (2008). Bangkok woman street vendor businesses after the Asian economic crisis. Paper presented at the *UNU-WIDER Project Workshop on Beyond the Tipping Point: Asian Development in an Urban World*. Kolkata, December.
- Maneepong, C. and Walsh, J. (2009). A new generation of Bangkok women street vendors: Economic crisis as opportunity. Paper presented at *the UNESCO Gender Studies & Women's Research Networking Conference*, organized by the Regional Unit for the Social and Human Sciences in Asia and the Pacific, UNESCO, Thailand. (February 9th-13th).
- Nirathron, N. (2006). *Fighting Poverty from the Street: A Survey of Street Food Vendors in Bangkok*. Bangkok, ILO.
- Painter, M. (2005). The politics of state sector reforms in Vietnam: Contested agendas and uncertain trajectories. *The Journal of Development Studies*, 41(2). 261-83.

- Reid, D. M. and Walsh, J. (2003). Market entry decisions in China. *Thunderbird International Business Review*, 45(3), 289-312.
- Reid, D.M., Walsh, J. and Yamona M. (2001). Quasi-legal commerce in Southeast Asia: Evidence from Myanmar. *Thunderbird International Business Review*, 43(2), 201-23.
- Soto, H. de. (2000). *The mystery of capital*. London: Basic Books.
- Southiseng, N. Ty, M. Walsh J. and Anurit, P. (2008). Development of excellent entrepreneurs in small and medium enterprises in Laos and Cambodia. *GMSARN International Journal*, 2, 147-56.
- Tan, P. (2007). Not in my house: Corruption in Vietnam. *Asia Sentinel* (June 25th). [Online] Available: http://www.asiasentinel.com/index.php?option=com_content&task=view&id=550&Itemid=31.
- Tantiwiramanond, D., Pandey S.R., Rath, C.M. Khamphoui, O.C. and Tuyet, L.T.N. (2001). *Street vendors and mobile hawkers in the Mekong subregion*. Bangkok, Women's Action and Resource Initiative, 2001.
- Todaro, M.P. (1969). A model of labor migration and urban unemployment in less developed countries. *American Economic Review*, 69. 486-499.
- Ty, M., Soy, C., Walsh, J. and Anurit, P. (2009). A study of women entrepreneur development in small and medium enterprises in Cambodia: Challenges and opportunities. *Journal of Global Management Research*. 5(1). 7-13. [Online] Available: <http://www.gmrjournal.com/FichierPDF/v5n1art1.pdf>.
- Vietnam Tourism. (2009). International visitors to Vietnam in December and year 2008. [Online] Available: http://www.vietnamtourism.com/e_pages/news/index.asp?loai=2&uid=8635.
- Wallace, C. and Latcheva R. (2006). Economic transformation outside the law: Corruption, trust in public institutions and the informal economy in transition countries of central and eastern Europe. *Europe-Asia Studies*. 58(1). 81-102.
- Walsh, J. (2010). The street vendors of Bangkok: Alternatives to indoor retailers at a time of economic crisis. *American Journal of Economics and Business Administration*, 2(2). 185-8.
- Webb, J.W., Tihanyi, L., Ireland, D.R. and Sirmon, D.G. (2009). You say illegal, I say legitimate: Entrepreneurship in the informal economy. *Academy of Management Review*, 34(3). 492-510.

The Relationship between Alexithymia and Emotional Intelligence

Fataneh Naghavi

Faculty of Human Ecology, University Putra Malaysia

Serdang 43400, Malaysia

E-mail: ahlo_1359@yahoo.com

Marof Redzuan (Corresponding author)

Faculty of Human Ecology, University Putra Malaysia

Serdang 43400, Malaysia

E-mail: Marof@putra.upm.edu.my

Mariani Mansor

Faculty of Human Ecology, University Putra Malaysia

Serdang 43400, Malaysia

E-mail: mariani@putra.upm.edu.my

Abstract

The article reviews empirical studies which emphasized on the relation between alexithymia and emotional intelligence (EQ). EQ is a set of abilities such as conception, emotion appraisal and expression, emotion management and regulation, and emotion utilization of emotion. As emotional intelligence is acquisitive and of social origin, parents and children thus expose their emotions in an expressive way to one another, either consciously or unconsciously in their interactions. Adolescence's alexithymia overlay emotional intelligence in the field of emotion identification and to some extent, in feelings expression. Alexithymic adolescence cannot express emotions orally due to inability in feelings identification, whereas preliminary emotional abilities have specific importance because skillfulness in appraisal and quick precise expression of emotions brings about suitable compatibility in relation with environment and others. The research showed that emotional intelligence is negatively associated with alexithymia. The article is divided into several sections. The review is started with the definition of alexithymia, and this is followed by a review on the alexithymia, as well as the effects and interaction of emotional intelligence. Then, an overview of the paper is included a demonstration of the influence of alexithymia on emotional intelligence is also given. Finally, according to previous study it is important to realize that alexithymia does not imply a total unawareness of having emotions.

Keywords: Emotional intelligence, Emotion management, Alexithymia, Adolescence

1. Introduction

Recognition and emotion have always been focused on in philosophy and later in psychological research. One century before the Christ, Pablilius stated: "rule over your feelings and do not let your feelings rule over you". For a very long period of time, emotions were regarded as non-logical modes which were imperfect and confused. Some research even indicates that emotion release is not valuable without recognition processing. Similarly, mental ruminating as to negative emotions causes depression to increase. However, is uncontrolled emotion release and rumination the only ways of using emotions (Schwartz 2000)?

Today, absolute recognition focus in man's psychological studies has been replaced by emotion and recognition influence and role in his/her psychic health and development. Recognizing emotions and feelings is a basis for emotional intelligence. Emotional intelligence is conceptualized to incorporate recognition and emotion or intellectual emotion. Although psychological systems have negatively looked into emotions, the attention given to emotions and feelings can be regarded as the core and basis of psychology and one can therefore look for mental disturbances roots in emotional perturbations like fear, anxiety, depression and alexithymia.

Freud (1995) used free association and dream interpretation in his treatments and helped patients restate their thoughts and desires by providing an ambience free of the judgment and appraisal of wisdom.

This insight towards behaviour is not only intellectual, but also a correcting emotional experience. This new experience is both the change center and the main factor of psychotherapy. The aim of psychoanalysis is emotional reconciliation and insight creation; insight is a method to acquire emotional reconciliation. In the course of psychoanalysis, primary emphasis is on the clarification of emotions and feelings. Similarly, Parker (2010) also emphasizes consciousness in psychoanalysis. Gestalt-therapy techniques are defined by two behavioural axes, namely “rules” and “designs.” In particular, rules are effective instruments to integrate the thought and feeling of references, while designs are activities carried out by references to recognize different poles of their personality and dealing with facts (Kersini, 1996 cited in Shafiabadi and Naseri, 1998).

Considering the potential influences on emotional intelligence and alexithymia may be useful and vital. If numerous factors are found to influence emotional intelligence, then individuals can find ways to enhance emotional intelligence and subsequent lifelong achievement. This process is undoubtedly one of the importance ways that led to individual and social development.

Among the pioneers of family treatment, Virginia Stair was one who had placed the highest emphasis on feelings in the family. In the same vein, she paid attention on the family’s daily work and emotional experiences. At the same time, she also persuaded family members to describe their feelings and notice both facial and non-verbal states of one another (Stair and Baldwin, 1983).

Considering the above information, it seems that one of the aims of psychology, consultation, and psychoanalysis is the development of patients’ emotional intelligence. Considering the orientation of the recent studies in the identification and role of emotional intelligence, as a concept different from personality and emotional quotient (EQ), a clear and comprehensive recognition of this structure is therefore achieved when the family’s role in development and its relation with emotional intelligence is specified.

Alexithymia overlays emotional intelligence in the field of emotion identification and to some extent, in feelings expression. An alexithymic adolescence cannot express his/her emotions orally due to inability in feelings identification, whereas preliminary emotional abilities have specific importance because skillfulness in appraisal and quick precise expression of emotions brings about suitable compatibility in relation with environment and others (Taylor and Bagby, 2002).

2. What is Alexithymia?

Alexithymia is considered to be a personality trait that places individuals at risk for other medical and psychiatric disorders while reducing the likelihood that these individuals will respond to conventional treatments for the other conditions (Havilland et al., 2000) Alexithymia is not classified as a mental disorder in the DSM-IV. It is a dimensional personality trait that varies in severity from person to person. A person's alexithymia score can be measured with questionnaires such as the Toronto Alexithymia Scale (TAS-20), the Bermond-Vorst Alexithymia Questionnaire (BVAQ), (Vorst and Bermond, 2001) or the Observer Alexithymia Scale (OAS) (Havilland et al., 2000)

According (Taylor et al., 1990) Hence, Alexithymia in the context of this study is defining as:

1. Difficulty identifying feelings and distinguishing between feelings and the bodily sensations of emotional arousal
2. Difficulty describing feelings to other people
3. Constricted imaginably processes, as evidenced by a paucity of fantasies
4. A stimulus-bound, externally oriented cognitive style.

3. History and Meaning of Emotional Intelligence

Emotion is resulted from interaction between physiological stimulation and appraisal of situation identification. When there is physiological stimulation, it is the stimuli, conditions, and signs surrounding the individual that specify which emotional state he/she will experience. Emotions are functional and social, and emotional experiences inside us to others through creating distinctive facial and body states (Marshal, 1997). Mayer and Salovey (1997) indicate that emotional intelligence is the ability to percept precisely, appraise and express emotions of one’s own and others’ access and generate feelings when they facilitate thinking, as well as regulate and utilize emotions in problem solving (Saarni, 2000).

The history of research on intelligence has made it clear that the reason for people's success in their personal and occupational life is not merely EQ. Years before that, Thordike (1920) presented a model of intelligence which included not only the factors of traditional intelligence, but also the factor that he called as 'social intelligence'. He defined it as the ability to understand and management of wise action and behaviour in human relations. Thordike's definition of social intelligence was a behavioural and cognitive ability and it implied that firstly, man's conception and management abilities are intellectual abilities, and secondly, such abilities are distinct from the classic, abstract, and mechanical-objective aspects of intelligence. Since then, much attention has been paid on the concept of social intelligence. For years, the principal question has been that whether an empirically unique and solid limit for social intelligence can be specified, and whether it is only a function of a more general abstract intelligence. A lot of studies have been carried out to separate educational-scientific intelligence from social intelligence, but only a little progress has been made (Brown and Antony, 1990; Ford and Tisak, 1983). According to Ford and Tisak (1983) most of such studies were not successful due to two reasons; first, defining social intelligence is difficult a different task and different researchers have presented different definitions, whereas other definitions consider it a multi-dimensional structure. The second problem lies in the method to be used to measure social intelligence so that it is justifiable from psychometric point of view.

Considering such problems in relation to the concept of social intelligence, analyses tended to use other conceptualization and non-intellectual factors measurement methods. Another option was the concept of emotional intelligence which was introduced by Mayer and Salovey (1990) and later developed by Goleman (1998). This concept originated from Waksler's general non-intellective factors thought (1940, 1942). Later, Leeper (1948) applied this concept and assumed that emotional thoughts were a part of logical intelligence and played a role in logical and general intelligence. For about forty years, nothing else was done regarding emotional intelligence until Gardner (1983) introduced his Multiple Intelligence theory, which incorporating the cognitive aspects of intelligence. Both the cognitive and emotional aspects of intelligence are incorporated in Gardner's theory. This theory includes seven independent kinds of intelligence; one is personal intelligence that is divided into intrapersonal intelligence – knowledge of one's internal feelings and events, and interpersonal intelligence – the ability to specify others' reactions, needs, emotions, and purposes (Derksens, Kramer and Katzko 2002).

Emotional intelligence is a form of social intelligence (Salovey and Mayer, 1990) and a suitable predictor of general functioning and particular areas such as occupational performance (Goleman, 1995; 1998), including one's ability to manage his/her and others' feelings and emotions, distinguish between them, and use such information to direct one's thinking and practice (Salovey and Mayer, 1990). Moreover, emotional intelligence, also, has the scientific features of a rational intelligence (Mayer, Salovey, Karoso, 2002), as elaborated:

- (1) Conceptual criterion: emotional intelligence reflects mental functioning, not the salient methods of behaving or sagacity-free skills, or self-respect only. In other words, it measures abilities related to emotion (Carole, 1993; Mayer and Salovey; 1993).
- (2) Correlation criterion: emotional intelligence includes a set of abilities which are dependant and related to other mental skills, described by other kinds of proved intelligence (Carole, 1993).
- (3) Developmental criterion: emotional intelligence develops along with age and experience from childhood to adulthood (Brown 1997, Fancher 1985). Considering the evolutionary aspects of emotional intelligence, three mental abilities of adolescents are significant; namely (a) conception, appraisal, and expression of emotion, (i.e. the ability to identify and understand one's and others' emotions based on situational and expressional cues, emotional meanings of which are in accordance with culture); (b) emotions regulation and management and one's ability to compatibly dealing with opposite or negative emotions using self-regulation methods that improve the extent or duration of such emotions, the ability to create joyful conditions for others, as well as concealing one's negative emotions to avoid harming others' personal feelings (Sarni, 1999); (c) emotion utilization, i.e. the ability to plan flexibly and use emotions in problem-solving (Salovey and Mayer, 1990).

4. Alexitymia and Emotion Intelligence

A 20-year research on interactions between emotion and cognition has created a basis for the recent works on emotional intelligence. The concept of emotional intelligence, which was first introduced by Salovey and Mayer in 1990, is a strong basis to study individual differences, particularly on how reasoning is done by feelings and about feelings. A recently developed orientation has shifted its focus from emotional intelligence concept as a property or trait (i.e. Bar-on, 1977; Schutte et al., 1998) to conceptualization of capabilities in emotional intelligence (Salovey and Caruso, 2000; Sitarenios, 2001). According to this orientation, emotional intelligence is one's ability to comprehend, express, understand, apply, and manage emotions in oneself and others (Kafetsios 2003). Considering the developmental aspects of emotional intelligence, three features of mental capabilities in

adolescents take special importance; these are (1) comprehension, appraisal and emotion expression, (2) emotion regulation and management, (3) emotion utilization (Saarni, 1999). Children learn to express, comprehend, understand, and regulate emotions by exchanging their emotions with parents and coevals. Some of them take control of their own and others' emotions more skillfully due to big differences in individual abilities and their social world. On the other hand, some children lack adequate skills to interpret emotions for achievement in the social world (Scharfe, 2000).

It is important to realize that alexithymia does not imply a total unawareness of having emotions. Adolescence with alexithymic characteristics may, for example, complain of depression. The emotions of alexithymic individuals, however, are relatively diffuse, poorly differentiated and not well represented psychically. Furthermore, a tendency to an externally oriented and unimaginative way of thinking does not mean that people with high levels of alexithymia are totally incapable of imagining but, rather, that the contents of their mental imagery are mundane and focused on everyday tasks.

Meanwhile, more recent findings indicate that appropriate emotional raise of children is an important factor which affects their future achievements in different fields (Goleman 1998). Emotional intelligence enables an individual to correctly exhibit suitable amount of different emotions such as rage, fear, love, happiness, etc. in his/her behaviour proportional to the situations and time. Moreover, it enables them to know about others' emotions and react accordingly (Goleman, 1998; Mayer, Salovey, Caruso, 2000).

Adolescence is a sensitive period of one's life when he/she begins investigating their surroundings and seeks to establish relationship with. Adolescents' relations with their parents become deranged and they should take some distance from sisters and brothers sub-system, and find responsibilities and independence proportional to their age. Thus, parental sub-system relationship with them should change from parents-child to parents-young adult mode (minuchin, 2005). An important task during growth for children and adolescents is therefore to learn expression or instrument, recognize and comprehend emotional states accurately. This is particularly because they benefit from emotional knowledge as a guide in the social world (Scharfe, 2000).

In adolescence period, feelings and emotions conduct individuals in the course of life, so the adolescent's attention and tendency to things outside of home and conflicts between them and their parents in this period provide the ground for the influences inflicted by social damages. If the family fulfils its roles and tasks correctly and enjoys required efficiency, it can protect its members against external damages. On the contrary, emotional intelligence can help adolescents to identify emotions and shocks so that they can correctly appraise, understand, express, and use emotions in their thinking and practice. Therefore, emotional intelligence is a protecting factor against social damages, and based on relevant research, it is also associated with successful marriage, life satisfaction, as well as job and academic achievements (Goleman, 1998; Trinided and Johnson, 2002; Palmer, Donaldson and Stough, 2002; Karsini, Mayer and Warner, 2003).

Although difficulty in monitoring the feelings and emotions of other people is not part of the definition, empirical studies have shown that individuals with high degrees of alexithymia experience difficulties in accurately identifying emotions in the facial expressions of others (Lane et al., 1996; Parker, Taylor & Bagby, 1993).

5. Conclusion

Based on the literature review, it can therefore be concluded that emotional intelligence has been put forward for about two decades and many related studies have been carried out to study it. It is understood from the previous studies that emotional intelligence is associated with factors such as life satisfaction, adaptability, optimism, overall intelligence, personality, and emotional disorders like alexithymia, depression, and anxiety. Previous studies have also shown that girls are higher than boys in their emotional intelligence, but high emotional intelligence in boys is a better predictor for achievement. Research orientation has mostly been done toward clarifying and expanding the concept of emotional intelligence. Thus, according to these studies person with alexithymia, a severe state of low emotional intelligence lacks the verbal ability to express emotion or to describe emotions in others.

References

- Bar-on, R. (1977). Emotional and social intelligence: Insights from the emotional quotient inventory. *The Handbook of Emotional Intelligence*, 23, 490-504.
- Brown, M. (1997). Quality of emotional intelligence. *Psychology Journal*, 38, 67-71.
- Carole G, L. G. (1993). Family Treatment. *Efficient Therapy Guarantee*, 14, 234-256.
- Derksen, J., Kramer, I., & Katzko, M. (2002). Does a self-report measure for emotional intelligence assess something different than general intelligence? *Personality and Individual Differences*, 32, 37-48.
- Fancher. (1985). Emotional intelligence abilities across the life course. *Personality and Individual Differences*, 14, 23-29.

- Ford, B. Tisak. (1983). Care of life. *Journal of medicine*, 50, 30-71.
- Freud, S. (1995). Family therapy. *An overview*, (4 E).21, 213-237.
- Haviland., MG, Warren WL, & Riggs, ML. (2000). "An observer scale to measure alexithymia". *Psychosomatics* 41 (5): 385-92. doi:10.1176/appi.psy.41.5.385. PMID 11015624.<http://psy.psychiatryonline.org/cgi/content/full/41/5/385> 26 32.
- Goleman, D. (1998). Working with emotional intelligence. *Psychosomatic Medicine*, 10, 24-29.
- Goleman, D. (1995). Emotional Intelligence. *Psychosomatic Medicine*, 8, 160-168.
- Kafetsios, K. (2003). *Attachment and emotional intelligence abilities across the life course. Personality and Individual Differences*. London: Sage.
- Karsini, H., Allan, W. D., Mayer, J. M., Werner M., Reid, J. C. (2003). An examination of family functioning utilizing the circumplex model in psychiatrically hospitalized children with depression. *Journal of Affective Disorders*, 35, 65-73.
- Lane, R., Sechrest, L., Reidel, R., Weldon, V., Kaszniak, A., & Schwartz, G. (1996). Impaired verbal and nonverbal emotion recognition in alexithymia. *Psychosomatic Medicine*, 58, 203-210.
- Leeper, M. A., Mader, C., Gramzow, J., Papineau, K. (1948). Family factors related to alexithymia characteristics. *Psychosomatic*, 58, 211- 216.
- Marshal, G. R. (1997). Stimulation and Emotion. *Personality and Individual Differences*, 12, 235-243.
- Mayer, J. D., Salovey, P. (1993). *What is a emotional intelligence? Emotional development and emotional intelligence: Implications for educators*. New York: Basic Books.
- Mayer, J. D., Salovey, P., Caruso, D. R. (2002). Relation of an ability measure of emotional intelligence to personality. *Journal of personality Assessment*, 79, 306 -320.
- Mayer, J. D., Salovey, P., Caruso, D. R. (2000). *Emotional intelligence as zeitgeist, as personality, and as a mental ability. The handbook of emotional intelligence*.NJ: Prentice Hall.
- Minuchin S., F. H. (2005). *Techniques of Family Treatment*. Multilingual Matters Limited.
- Palmer, F., Donaldson & Stough. (2002). What is emotional intelligence? *Psychology journal* 27, 234-256.
- Parker, J. D. D. (2010). *The handbook of emotional intelligence: Sage Publications*.
- Parker, J. D. D., Taylor, G. J., & Bagby, R. M. (2002). Alexithymia and the recognition of facial expressions of emotion. *Psychotherapy and Psychosomatics*, 59, 197-202.
- Saarni, C. (1999). The development of emotional competence. *Journal of psychology*, 12, 234-245.
- Saarni, C. (2000). *The handbook of emotional intelligence. Emotional competence: A developmental perspective*. Waveland Press.
- Sanaei, B. (1991). An Introduction on Systemic View to Family Psychotherapy. *Personality and Individual Differences*, 34, 707-721.
- Schutte, Marfe, D. Bolden, C. (1998). Consultation and Psychotherapy Theories. *Rasa Cultural Institute*, 23, 34-56.
- Scharfe, E. (2000). *The handbook of as emotional intelligence*. Development of emotional expression, understanding, and regulation in infants and young children. New York, NY: Teacher College Press.
- Schwartz, R. C., Johnson, S. M. (2000). Do couple and family therapy have emotional intelligence. *Family process*, 39, 29-33.
- Sitarenios, N. (2001). Family management. *Family journal*, 50, 47-53.
- Stair, V. M., Baldwin, M. (1983). Step by step. Palo Alto. *Science and Behavior*.CA, 21,98-102.
- Taylor, G. J., Bagby, R. M. (2002). *The handbook of emotional intelligence*. An overview of the alexithymia construct. Waveland Press.
- Trinidad, H., Johnson. (2002). *The handbook of emotional intelligence*. Emotional competence: A developmental perspective. San Francisco: Inc.
- Vorst, H, CM., Bermond, B. (2001). Validity and reliability of the Bermond-Vorst Alexithymia Questionnaire. *Personality and Individual Differences*, 30, 413-434.
- Walsh, F. (1993). *Normal family process*. The Guilford Press.

On the Dynamic Adaptability of Chinese Public Signs

Yaming Jin

School of Foreign Languages, Henan University of Technology

140 Song Shan Road, Zhengzhou 450052, China

E-mail: bonniejin@tom.com

This research is financed by Henan University of Technology foundation program. No. 07XSK013

Abstract

This study aims to discuss the classification and description of current Chinese public signs and the dynamic adaptability in public signs designing. Based on the survey carried out in Ya Xing Residential Zone Zhengzhou city and Verschueren's Theory of Linguistic Adaptation, the author attempts to analyze that public signs language is a choice-making process in adaptation to the constantly changing communicative context, the main components of which are changed physical conditions, social relationships and settings, and cognitive and emotional needs of the public.

Keywords: Public signs, Adaptation, Communicative context

1. Classification of public signs

Public signs play an indispensable part in our everyday life which are defined as words or drawings written on a piece of paper or metal, etc in public places performing the informing, warning and advocating functions. Informing type is to provide information and service widely accepted and applied to our life. Warning public signs perform the function of warning, putting demands and restrictions on the relevant addressees who are expected to abide by public norms for the sake of the public. Warning signs include three subtypes: forbidding, requesting and educating which manifest three periodic changes over time. The first period is before China's reform and opening-up. The influence of cultural revolution was not totally eliminated. Public signs relevant to our daily trival lives were also labelled with the Chinese characters like“*严*禁” and“*不*许”. The second period is between late 1970s to early 1990s. After the Third Plenary Session of the 11th Central Committee of the Communist Party of China, the economy of China recovered and grew rapidly. As the living standard of people in China improved, there emerged a need to develop the spiritual lives of the public. In this peorid, requesting subtype appeared to replace the forbidding signs. “*禁*止” and“*不*许” were cancelled and additional explanations were put before the“*请*”. The third period is from early 1990s up to now. With the sustainable development of economy and people's living standard, a civilized and harmonious society is being built. In this peorid, linguistic choices have shown new forms from conventional ones. Educating subtype is taking a higher percentage in public signs such as“*小*草有*情* 踏之何忍” beside the grassland. Advocating type is very Chinese characteristic calling on people to endeavor for the ultimate goal of building a well-ordered and harmonious society the content of which generally relate to government or local policies. With the development of society, a lot of attention is paid to public signs designing especially warning public signs.

2. Public signs analysis based on Verschueren's Theory of Linguistic Adaptation

Public signs penetrate every corner of our lives. It is impractical to collect them all for investigating the overall situation of public signs in China. This research, therefore, focuses on one survey done in the Ya Xing Residential Zone in Zhengzhou city, a mature residential zone of more than 50 acre with 100 apartment buildings where more than twenty thousand people are living. In this independent close social community seen as miniature of a society, a set of public signs set by Ya Xing Property Management Company can be used as separate investigation corpus.

The detailed classification and description of the survey done in Ya Xing Residential Zone disclose to some extent the current situation of public signs which is undergoing changes: Firstly informing signs performs the main function of public signs. With the development of society, Chinese informing public signs have accordingly experienced some changes. These changes include use of bilingual translations and use of graphic symbols with or without Chinese characters; Secondly warning signs have experienced the continuum of directness to

indirectness and direct forbidding subtype takes a lower and decreasing percentage while indirect requesting and educating subtype have a much larger percentage; Thirdly strategic linguistic use such as figures of speech is adopted in warning signs and advocating signs.

According to Verschueren (2000, pp.66-67), language use is a process of making linguistic choices and this choice-making is motivated by the driving force of making adaptation to context for the benefit of satisfying communicative goals. Contextual correlates of adaptation include all the ingredients of the communicative context with which linguistic choices have to be interadaptable: language users (utterer and interpreter), physical world (such as time, space, bodily postures, physical appearance, physical conditions, biological property, material conditions of speech, etc.), social world (such as social settings, institutions, culture, social relationship, etc.) and mental world (such as personality, emotions, beliefs, desires or wishes, motivations or intentions, etc.). Those factors can be considered as the language-external reasons affecting linguistic choice. Public signs language, like other instances of language use, is also driven by adaptation for the sake of satisfying the public signs designer's communicative goals so as to create a more favorable environment for his/her survival. Grounded on the theoretical interpretation, public signs language is interpreted as a dynamic process of adaptation to the communicative context. Specifically, as for adaptation to language interpreters, in public signs designing, the totality of persons including direct addressees and side participants who are present before public signs should be considered. That is why warning public signs have undergone the process of adopting forms of expression to interpreter roles such as the avoidance of imperative sentence structures and use of figures of speech in educating subtype because it is assumed that the majority of interpreters are good citizens. It is contrary to the forbidding subtype all the interpreters of which are those who disobey and violate the public norm which to some extent might disrespect and hurt good citizen's feeling; As for the adaptation to changed physical conditions: use of bilingual signs adapts to the current China which is embracing more and more foreigners and having a closer and closer connection with the outside world. Use of graphic symbols with or without characters gets adapted to the positioning of public signs and the public in the physical world the phenomenon of which is frequently seen in road signs; As for the adaptation to social relationships, direct warning signs are adaptable to the power relationship while requesting warning type and advocating type maintain the solidarity relationship. There are many ways to minimize imposition in public signs designing such as apologizing, admitting impingement, indicating reluctance, giving compelling reasons, begging forgiveness to build a better relationship; Public signs belong to public communication addressed to a certain anonymous public to fulfill the purpose of conveying information and persuading the public to practice the public norm. In order to successfully increase the possibilities of achieving the effects as intended, public signs should be designed in adaptation to the cognition and emotion of the public psychologically. If the public signs designer knows how to adapt to the public's way of thinking and care about the emotional needs of the public in public signs making, the public signs might achieve the communicative goal of informing and persuasion for the better. From the survey, it is drawn clearly that strategies catering to the emotion and cognition of the public such as use of figures of speech are employed to reinforce the power of persuasion which is a good way to attract attention as well as to stir beautiful imagination. Personification, antithesis, pun and humor are all found in public signs language.

3. Conclusions and suggestions

The survey done in Ya Xing Residential Zone to some extent is the miniature of the overall current situation of public signs in China. Verschueren's Theory of Linguistic Adaptation provides a more comprehensive and explanatory approach to study the dynamic process of language use from physical, social and mental perspectives, which can better illustrate the subtlety and complexity of linguistic choice-making in public signs designing. Analysis based on the conclusions drawn from the survey and theoretical interpretation proves that public signs designing is a dynamic process of adaptation to the changing communicative context. It is hoped that this research can arouse the awareness of the importance of studying Chinese public signs, for either the public signs designer or the linguist or the translator.

References

- Fairclough, Norman. (1989). *Language and Power*. London and New York: Longman Group Limited.
- George, Yule. (1996). *Pragmatics*. Shanghai: Shanghai Foreign Language Education Press.
- Spolsky, Bernard. (1998). *Sociolinguistics*. Oxford: Oxford University Press.
- Verschueren, Jef. (2000). *Understanding Pragmatics*. Beijing: Foreign Language Teaching and Research Press.
- Wardhaugh, Ronald. (2000). *An Introduction to Sociolinguistics*. Beijing: Foreign Language Teaching and Research Press.

Table 1. Detailed survey of Ya Xing Residential Zone

Types	Public signs	Location
Informing (directing)	1.地下车库 安全入口/进口	地下车库口
	2.新加坡鱼尾狮喷水雕塑	实物景观旁
	3.中华文化浮雕	实物景观旁
	4.荷兰风车	实物景观旁
	5.天鹅湖	实物景观旁
	6.香樟大道	实物景观旁
	7.法兰西星光大道	实物景观旁
	8.出口 入口 ENTRANCE EXIT	东 西 南 大 门 小区广场
	9. 垃圾箱 可回收 不可回收	各单元楼前
Informing (prompting)	1.电缆有电 注意安全	配电房
	2.低压配电箱：注意安全 小心触电	配电房
	3.减速慢行 注意行人	路口
	4.注意安全	道路两旁
	5.民警提示：外出请将门窗关好，预防被盗，请将电、气设施关闭，以防火灾	各单元楼前
Warning (forbidding)	1.高配重地 闲人莫入	配电房
	2.私家车库门前 禁止停车	地 上 车 库 门 口
	3.监控重地，闲人免进	东 西 南 门 口
	4.燃气设施 严禁烟火	单元楼旁
	5.止步 高压危险//	配电房
	6.谢绝从此进入/外出	东 西 南 门 口
Warning (requesting)	1.请勿嬉水	水景两旁
	2.公共绿地，请勿践踏	道路两旁
	3.请勿垂钓	水景两旁
	4.遵照《中华人民共和国道路交通安全法》第四章第五十六条“机动车应当在规定地点停放。”小区内路面禁止停放机动车辆。请您将车辆停放在车位或地下停车场。谢谢合作	道路两旁
Warning (educating)	1.请珍惜小草的生命	道路两旁
	2.请勿折断小草的臂膀	道路两旁
	3.请别摘掉向您微笑的花	道路两旁
	4.花有意难开口 人有情莫动手	道路两旁
	5.预将花归己，君请思后人	道路两旁
	6.绿色给您带来春意	道路两旁
	7.青青的草 怕你的脚	道路两旁
	8.小草有情 踏之何忍	道路两旁
	9.绿草茵茵 关爱是金	道路两旁
	10.芳草萋萋 爱心依依	道路两旁

	11.爱惜小草 维护家园	道路两旁
	12.青青一小草 需您万般怜	道路两旁
	13.小草也在长 踏入想一想	道路两旁
	14.呵护花木 关爱生灵	道路两旁
	15.草绿 气新 花香	道路两旁
	16.爱我 护我 别踩我	道路两旁
Advocating	1.高高兴兴上班去，平平安安回家来	地下车库
	2.社区因我而精彩，我因社区而光荣	东西南门口
	3.小区是个家，温馨靠大家	道路两旁
	4.共同创建一个优美整洁，生活方便，文明安全的居住环境。	道路两旁
	5.爱国、爱家、爱小区、遵纪守法，文明居住	道路两旁

Rhetorical Structures in the Language of Vietnamese Advertisements

Luu Trong Tuan

National University of Ho Chi Minh City

Ho Chi Minh City, Vietnam

E-mail: luutrongtuan@hcm.fpt.vn

Abstract

Understanding the structure and function of rhetorical figures in advertising requires a text- and reader-aware approach. In the absence of appropriate text-centered terminology (e.g., scheme, trope), and without access to the necessary conceptual tools (e.g., deviation), the longstanding and widespread use of rhetorical figures in advertising has simply been overlooked in consumer research. This article builds a framework for categorizing rhetorical figures that distinguishes between figurative and non-figurative text, between two types of figures (schemes and tropes), and among three rhetorical operations that underlie individual figures (repetition, reversal, and substitution) in Vietnamese advertisements.

Keywords: Rhetorical figure, Scheme, Trope, Repetition, Reversal, Substitution, Vietnamese advertisements

1. Introduction

Realizing that a key aim of advertising is not purely to inform, but to persuade as well, it is not astounding that advertising is sprinkled with rhetorical devices (Leigh, 1994). For instance, the current Benson & Hedges Cigarette campaign uses the rhetorical figure, personification (Pullack, 1997), and was preceded with campaigns using other rhetorical figures, puns, and resonance. The long-running Absolute Vodka advertising campaigns are well known for their use of rhetorical figures.

From Aristotle up until the advent of modern social psychology, the discipline of rhetoric was the primary repository of Western thinking about persuasion (Barthes 1970/1988). The central concern of rhetoric has been method and manner: how to discover the most effective way to express a thought in a given context, and then how to alter its expression to suit different contexts. The many techniques catalogued by rhetoricians since antiquity (e.g., rhyme, antimetabole, pun, hyperbole) have remained largely unacknowledged, undifferentiated, and uninfluential in advertising theory. This article endeavours to adjust that neglect.

There are two reasons why consumer research needs to address the topic of rhetorical figures (also known as 'figures of speech'). First, newly available content analyses have demonstrated the pervasiveness of figuration in the language of advertising (Leigh 1994). Second, the paradigmatic ferment associated with the advent of postmodern (Sherry 1991), semiotic (Mick 1986), and text-based perspectives (Hirschman and Holbrook 1992) is conducive to a focus on rhetorical phenomena in advertising. Perhaps only now, when consumer researchers have at last permitted themselves to talk about meaning as well as information, interpretation as well as stimulation, can rhetorical phenomena be grasped and integrated into consumer research (McCracken 1987; Scott 1994).

The main aim of this article is to contribute a richer and more systematic conceptual understanding of rhetorical structure in advertising language. In contrast to previous analyses of rhetorical figures in consumer research that focused on isolated cases (e.g., rhetorical questions, Swasy and Munch 1985; puns, McQuarrie and Mick 1992), we provide a framework that integrates a wide range of figures appearing in advertisements.

2. Rhetorical structures in advertisements

Rhetoricians maintain that any proposition can be expressed in a variety of ways, and that in any given context one of these ways will be the most effective in swaying an audience. Therefore, when persuasion is the overriding goal, the rhetorical perspective suggests that the manner in which a statement is expressed may be more important than its propositional content. The promise of rhetoric is that there exists a system for discerning the most effective form of expression in any given situation. Hence, a rhetorical approach to advertising language will rest on three premises: 1) that variations in the style of advertising language, in particular the presence of rhetorical figures, can be expected to have crucial consequences for how the ad is processed; 2) that these consequences can in turn be

derived from the formal properties of the rhetorical figures themselves; and 3) that these formal properties are systematically interrelated.

2.1 Categorization of figures

Rhetorical figures were first identified and discussed over two thousand years ago in classical antiquity (Todorov 1982). Attempts to systematize the wealth of available figures are almost as old (Wenzel 1990). Modern attempts at systematization begin with Jakobson and Halle (1956) and Burke (1950), and culminate in the elaborate typologies of Dubois et al. (1970) and Durand (1987). Following are some of the ways to categorize figures:

Genres of rhetoric (Aristotle):

(Dixon 1971)

judicial rhetoric: oratory of the law courts; rhetoric of legal prosecution and defence

deliberative rhetoric: the audience is asked to judge an action in the future

epideictic rhetoric: praise or denunciation of an individual or institution

The parts of a speech:

(Götttert 1991)

exordium: introduction

narratio: description of circumstances

argumentatio: argumentative part, justification

peroratio: conclusion

Stages of Composition:

(Götttert 1991)

inventio: invention of ideas

dispositio: structuring of ideas

memoria: memorizing of speech

elocutio: verbal presentation of ideas

pronuntiatio: delivery of speech

Artistic modes of persuasion:

(Kennedy 1991)

Ethos: persuasion derived from the character of the speaker

Pathos: persuasion derived from the emotion awakened by a speaker in an audience

Logos: persuasion derived from true or probable argument

Functions of speech:

(Götttert 1991)

Movere: move the passions

Docere: teach

Delectare: delight

The styles of speech:

(Vickers 1988)

plain style: commonplace matters are to be discussed simply

grand style: lofty subjects are to be discussed impressively

middle style: topics between plain and grand style are to be discussed in a tempered style

From the perspective of advertising theory, previous attempts to systematize the set of rhetorical figures have all been handicapped by one or more of the following shortcomings: either the taxonomic categories are vague or too

coarse grained, or the categories are not linked to consumer responses, or the focus is on outcomes other than persuasion.

To overcome these limitations, McQuarrie and Mick (1996) proceeded on a dual front, on the one hand reading the literature on classical rhetoric, drawing on Corbett (1990), Leech (1969), and Vickers (1988) in particular, while on the other, immersing ourselves in a large sample of contemporary magazine ads.

2.2 *What is a rhetorical figure?*

A rhetorical figure has traditionally been defined as an artful deviation (Corbett 1990). A rhetorical figure occurs when an expression deviates from expectation, the expression is not rejected as nonsensical or faulty, the deviation occurs at the level of form rather than content, and the deviation conforms to a template that is invariant across a variety of content and contexts. This definition supplies the standard against which deviation is to be measured (i.e., expectations), sets a limit on the amount and kind of deviation (i.e., short of a mistake), locates the deviation at the level of the formal structure of a text, and imposes a grouping requirement (i.e., there are a limited number of templates, each with distinct characteristics).

In terms of speech act theory, every communication encounter sets up expectations as it proceeds, and more general expectations that hold across encounters function as conventions or constraints (Grice 1989). With respect to metaphor, for instance, listeners are aware of conventions with respect to the use of words, one of which might be formulated as, words are generally used to convey one of the lead meanings given in their dictionary entry. A metaphor violates that convention, as in this headline for Johnson & Johnson band-aids, "Say hello to your child's new bodyguards," accompanied by a picture of band-aids emblazoned with cartoon characters. In the dictionary, a bodyguard is a large, strong individual, often assigned to a celebrity or political figure for protection against violent assault; but in this context the ad is describing a band-aid decorated with imaginary beings. Sperber and Wilson (1986) contend that listeners know exactly what to do when a speaker violates a convention: they search for a context that will render the violation intelligible. If context permits an inference that the band-aid is particularly strong, or that the world inhabited by children is particularly threatening, then the consumer will achieve an understanding of the advertiser's statement. If the ad had said, "Say hello to your child's new Teddy bear," nonetheless, most consumers would have considerable difficulty. Nonsensical or anomalous statements represent a double violation or deviation of the second degree. In other words, consumers have available conventions about how to deal with violations of convention. If a search for context restores understanding, the consumer assumes a figurative usage and responds accordingly. Else, the consumer assumes some failure of communication.

As a deviation with respect to specific or general expectations, any figure carries at least one additional meaning beyond its immediate meaning (Genette 1982). When told that the band-aid is a bodyguard, the consumer both finds a translation supported by context - this band-aid is particularly strong, provides a greater degree of protection, will treat your child like a celebrity, etc. - and understands that the advertiser was unwilling to simply say "the band-aid is strong," or "the band-aid provides extra protection," or "your child is important." The implication is that none of these three paraphrases just given quite suffices to capture the advertiser's intent; in fact, that no single, univocal predication applied to the band-aid appears adequate to capture the advertiser's thought. Thus, the resort to a figure provokes the consumer to consider a variety of predications concerning the band-aid that will be consistent with the use of "bodyguard" and render it comprehensible in context (see Sperber and Wilson 1986: 231-237). In Genette's (1982) terms, every figure represents a gap. The figure both points to a translation (the impossibility in this context of translating "Say hello to your child's new Teddy bear" is the key to its incomprehensibility), and denies the adequacy of that translation, thus encouraging further interpretation.

Likewise, the advertisement "Thiên thần sắc đẹp của bạn" ("Your angel of beauty") from Angel beauty salon links the audience's cognition to the image of "angel", a symbol of beauty, and you will walk out of this beauty salon with the beauty of an angel. The image of "angel" also generates an imagination of an eternal beauty. The image of "magic" is metaphorized in the word "angel", implying that Angel beauty salon will magically "transform" you into a beauty as in fairy tales.

On the contrary, the ad of soya milk "Vfresh" does not refer to another object like "bodyguard" or "angel", but to the product itself: "Trái tim ơi, để chắc ai đó thật sự quan tâm đến bạn, hãy tìm tôi!" ("The heart, to ensure that person's care of you, please reach me!"). "I - Vfresh" is metaphorized as a guru of love, a friend who can share experience of love with you, a psychologist, or even a nutritionist or a cardiologist who brings your heart healthy beats, so that your sublimated soul and emotions can attract that person.

Deviation is used here in the neutral sense of a swerve or departure-a way of marking the text (Mukarovsky 1964; van Peer 1986). Like aesthetic objects generally (Berlyne 1971), a rhetorical figure provides a means for making

the familiar strange. Deviation, then, is a matter of creating what consumer researchers might call incongruity. A key contribution of rhetoric is to explain how certain kinds of text structure, i.e., rhetorical figures, can produce incongruity in advertising texts.

It is important to acknowledge that any particular figurative expression can deviate to a greater or lesser extent and thus be more or less incongruous (Leech 1969). This corollary applies at two levels: that of any individual figure (a particular occurrence of rhyme or metaphor, for instance), and at the aggregate level (some figures, such as puns, may in general involve a greater degree of deviation than others, such as alliteration). Moreover, if the deviation drops below some threshold then there is no longer a figure. This occurs, for example, in the case of metaphors that have become frozen or conventional: e.g., “Cho vẻ đẹp thăng hoa” (“Sublimating your beauty”) (Thai Tuan Textile Company). Since deviation may be temporally situated, what once was a figure need not always remain one. This example, together with the bodyguard metaphor, serves also as a reminder that rhetorical structure resides and operates within a complex web of sociocultural signs and meanings (Eco 1979; Mick 1986; Scott 1994a). Thus, frozen metaphors should be limited and fresh metaphors should be invented as in the ad of Yomost, “Hãy để cánh bướm Yomost nối nhịp yêu thương” (“Let the butterfly “Yomost” connect rhythms of love”), in which Yomost is metaphorized as a butterfly.

2.3 Figuration modes

These modes correspond to the classical distinction between schemes and tropes (Leech 1969). A figure in the schematic mode occurs when a text contains excessive order or regularity, while a figure in the tropic mode occurs when a text contains a deficiency of order or irregularities. Schemes and tropes thus encompass two distinct modes of formal deviation. Familiar examples of schematic figures would include rhyme and alliteration, while metaphors and puns would be familiar examples of tropic figures.

The deviations that constitute schemes and tropes respectively can be understood in part in terms of the linguistic distinction between combination and selection constraints (Leech 1969). A combination constraint limits how signs can be combined into sentences, while a selection constraint limits which signs can fill certain positions (subject, object, verb, etc.) in a sentence. Schemes can be understood as deviant combinations, as in the ad of Biti’s shoes:

<u>Bước chân</u> Long Quân xuống biển	Long Quan’s strides headed for the sea
<u>Bước chân</u> Âu Cơ lên non	Au Co’s strides headed for the mountain
<u>Bước chân</u> Tây Sơn thần tốc	Tay Son warriors made expeditious strides
<u>Bước chân</u> vượt dãy Trường Sơn	Vietnamese soldiers strode across the Truong Son range
<u>Bước chân</u> tiến vào thiên niên kỷ mới	Vietnamese folks have been striding in the new millenium
Biti’s – Nâng niu bàn chân Việt	Biti’s – Cherishes Vietnamese feet.

This ad is excessively regular due to its repetition of sounds and words. It violates the convention that sounds are generally irrelevant to the sense of an utterance, i.e., the expectation held by receivers that the distribution of sounds through an utterance will be essentially unordered except by the grammatical and semantic constraints required to make a well-formed sentence. Soundplay can be used to build up meaning in a wide variety of ways (Ross 1989; van Peer 1986).

Many tropes, particularly metaphors and puns effected in a single word, can be understood as deviant selections. Thus, in the advertisement of Thien Long fountain pen, “Viết nên cuộc sống” (“Write the life”), there is a figurative metaphor, because “viết” (write) does not belong to the set of verbs which can take as their object an abstract collective endeavor such as “cuộc sống” (the life). However, not all tropes are effected in a single word, so that tropes such as rhetorical question or paradox have to be explained with the aid of the more general semiotic distinction between under- and over-coded texts (Eco 1979). In overcoding there are more possible organizations of information than are necessary for message reception, while in undercoding, the readily available organizations of information are insufficient. Schemes thus fit a model of over-coding while tropes fit a model of under-coding.

Figuration modes and consumer response

Both the qualitative and quantitative distinctions between figuration modes have implications for consumer response. Taking up the qualitative distinction first, although both schematic ad language and tropic ad language should be more memorable than literal ad language, *ceteris paribus*, the underlying process will differ as follows. Because they are over-coded, schemes add internal redundancy to advertising messages. Repetition within a text can be expected to enhance recall just as repetition of the entire text does. For instance, a rhyme forges extra

phonemic links among the advertisement elements. When reading that "Max nhưng không mắc" ("Max, however, is not costly") (the advertisement of the detergent "Max"), the consumer has several encoding possibilities available, including the propositional content, the phonemic equivalence (Max = mắc). In terms of a spreading activation model these multiple encoding possibilities lead to multiple opportunities for subsequent retrieval of the headline (Mitchell 1983).

The memorability of tropes rests on a different mechanism. Because they are under-coded, tropes are incomplete in the sense of lacking closure. Tropes thus invite elaboration by the reader. For instance, consider the OMO ad with the headline "Thách thức mọi vết bẩn" ("Challenge all the stains"). "Stain" is unexpected as a selection from the set of things to challenge. Via reinterpretation, the first meaning, to challenge, takes on a more surgent quality, namely that OMO will help the consumer to defeat the stubborn stains. The second meaning, to enjoy, is also given an edge, so that it takes on the more triumphant quality of an achievement against obstacles. This tropic headline, whose resolution sets in motion a rich network of associations, may lead to multiple encodings and/or the strengthening of existing conceptual linkages in memory (involving, for example, OMO, washing pleasures, washing challenges, and personal needs for achievement). Thus, the additional cognitive activity expended in the reinterpretation increases the number of associative pathways stored in memory (Mitchell 1983).

2.4 Rhetorical operations

This level of the framework distinguishes simple from complex schemes and tropes to yield four rhetorical operations—repetition, reversal, substitution, destabilization.

Repetition

The rhetorical operation of repetition combines multiple instances of some element of the expression without changing the meaning of that element. In advertising we find repetition applied to sounds so as to create the figures of rhyme, chime, and alliteration or assonance. Repetition applied to words creates the figures known as anaphora (beginning words),

Mọi lúc, mọi nơi (Mobiphone)

(Everytime, everywhere)

epistrophe (ending words),

Môi xinh, hé nụ cười xinh (LipIce of Rohto-Mentholatum (Vietnam))

(Cute lips, giving cute smiles)

Repetition of the words in the middle of the phrases,

Hợp cho mẹ, tốt cho con (Dielac Mama powder milk of Vinamilk)

(Suitable for the mother, good for the child)

epanalepsis (beginning and ending),

Vi trí tuệ Việt, vi tương lai Việt (Nutifood)

(For Vietnamese intelligence, for Vietnamese future)

and anadiplosis (ending and beginning):

Xi măng Hà Tiên 1, một triết lý sống (Ha Tien Cement Company No. 1)

(Xi măng Hà Tiên 1, a unique philosophy of life)

Hãy luôn là 100%

Always 100%

100% sức sống

100% of vitality

100% thư giãn

100% of relaxation

100% minh mẫn

100% of intelligence (Vinamilk fresh milk)

Repetition applied to *phrase structure* yields the figure of parison, as in the subsequent advertisements:

Cho ngày nay, cho ngày mai, cho muôn đời sau (LiOA voltage stabilizer)

(For today, for tomorrow, forever)

Ở đâu có điện, ở đó có Điện Quang

(Where there is electricity, there is Dien Quang) (Dien Quang's light bulb)

A limiting condition is that repeated words not shift their meaning with each repetition (such a shift would create the trope known as antanaclasis, as in the ad of Ha Tien Cement Company No. 1:

Xi măng Hà Tiên 1, một triết lý sống

(Xi măng Hà Tiên 1, a unique philosophy of life)

In Le and Pham (2008)'s view, the above ad displays an impressive pun. The word "một" (one) is repeated, but "một" at the end of the first phrase is a quantifier combined with the phrase "Xi măng Hà Tiên" to constitute the firm name – a proper noun, whereas "một" in the remaining phrase has the implication of "unique": A "unique" philosophy of life comes from Ha Tien Cement Company No. 1 and its cement.

Reversal

The rhetorical operation of reversal combines within an expression elements that are mirror images of one another. A characteristic of a mirror image, of course, is that it repeats the original but in reverse. Consider this tagline for Bounce Fabric Softener: "Stops static before static stops you." In the first part, the noun "static" is the object of the verb "stops," while in the second part the noun "static" functions as a subject for the verb "stops." The classical literature applied the term antimetabole to figures of this type.

The Vietnamese language permits semantic as well as syntactic reversals, in the form of binary pairs where one term may be thought of as the reverse or opposite of the other: i.e., small/big, high/low, inside/outside. When a message structure includes both members of such a pair, the figure known as antithesis results, as in the subsequent advertisements:

Trong khỏe khoắn, ngoài tươi xinh

Health inside, Beauty outside (Vinamilk Probi yoghurt)

Từ những cú nhảy nhỏ, cậu bé đã chuẩn bị vươn tới thành tích lớn

With the small jumps, the little boy gets ready for the big achievements (Dutch Lady)

Substitution

The rhetorical operation of substitution selects an expression that requires an adjustment by the message recipient in order to grasp the intended content. Both of the tropic operations involve a turn such that an expression takes on an unexpected or unconventional meaning. Simple tropes produced by substitution have a tightly constrained resolution, while complex tropes produced by destabilization have a loosely constrained resolution. Because tropes of substitution have a single resolution, we can speak of the recipient applying a correction to what the communicator offers (Fogelin 1988). The adjustments required by tropes of substitution always take place along a dimension, or more generally within some kind of preestablished relationship. Three dimensions were pertinent to the analysis of our sample of advertisements: exaggerated/understated claims (e.g., hyperbole); absence/plenitude of expression elements (e.g., ellipsis); and strong/weak assertive force (e.g., rhetorical question).

Hyperbole results when a statement makes a claim that strictly speaking is impossible. Consider this ad for EGF technology: "Trở lại làn da tuổi 20" ("Bring your skin back to the age of 20"). Bringing the skin of old women back to the age of 20 is an exaggeration, and what the message recipient has to do in response to this hyperbole is perform a correction of the following sort: "Yes, EGF technology will make us become much younger than Collagen technology does since EGF has 53 peptides for the cell rejuvenating process whereas Collagen has merely three 3 peptides". Note that a requirement for hyperbole is that the claim made must be literally impossible.

The figure of ellipsis occurs when one substitutes a gap or lacuna for an explicit or complete statement, i.e., an empty place which the recipient corrects by filling in the blank (Garnham and Oakhill 1992). An example would be the advertisement "Bạn thay thế bóng đèn tròn bằng bóng tiết kiệm điện chưa? Nếu chưa thì hãy xem ...". ("Have you replaced light bulb with energy saving light? If not, please have a glance at ...").



“If not, please have a glance at ...”, so have a glance at what? Here the recipient has to fill in the blank with such a phrase as “please have a glance at the energy saving effect of Dien Quang light.”

Substitution can also occur along the dimension of strong or weak assertive force, by altering the manner in which a claim is asserted. Consider the rhetorical question in this ad for Friso Gold milk of Dutch Lady, "Bạn đã bảo vệ bé tốt chưa?" (“Have you protected your baby well?”). Instead of asserting a claim straight out, one supplies an interrogative phrasing, thus treating the claim as open to doubt, whereas the intent is for it to be taken as certain.

3. Conclusion

Understanding the structure and function of rhetorical figures in advertising requires a text- and reader-aware approach. In the absence of appropriate text-centered terminology (e.g., scheme, trope), and without access to the necessary conceptual tools (e.g., deviation), the longstanding and widespread use of rhetorical figures in advertising has simply been overlooked in consumer research. Text-centered approaches to advertising help to direct attention to the causal power that text structure may possess. The underlying assumption is that a rhetorical figure performs a function that makes a difference to how an ad is received. In fact, from the standpoint of text-centered approaches, a notable omission in historical models of advertising response is precisely the lack of a sophisticated system of categories for theorizing about executional aspects of advertising.

References

- Anand, Punam and Brian Sternthal. (1990). Ease of Message Processing as a Moderator of Repetition Effects in Advertising. *Journal of Marketing Research*, 27 (August), 345-353.
- Attridge, Derek. (1988). Unpacking the Portmanteau, or Who's Afraid of Finnegan's Wake. In *On Puns: The Foundation of Letters*, ed. Jonathan Culler, New York: Basil Blackwell, 140-155.
- Barthes, Roland. (1970/1988). *The Old Rhetoric: An Aide-Memoire*. In *The Semiotic Challenge*. tr. Richard Howard. New York: Hill and Wang.
- Berlyne, Daniel E. (1971), *Aesthetics and Psychobiology*. New York: Appleton.
- Burke, Kenneth. (1950). *A Rhetoric of Motives*. New York: Prentice Hall.
- Childers, Terry and Michael J. Houston. (1984). Conditions for a Picture Superiority Effect on Consumer Memory. *Journal of Consumer Research*, 11 (September), 643-654.
- Cohen, Jean. (1982). *A Theory of the Figure*. In *French Literary Theory Today: A Reader*. ed. T. Todorov, New York: Cambridge University Press.
- Corbett, Edward P. J. (1990). *Classical Rhetoric for the Modern Student*, 3rd ed. New York: Oxford University Press.
- Dixon, Peter. (1971). *Rhetoric*. London: Methuen.
- Dubois, J., F. Edeline, J. M. Klinkenberg, P. Minguet, F. Pire and H. Trinon. (1970). *A General Rhetoric*. Baltimore: Johns Hopkins.
- Durand, Jacques. (1987). *Rhetorical Figures in the Advertising Image*. In *Marketing and Semiotics: New Directions in the Study of Signs for Sale*, ed. Jean Umiker-Sebeok, New York: Mouton de Gruyter, 295-318.
- Eco, Umberto. (1979). *The Role of the Reader, Bloomington*. IN: Indiana University Press.
- Fogelin, Robert J. (1988). *Figuratively Speaking*. New Haven: Yale U Press.
- Garnham, Alan and Jane Oakhill. (1992). *Aberrant Ellipsis: Advertisers Do, But Why?* In *English Today*, 8 (1), 37-40.
- Genette, Gerard. (1982). *Figures of Literary Discourse*, tr. Alan Sheridan. New York: Columbia UP.

- Götttert, Karl-Heinz. (1991). *Einführung in die Rhetorik*. München: Fink.
- Greenwald, Anthony G. and Clark Leavitt. (1984). Audience Involvement in Advertising: Four Levels. *Journal of Consumer Research*, 11 (June), 581-592.
- Grice, Herbert P. (1989). *Studies in the Way of Words*. Cambridge, MA: Harvard University Press.
- Hirschman, Elizabeth C. and Morris B. Holbrook. (1992). Postmodern Consumer Research: The Study of Consumption as Text, Newbury Park, CA: Sage.
- Jakobson, Roman and Morris Halle (1956). *Fundamentals of Language*, The Hague: Mouton.
- Kennedy, George A. (1991). *Aristotle: On Rhetoric- A Theory of Civic Discourse*. New York: Oxford University Press.
- Le, T.T., & Pham, T.M.K. (2008). Phép lặp từ vựng trong quảng cáo tiếng Anh và tiếng Việt. Tạp chí Khoa học và Công nghệ, Đại học Đà Nẵng, Số 4(27).
- Leech, Geoffrey N. (1969). *A Linguistic Guide to English Poetry*. London: Longman.
- Leigh, James H. (1994). The Use of Figures of Speech in Print Ad Headlines. *Journal of Advertising*, 23(June), 17-34.
- McCracken, Grant. (1987). *Advertising: Meaning or Information?* In Advances in Consumer Research, Vol. 14, eds. Melanie Wallendorf and Paul Anderson, Provo, UT: Association for Consumer Research, 121-124.
- McQuarrie, Edward F. and David Glen Mick. (1992). On Resonance: A Critical Pluralistic Inquiry into Advertising Rhetoric. *Journal of Consumer Research*, 19 (September), 180-197.
- McQuarrie, Edward F. and David Glen Mick. (1996). Figures of Rhetoric in Advertising Language. *Journal of Consumer Research*, March 1996.
- Mick, David Glen. (1986). Consumer Research and Semiotics: Exploring the Morphology of Signs, Symbols and Significance. *Journal of Consumer Research*, 13 (September), 196-214.
- Mitchell, Andrew A. (1983). Cognitive Processes Initiated by Exposure to Advertising. In Information Processing Research in Advertising, ed. Richard J. Harris, Hillsdale, NJ: Lawrence Erlbaum, 13-42.
- Mukarovsky, Jan. (1964). *Standard Language and Poetic Language*. In A Prague School Reader on Esthetics, Literary Structure, and Style, ed. Paul L. Garvin, Washington, D. C.: Georgetown University Press.
- Peer, Willie van. (1986). *Stylistics and Psychology: Investigations on Foregrounding*, London: Croom Helm.
- Pollio, Howard R., Michael K. Smith and Marilyn R. Pollio. (1990). Figurative Language and Cognitive Psychology. *Language and Cognitive Processes*, 5 (2), 141-167.
- Pullack, J. (1997). Anthropomorphic Cigs Stars in Ads for Benson & Hedges. *Advertising Age*, April 14.
- Redfern, Walter. (1985). *Puns*. New York: Basil Blackwell.
- Ross, Haj. (1991). *Fog Cat Fog*. In Cognition and the Symbolic Processes: Applied and Ecological Perspectives, eds. Robert R. Hoffman and David S. Palermo, Hillsdale, NJ: Lawrence Erlbaum, 187-205.
- Scott, Linda M. (1994a). The Bridge from Text to Mind: Adapting Reader Response Theory to Consumer Research. *Journal of Consumer Research*, 21(December), 461-480.
- Sherry, John F. (1991). *Postmodern Alternatives: The Interpretive Turn in Consumer Research*. In Handbook of Consumer Behavior, eds. T. Robertson and H. Kassarian, Englewood Cliffs, NJ: Prentice-Hall, 548-591.
- Sperber, Dan and Deidre Wilson. (1986). *Relevance: Communication and Cognition*. Cambridge: Harvard University Press.
- Swasy, John L. and James M. Munch. (1985). Examining the Target of Receiver Elaborations: Rhetorical Question Effects on Source Processing and Persuasion. *Journal of Consumer Research*, 11 (March), 877-886.
- Tanaka, Keiko (1992). *The Pun in Advertising: A Pragmatic Approach*. *Lingua*, 87, 91-102.
- Todorov, Tzvetan. (1982). *Theories of the Symbol*. Ithaca, NY: Cornell U Press.
- Vickers, Brian. (1988). *In Defence of Rhetoric*. New York: Oxford University Press.
- Wenzel, Peter. (1990). *Rhetoric and Semiotics*. In Semiotics in the Individual Sciences, Vol. 2, Walter A. Koch, ed., Bochum: Brockmeyer Press, 558-551.

Gender Discourse Analysis on Intergender Miscommunication between Carrie and Big in *Sex and the City* (2008)

Wensi Xue

School of Foreign Languages of Shaanxi Normal University

Xi'an 710062, China

E-mail: diana1985xue@sina.com

Abstract

Misunderstanding between men and women in intergender communication is quite common in daily life, which usually leads to an embarrassing situation. The purpose for this paper is to analyze typical gender discourses on misunderstandings between the hero and the heroine, and the potential sources of intergender miscommunication.

Keywords: Misunderstanding, Intergender communication, Gender discourses, Intergender miscommunication

1. Introduction

Day-to-day communication take place everywhere in our social life, but “language is ambiguous by nature” (Levinson, 1990) and “because of different assumptions they make as regards the purposes or goals of their communication” (Tannen, 1990a), miscommunication as well. And as the starring role playing in human beings’ society, men and women will be the target of our study what we call gender discourse analysis, and intergender miscommunication analysis in specific. In this paper, three typical discourses extracted from movie dialogues in *Sex and the City* (2008) between the hero (Big) and the heroine (Carrie) will be analyzed on misunderstandings of specific words and the potential sources of intergender miscommunication in two aspects: differences in interpretive frames and social roles between men and women.

2. Gender Discourse Analysis on Intergender Miscommunication between Carrie and Big

Sex and the City is a 2008 American romantic comedy movie about four female friends: Carrie Bradshaw, Samantha Jones, Charlotte York Goldenblatt, and Miranda Hobbes, dealing with their lives as forty-something year olds in New York City. It portrays frank discussions about romance and sexuality. Therefore, it is clear that this movie targeted at men and women will be a typical one to study gender discourse. Specifically, we may see a segment of a whole gender discourse system by analyzing intergender miscommunication between Carrie and Big through their typical dialogues.

2.1 Story Summary and Typical Discourses

After deciding to move in together in a penthouse in Manhattan, Carrie and Big make a rather arbitrary decision to get married. The wedding itself proves to be a hasty affair—Carrie is given a Vivienne Westwood wedding gown after modeling it for a photo shoot in *Vogue* about marriage of women in their 40—the guest list quickly blooms from 75 to 200, and her label-less wedding dress gives way to that fancy gown. Big begins to experience doubts on such a lavish event.

She: Okay, wedding crunch time. We need to get really serious here.

He: Okay, not now. I just get an e-mail from our contractor. He’s pushed the move-in date yet again. I gotta write this guy and...

She: No, no, no, no. Wedding before contractor, all right? Unless you’re planning to invite him which would make the guest list 201.

He: 200? Jesus, Carrie, it went up again?

She: It’s the dress.

He: You said 75 people.

She: How can I explain this? Look... you play poker, right? Well, the dress upped the ante. (Big sighs.) How you doing on your vows? Now just to remind you. You’ll be saying these in front of a lot of people, so the pressure is really on.

He: Hey, I don't have time for this.

She: You're not taking it seriously.

He: No, no, I'm not. It is a circus. 200 people? Page 6? This is my third marriage. How do you think that makes me look?

She: I didn't know that was even an issue. So why didn't you say anything sooner?

He: You wanted all of this.

She: Well, yeah. But don't you want...?

He: I want you. That's what I want. I could have just gone down to city hall.

On the eve of the big day, in the rehearsal dinner, the upset Miranda whose husband Steve has cheated on her once tells Big that marriage ruins everything. With a complicated mood, Big calls Carrie at the all-gal sleepover night.

She: Hello.

He: Hello. It's me. I need to talk. I'm sitting here trying to write these vows and... Is this something we really wanna do?

She: What's the matter?

He: It's just... everything is great as it is. I don't wanna screw it up.

She: You won't.

He: I screwed it up twice before.

She: Here is the thing. This is me you're marrying tomorrow. Me. It's nobody else.

He: Yeah?

She: And I'm marrying you. It's me and you. And do you wanna hear the great news there?

He: Yeah.

She: We've both already done everything we can to screw it up. (Big forces a smile) Is that a smile I'm hearing?

He: Yeah.

She: It sounds to me like... you've got a bit of writer's block on the vow front.

He: Yeah.

She: And I find, you know, as a professional writer that it's best to just, you know just stop thinking about it so much and go to bed. And in the morning...

He: You'll know what to do.

She: Exactly. And if not then... Just write this: I will love you. Simple, to the point and I swear I won't even try to take credit for it. So you're gonna go to bed now, right?

He: Okay. Good-night.

She: I'll see you tomorrow. And hey... It's me and you.

On the day of the ceremony, Big doesn't show his face. Carrie calls him in a fluster.

He: Hello.

She: Are you okay?

He: I've been calling for an hour. Why haven't you been answering the phone?

She: Because I don't know where my phone is! So, what's going on? Where are you?

He: I was out front. I just left. I can't do this.

She: Oh my god...

He: Carrie? Carrie?

Then the humiliated Carrie flees the wedding and furiously attacks Big with her bouquet when he realizes he is screwing up Carrie's dream and changes mind. Well, what are the problems? Actually, misunderstandings in intergender miscommunication are the point.

2.2 Analysis on Misunderstandings between Carrie and Big in the Dialogues

Both Carrie and Big feel confused and frustrated in three dialogues by mixing up two major things: wedding and marriage.

In the 1st one, he says: “I don’t have time for this.” For his part, “this” means the vows she mentioned before. The surface meaning for it means he is busy in their contractor and has no time to write the vows. In fact, he uses it as an excuse to avoid the vows. What he really want to say is “I don’t wanna write this stuff even say them in the public.” For Carrie, no vows no wedding—sincere vows symbolize the strength of their relationship—she responds: “You are not taking it seriously.” She actually complains that “You are not seriously taking our wedding (even the fact you will marry me).” That’s why she asks him: “So why didn’t you say anything sooner?” She thinks that he doesn’t really want to marry her before the hasty decision. However, he is still talking about the vows and the lavish wedding as he answers: “You wanted all of this.” She misunderstands “this” as “getting married” this time, so she doubts if he really wants to marry her. He tells her: “I want you. That’s what I want. I could have just gone down to city hall.” Now, we have no doubts about his marriage motivation—he just hopes it can be in a simple way.

In the 2nd one, he says: “I’m sitting here trying to write these vows and... Is this something we really wanna do?” “This” here for him still means the vows in 200 –guest wedding, but her doubts come out again after hearing this. He explains that everything is great as it is and he doesn’t want to screw it up. He intends to tell her that he doesn’t want to screw up the perfect wedding as she plans so far and to let her down because of his unwillingness to say the vows in public, so he drops a hint that she would better cancel the plan. However, she misunderstands his words as that his doing not very well in the vows may screw up the perfect wedding. That’s why she comforts him by saying “You won’t.” Then he says: “I screwed it up twice before.” He tries to indicate that he has vowed twice during his last two weddings but neither of them has been realized. “It” here still means the vows, but she takes it as “marriage” another time. She then emphasizes that “This is me you’re marrying tomorrow. Me. It’s nobody else.” —in order to tell him that his two divorcements due to marrying some other women not her, but this time tragedies won’t happen because of the bride herself. Moreover, she emphasizes twice “It’s me and you” which means marriage relationship between Big and herself for her part but the number of people to attend the wedding for his part. And the biggest misunderstanding for Carrie to Big is that she believes that his problem is writer’s block on the vows, but the real one lies in saying vows in the lavish wedding.

In the 3rd one, misunderstanding continues in the same way and even worse. She confirms her doubt that he doesn’t really want to marry her and scares to face her at the very moment, although he does want to marry her but just in a different way by saying: “I can’t do this”—only means “I have no courage to say the vows in front of 200 people.”

2.3 Analysis on Potential Sources of Intergender Miscommunication between Carrie and Big

Carrie and Big in discourses above approach the same situation but misunderstand each other in different ways, mainly because “men and women have different interpretive frames and this leads them to draw the wrong inferences from language which in another situation would be quite clear and unambiguous. (Scollon, 2000)” Furthermore, the different roles men and women are playing in the society should also be taken into consideration. Two aspects of potential sources of intergender miscommunication between Carrie and Big will be discussed as follows:

2.3.1 Differences in Interpretive Frames between Men and Women

According to Tannen (1990a), there are 9 closely related dimensions that men and women tend to form different interpretive frames, they are:

1. intimacy-independence;
2. connection-status;
3. inclusive-exclusive;
4. relationship-information;
5. rapport-report;
6. community-contest;
7. problems-solutions;
8. novice-expect;

9. listening-lecturing.

To meet the needs, we will mainly discuss two of them:

2.3.1.1 Problems—Solutions

One of the reasons of intergender miscommunication between Carrie and Big due to the misunderstanding on the vows (extend to the wedding) and their marriage. As the 1st and the 2nd discourse present that Big doesn't want to write and say vows in the wedding and he rings her up to express himself in an indirect way, but what he does is just in vain—she adopts what Tannen (1990a) calls “troubles talk”, the discussion of problems.

The reason why Carrie and Big take this different position is because “women tend to respond to hearing of someone else's problems by telling of their own problems. This indicates that they understand the situation the other person is in and that they feel sympathetic; men, in contrast, are more likely to take it as a request for help and to offer a solution, however pointless the solution might be. (Scollon, 2000)” The real purpose for Big is to get rid of the vows, but because of miscommunication she just shares her own feelings about dealing with such problem (writer's block) but no possible solutions as he wants. Therefore, when Big brings up his problem with Carrie, he is looking for some active discussion of possible solutions rather than a sympathetic ear and “troubles talk”. “If she keeps doing that, they will never get anywhere in their discussion. He sooner or later gives up, thinking that she is illogical and cannot keep her mind on the subject, his subject. (Scollon, 2000)” In this situation, Big gives up at last to avoid hurting Carrie.

2.3.1.2 Relationship—Information

Another misunderstanding between Carrie and Big lies in her sentence—“It's me and you” which Carrie speaks twice. It emphasizes marriage relationship between Big and herself for her part, but the number of people to attend their wedding in his part.

Generally, because “women are concerned with intimacy, connection, and inclusion, they will tend to focus more attention on the use of language as a way of communicating relationships. Men, on the other hand, because of their focus on independence, status, and exclusion, will favor the informational functioning of language. (Scollon, 2000)” As a result, women tend to focus more on relationships than men, who tend to direct their attention to information. That's why Big responds: “Yeah?” in a doubtful tone when Carrie says: “Me. It's nobody else.”—for Big however, the fact is not really just “me and you” as the information conveys.

2.3.2 Differences in Social Roles between Men and Women

The Scollons (2000) displays that “not only do men and women work within very different interpretive frames of discourse in the home, but in professional communication those different ways of seeing the world are a major source of miscommunication, to the frustration and loss of everyone involved in them.” Now it seems that professions or we may extend this to roles men and women are playing in the society should also be considered on this subject. Particularly, two dimensions of roles for Carrie and Big are discussed below:

2.3.2.1 “The Last Single Girl” —Mr. Big in His Third Wedding

Carrie is in her 40 when they decide to get married after 10-year hanging out. She is given a miserable name as “the ultimate single girl” in the newspaper or “the last single girl” in *Vogue's* special edition on marriage of women in their 40. Big, in contrast, is Mr. Big in his 3rd wedding. Different roles result in different expectations. Therefore, Carrie has a thirst for marriage to end her loneliness for one reason, and for another, the most crucial thing is that without marriage she would have no legal rights to their penthouse in the event of a separation. As a result, a lavish wedding by all her own means is created. However, Big scares to behave as what Carrie expects for he would be teased like a clown in circus saying his 3rd vows in front of 200 guests.

2.3.2.2 A Best-Selling Writer—A New York Financier

Carrie is a best-selling writer on themes of love—the sensational news about her happy ending comes around with legs—carried on the Page 6 and photographed for *Vogue*. Big, John James Preston actually, being called Big by Carrie's friends is because he is a real Mr. Big of financial area in New York City. Both of them have high status in the society. Consequently, Carrie believes that her photo shoot in *Vogue* and the wedding gown given by Vivienne Westwood deserve a perfect wedding, and the worst thing is that the whole world has known that Carrie Bradshaw is kissing good-bye to her single years. A failure in wedding (as important as marriage for her) would be a failure in reputation, that's why she is terribly anxious about her marriage and it leads to misunderstandings as a result. For the Mr. Big, the embarrassing behavior in the lavish wedding would be a threat for his status, so it is reasonable for his unwillingness to risk being teased in his 3rd wedding by 200 people, or even more.

3. Conclusion

Now we can draw a conclusion that the discourse of men and women does form two systems that are in many ways distinct from each other by which intergender miscommunication occurs inevitably. However, correctly learning and objectively analyzing gender discourses on differences between men and women would be an effective way to reduce misunderstandings and increase understandings in intergender communication. Furthermore, no matter what types of communication and how complicated they are, trying to put oneself in others' place to realize what he or she is feeling and trying to do would always work.

References

Levinson, Stephen C. (1990). *Interactional biases in human thinking*. Working Paper No. 3, Project Group Cognitive Anthropology, Max-Planck-Gesellschaft, Berlin.

Scollon, Ron and Suzanne Wong Scollon. (2000). *Intercultural Communication: A Discourse Approach*. Beijing: Foreign Language Teaching and Research Press. Oxford: Blackwell Publishers Ltd. 6, 229-237.

Tannen, Deborah. (1990a). *You Just Don't Understand: women and men in conversation*. New York: William Morrow.

Wikipedia: *Sex and the City (film)*. [Online] Available: http://en.wikipedia.org/wiki/Sex_and_the_City_ (film) (July, 1st, 2010).

University Teachers' Job Satisfaction in the North West Frontier Province of Pakistan

Dr. Safdar Rehman Ghazi (Corresponding author)

Assistant Professor

Institute of Education and Research

University of Science and Technology, Bannu, (NWFP) Pakistan

Tel: 92-0928-621-101 E-mail: drsrghazi@yahoo.com

Dr. Riasat Ali

Acting Director

Institute of Education and Research

University of Science and Technology, Bannu, (NWFP) Pakistan

Tel: 92-0928-621-101 E-mail: drriasatali@yahoo.com

Gulap Shahzada

Lecturer

Institute of Education and Research

University of Science and Technology, Bannu, (NWFP) Pakistan

Tel: 92-0928-621-101 E-mail: Gulap_786@yahoo.com

Muhammad Israr

M.Phil (Education) Scholar

Institute of Education and Research

University of Science and Technology, Bannu, (NWFP) Pakistan

E-mail: israr1972@yahoo.com

Abstract

The major purpose of this study was to explore the level of job satisfaction of university teachers in the North West Frontier Province of Pakistan. The objectives of the study were: to assess the general satisfaction level of university teachers, to determine university teachers' satisfaction level for each of the twenty dimensions of the job, and to give suggestions to improve university teachers' job satisfaction level. All the university teachers working in North West Frontier Province of Pakistan constituted the population of this study. A sample of 108 university teachers was drawn from this population. A questionnaire following the theoretical framework of Herzberg's two factor theory was developed. The findings show that university teachers were generally satisfied with their jobs. However teachers were neutral with dimensions: working conditions, organizational policies and practices, recognition, supervision technical and promotion opportunities. The teachers were satisfied with work variety, creativity, moral values, compensation, work itself, colleagues' cooperation, responsibility, ability utilization, authority, activity, social status, job security, achievement and students' interaction. Provision of sufficient fund to universities for the availability of modern tools, scholarly publications, properly equipped libraries and laboratories is recommended. It is also needed to provide instructional technology i.e., video cassettes, computer technology, project and transparencies and other modern gadgets in the classrooms. Teachers are not consulted in academic matter which causes distrust and frustration. Their participation in decision making, revision of curricula, and other academic matters must be ensured. A formal strategy needs to be put in

place to address teacher's needs while stressing and encouraging accountability and initiatives. A distinction is needed to be made between the efficient workers and shirk workers. The system of rewards should be introduced to encourage the teachers with better performance. Refresher courses, seminars and training workshops must be arranged for university teachers to keep them abreast with the contemporary teaching techniques and research skills. They should be properly trained in the development and proper use of A.V aids.

Keywords: Satisfaction, Job satisfaction, Teacher satisfaction, Faculty satisfaction, Facet-specific job satisfaction, Job dimensions, Job facets

1. INTRODUCTION

Faculty who are satisfied with their jobs may discharge their responsibilities well, take interest in their job and strive for the promotion of their organization. Faculty who are not satisfied from their jobs, may experience periods of low satisfaction from which they rebound, and it causes personal stress, physical ailment, and interpersonal conflict. As a result of dissatisfaction performance of the institution can be badly affected. The levels of employee job satisfaction have strong impact on organizations.

Every organization has four most important elements man, money, method and material out of these the single most important element is human being. This operates the other three in such a way that the organization may achieve its goals.

With emergence of private sector universities, the demand for talented teachers has been increased and universities are now constantly looking for talented teachers and willing to pay them very attractive compensation packages. This is likely to make it harder for the public sector universities to retain their academic staff. Because of these changes in the Pakistani education sector, universities will have to work hard to create an environment that would enable them to attract new faculty and retain their best teachers.

Teachers who are satisfied with their respective institutions are more likely not only to remain with institutions but are also likely to be better performers than dissatisfied teachers. Moreover, job dissatisfaction among teachers, especially when good teachers quit, can have high cost and complications for the education system. This is because good quality teachers take with them their researches, teaching skills and experience. Other cost includes the time involved in recruitment, selection and training of new faculty, advertising expenses and increased workload for the existing faculty. As university teachers have contribution in improving higher education, their satisfaction needs to be assessed.

Job satisfaction is positive pleasurable emotional reaction to a person's job experience (Milkrich and Boudreau, 1988). According to Ramayah (2001) job satisfaction explains what makes people want to come to work and makes them happy about their job or not to quite their jobs. Locke (1976) defined job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Davis (1981) defined job satisfaction as "the favorableness or unfavorableness with which employees view their work". Similarly, Dawis and Lofquist (1984) defined job satisfaction as "a pleasurable effective condition resulting from one's appraisal of the way in which the experienced job situation meets one's needs, values, and expectations". This is similar to other definitions where job satisfaction is viewed as the degree of an employee's affective orientation toward the work roles. Significantly, Balzer et al. (1990) defined job satisfaction slightly differently, as "the feelings a worker has about his or her experiences in relation to previous experiences, current expectations, or available alternatives". Generally, most researchers think that job satisfaction could be fundamentally the result of effective behavior management. It is clear that high satisfaction and morale on the part of university personnel are generally viewed as desirable goals for University. A satisfied employee, with high morale, is likely to get along better than other employees, will be more accepting of management's directives, will be more committed to achieving organizational goals, and consequently will be more productive.

Therefore, job dissatisfaction may merely be a temporary state from which faculty naturally recovers (Lesht, 1983). Stevens (1995) built upon the theory that job satisfaction is temporal and fluctuates over time with changes in the needs of the worker. He suggested that changes in job satisfaction occur in four stages: exploration, advancement, maintenance, and decline. The exploration stage takes place early in a new position. During this stage of job satisfaction, the employee exhibits a high level of enthusiasm, and a lot of energy is spent on the job. During the next stage of job satisfaction, the advancement stage, contacts are developed, professional relationships are formed, the difficulty level of the work performed increases, the desire to organize change arises, enhancement of occupational skills is sought, and feedback from others is requested. The maintenance stage is more complex and confusing in that an employee reorganizes personal values and priorities stages. In the final stage, decline of satisfaction, the levels of job performance, morale, and self-esteem can

decline. However, decline can be prevented or reversed through identification and evaluation of factors-which contribute to job dissatisfaction-and through personal and job enrichment (Stevens, 1995).

Two-factor theory proposes that job satisfaction and dissatisfaction are in fact two separate dimensions of job. Job satisfaction is seen as running along with a continuum anchored from job neutral (neither job satisfied nor dissatisfied) to job satisfied. According to Herzberg (1959) people have two different categories of needs that are essentially independent of each other and effect behaviors in different ways. He found that when people felt dissatisfied with their jobs, they were concerned about environment in which they were working. On the other hand when people felt good about their jobs, this had to do with the work itself. Herzberg called the first category of needs hygiene's or maintenance factor, hygiene because they describe people environment and serve the primary function of preventing job dissatisfaction. Maintenance because they are not completely satisfied, they have to continue to be maintained, Herzberg called second category of needs motivators since they seem to be effective in motivating people.

2. STATEMENT OF THE PROBLEM

The major purpose of the study was to explore the job satisfaction level of university teachers in public sector universities of the North West Frontier Province, Pakistan.

3. SIGNIFICANCE OF THE STUDY

It is an accepted reality that the only road leading to all sorts of national development passes through the area of education. One can't name even a single profession where the role of education can be undermined. If education is viewed as the backbone and energizing force for the national progress then the exalted and pivotal position of the teacher cannot be ignored as she/he has been assigned the responsibility of educating the future generation. If teachers feel satisfaction, they will be in position to cope with the educational objectives in successful manner. It is, therefore, needed to study their aspect of job satisfaction particularly at higher level which is a transitional stage for the development of the society.

4. OBJECTIVES OF THE STUDY

The study was conducted with the following objectives:

1. To assess the general job satisfaction level of university teachers.
2. To determine university teachers satisfaction level for each of the twenty dimensions of the job.
3. To give suggestions to maintain or improve university teachers job satisfaction level.

5. RESEARCH PROCEDURE

All teachers of public sector universities of the North West Frontier Province of Pakistan constituted the population from which a sample of 108 teachers was drawn using purely random procedures. A questionnaire on five point "Very Satisfied, Satisfied, Neutral, Dissatisfied, Very Dissatisfied" following the Herzberg's theoretical framework, was developed. The questionnaire was consisted of twenty items those measured twenty dimensions of job. The researcher administered the questionnaires personally. The collected data were entered in SPSS 16 and were analyzed using descriptive statistical methods Mean and Standard Deviation. The calculated mean scores for each of the twenty dimensions was ranked from the lowest mean to the highest mean as shown in Table 1. To elicit findings and conclusions the following scale was applied to this study:

1.00-1.50 = "Very Dissatisfied"

1.51- 2.50 = "Dissatisfied"

2.51-3.50 = "Neutral"

3.51-4.50 = "Satisfied"

4.51-5.00 = "Very Satisfied"

6. CONCLUSIONS

- 1- The university teachers were generally satisfied with their university jobs.
- 2- Teachers were neutral with the job dimensions working conditions, organizational policies and practices, recognition, supervision technical and promotion opportunities of their universities.
- 3- For the fifteen dimensions of the job: independence, work variety, creativity, moral values, compensation, work itself, colleagues cooperation, responsibility, ability utilization, authority, activity, social status, job security, achievement and students interaction, the teacher were "Satisfied"

7. RECOMMENDATIONS

- 1- Provision of sufficient funds to universities for the availability of modern tools, scholarly publications, properly equipped libraries and laboratories. It is also needed to provide instructional technology i.e., video cassettes, computer technology, project and transparencies and other modern gadgets in the classrooms.
- 2- Teachers are not consulted in academic matters which cause distrust and frustration. Their participation in decision making, revision of curricula, and other academic matters must be ensured.
- 3- A formal strategy needs to be put in place to address teacher's needs while stressing and encouraging accountability and initiatives.
- 4- A distinction is needed to be made between the efficient workers and shirk workers. The system of reward should be introduced to encourage the teachers with better performance.
- 5- Refresher courses, seminars and training workshops must be arranged for university teachers to keep them abreast with the contemporary skills and techniques as well as teaching and research. They should be properly trained in the development and proper use of A.V aids.

References

- Balzer, W. K., et al. (1990). *Users' manual for the Job Descriptive Index (JDI) and the Job in General (JIG) Scales*. Bowling Green, OH: Bowling Green State University
- Davis, F. W. (1981). Job Satisfaction and Stress. *Journal of Physical Education, Recreation, and Dance*, 52, pp.37-38.
- Dawis, R. V. & Lofquist, L. H. (1984). *A Psychological Theory of Work Adjustment: An Individual-Differences Model and its Applicants*. Minneapolis: University of Minnesota Press.
- Herzberg, F., Mausner, B, and Snyderman, B. B. (1959). *The Motivation to Work*. New York: John Wiley and Sons, Inc.
- Lesht, F. L. (1983). Motivation and the Community College Instructor. *Journal of Studies in Technical Career*, 5(1), pp.11-18.
- Locke, E.A. (1976). The Nature and Causes of Job Satisfaction. *Handbook of Industrial and Organizational Psychology*. Ed. Marvin Dunnette. Chicago: Rand McNally, 1297-1350.
- Stevens, P. (1995). *Beating Job Burnout*. Lincolnwood, IL: VGM Career Horizons.

Table 1. Rank order of mean scores on twenty dimensions of job satisfaction

Dimension of Job	N	M	SD
Working Conditions	108	3.02	1.26
Organizational Policies and Practices	108	3.03	1.05
Recognition	108	3.26	1.17
Supervision Technical	108	3.37	1.02
Promotion Opportunities	108	3.40	1.15
Independence	108	3.51	1.15
Work Variety	108	3.59	0.97
Creativity	108	3.67	0.95
Moral Values	108	3.70	0.85
Compensation	108	3.71	1.19
Work Itself	108	3.76	1.04
Colleagues Cooperation	108	3.84	1.02
Responsibility	108	3.85	0.96
Ability Utilization	108	3.87	0.98
Authority	108	3.87	0.95
Activity	108	3.94	0.99
Social Status	108	3.94	1.00
Job Security	108	3.96	1.14
Achievement	108	3.99	0.90
Students Interaction	108	4.29	0.76
Overall Satisfaction		3.42	1.32

Table 1 shows that generally the teachers were "Satisfied" with their university jobs with $M=3.42$ and $SD=1.32$. University teachers for the five dimensions of job: working conditions, organizational policies and practices, recognition, supervision technical and promotion opportunities were found "Neutral" with $M=3.02$, $SD=1.26$, $M=3.03$, $SD=1.05$, $M=3.26$, $SD=1.17$, $M=3.37$, $SD=1.02$ and $M=3.40$, $SD=1.15$ respectively. For the remaining fifteen dimensions of the job: independence, work variety, creativity, moral values, compensation, work itself, colleagues cooperation, responsibility, ability utilization, authority, activity, social status, job security, achievement and students interaction, the teacher were "Satisfied" with $M=3.51$, $SD=1.15$, $M=3.59$, $SD=0.97$, $M=3.67$, $SD=0.95$, $M=3.70$, $SD=0.85$, $M=3.71$, $SD=1.19$, $M=3.76$, $SD=1.04$, $M=3.84$, $SD=1.02$, $M=3.85$, $SD=0.96$, $M=3.87$, $SD=0.98$, $M=3.87$, $SD=0.95$, $M=3.94$, $SD=0.99$, $M=3.94$, $SD=1.00$, $M=3.96$, $SD=1.14$, $M=3.99$, $SD=0.90$, and $M=4.29$, $SD=0.76$ respectively.

On Enterprise Pre-Tax Deduction Ways for Charitable Donations

Kexin Zheng & Juan Zhang

School of Economics and Management, Changchun University of Science and Technology

Changchun 130022, China

E-mail: zhengkexin830@163.com

Abstract

The Law of the People's Republic of China on Enterprise Income Tax regulates that in relation to the expenses from charitable donations incurred by Enterprises, the portion within 12% of the total annual profit may be deducted from the taxable income. The application of this Article is helpful for simplifying the calculation of enterprise income tax and encouraging tax-payers to engage in charitable donations. However, there is some problems and defects in practice. In this paper, by means of comparative analyses, authors explore the contradiction between the calculation of deduction limits for donations based on total annual profits and the principle of enterprise income tax calculation, together with the absence of rationality in operation, and further argue some new thoughts for improving the pre-tax deduction of charitable donations.

Keywords: Total annual profits, Taxable income, Charitable donations

The Law of the People's Republic of China on Enterprise Income Tax regulates: in relation to the expenses from charitable donations incurred by Enterprises, the portion within 12% of the total annual profit may be deducted from the taxable income. Here, the total annual profits mean the annual accounting profits in accordance with the provisions in *National General Accounting System*.

Compared with former *Interim Regulations on Enterprise Income Tax*, the new tax law concerns two changes in enterprise pre-tax deduction for charitable donations.

Firstly, the tax base of calculating pre-tax deduction for charitable donations changes from taxable income to total annual profits. The former regulations that take taxable income as tax base are confronted with disagreement in understanding and contradiction in operation, in calculating the deduction limits donations. Taking total annual profits as the tax base can get rid of defects, making policies more operational.

Secondly, the deduction ratio rises from 3% to 12%. The rise of ratio, on one hand, reduces the tax burden of expenses from charitable donations incurred by enterprise, which can positively motivate enterprise's enthusiasm for charitable donations. On the other hand, the rise of ratio reflects the progress of tax law of China in meeting international standards.

However, in practicing the new Article of the charitable donation deduction, some contradictions and problems wait for resolutions in taking total annual profits as the tax base.

First of all, taking total annual profits as the tax base for calculating the pre-tax deduction of charitable donations violates the calculation principles of enterprise income tax.

Total annual profits and taxable income are two different concepts. Total profits, as an accounting concept, represent enterprise's financial fruits in production and operation during certain period in accordance with the provisions of financial accounting system. Taxable income, as a tax concept, is the tax base in accordance with the provisions in enterprise income tax law. Due to different calculations, the two have differences, namely tax adjustments. Use the limits calculated by total annual profits offset taxable income, which violates the relevance principle of calculating the deduction of enterprise income tax. The differences will inevitably affect the rationality of pre-tax deduction for charitable donations. For example:

Case 1: Enterprise A, total annual profits in 2009: 10 million Yuan, including 2 million Yuan as charitable donations. Suppose no other tax adjustments. According to provisions of *The Law of the People's Republic of China on Enterprise Income Tax*, the pre-tax deduction limits for charitable donations are 1.2 million Yuan (10*12%), but the real charitable donations are 2 million Yuan, larger than the deduction limits. So, the legal

pre-tax deduction is 1.2 million Yuan. The charitable donations produce 0.8 million Yuan (2-1.2) as tax adjusted increment. Then, the taxable income of enterprise A is 10.8 million Yuan (10+0.8), and the payable tax is 2.7 million Yuan (10.8*25%).

Case 2: Enterprise B, total annual profits in 2009: 15 million Yuan, including 5 million Yuan income from interests on government bonds, and 2 million Yuan charitable donations. Suppose no other tax adjustments. According to provisions of *The Law of the People's Republic of China on Enterprise Income Tax*, the pre-tax deduction limits for charitable donations are 1.8 million Yuan (15*12%), but the real charitable donations are 2 million Yuan, larger than the deduction limits. So, the legal pre-tax deduction is 1.8 million Yuan. The charitable donations produce 0.2 million Yuan (2-1.8) as tax adjusted increment. Meanwhile, interests on government bonds are exempted from tax. It produces 5 million Yuan tax adjusted decrement. Therefore, the taxable income of enterprise B is 10.2 million Yuan (15+0.2-5), and the payable tax is 2.55 million Yuan (10.2*25%).

The two cases above illustrate: as an enterprise has tax adjusted decrements (such as income from interests on government bonds, tax-exempted income, etc.), total annual profits are larger than taxable income. And the pre-tax deduction for charitable donations increase, which reduces the enterprise's tax burden but cause economic losses for the country. In contrast, as an enterprise has tax adjusted increments (such as administrative fines, expenses for sponsoring, etc.), total annual profits are smaller than taxable income. And the pre-tax deduction for charitable donations decline, which increases the enterprise's tax burden, causing economic losses. As a matter of fact, pre-tax deduction for charitable donations is a kind of preferential tax treatment, and the deduction reduces the taxable income in current period. If income from interests on government bonds, administrative fines, and other non-tax elements are included in the tax base for calculating the limits, it will obviously contradict the calculation principles of enterprise income tax.

Secondly, in establishing the deduction limits for donations, the practical donations should not be included in the calculation base.

If take donations as parts of calculation base (total annual profits), it will result in: the more the donations, the smaller the calculation base is, then the smaller the calculated pre-tax deduction limits are. That is a contradiction. Cases for illustration:

Case 3: Enterprise A, annual operating profits in 2009 are 10 million Yuan, not any non-operating income or expenses, its total annual profits are 10 million Yuan. Suppose no tax adjustments. Then, the taxable income of the enterprise is 10 million Yuan, and the income tax is 2.5 million Yuan (10*25%).

Case 4: Enterprise B, total operating profits in 2009 are 10 million Yuan, not any non-operating income, with one non-operating expense ----- 1 million Yuan charitable donations, and its total annual profits are 9 million Yuan (10-1). According to provisions of *The Law of the People's Republic of China on Enterprise Income Tax*, the pre-tax deduction limits for charitable donations are 1.08 million Yuan (900*12%), and the real charitable donations are 1 million Yuan, smaller than the deduction limits, no necessary for tax adjustment. The 1 million Yuan charitable donations can be deducted practically. Suppose no other tax adjustments. The taxable income of the enterprise is 9 million Yuan in 2009, and the income tax is 2.25 million Yuan (9*25%).

Case 5: Enterprise C, total operating profits in 2009 are 10 million Yuan, not any non-operating income, with one non-operating expense ----- 3 million Yuan charitable donations, and its total annual profits are 7 million Yuan (10-3). According to provisions of *The Law of the People's Republic of China on Enterprise Income Tax*, the pre-tax deduction limits for charitable donations are 0.84 million Yuan (700*12%), and the real charitable donations are 3 million Yuan, larger than the deduction limits. So the practical pre-tax deduction should be 0.84 million Yuan. The charitable donations produce 2.16 million Yuan (3-0.84) as tax adjusted increment. Suppose no other tax adjustments. The taxable income of the enterprise is 9.16 million Yuan (7+2.16) in 2009, and the income tax is 2.29 million Yuan (9.16*25%).

From the cases above, as the charitable donations are under the deduction limits (within 12% of total annual profits) according to provisions of *The Law of the People's Republic of China on Enterprise Income Tax*, payable tax in current period will be reduced in accordance with the enterprise income ratio. Compare Case 3 and 4. Under the same conditions, enterprise B, who has 1 million Yuan charitable donations, pays taxes 0.25 million Yuan (2.5-2.25) taxes less than enterprise A, who has no charitable donations, pays. However, as the charitable donations of enterprise exceed the deduction limits (within 12% of total annual profits) according to provisions of *The Law of the People's Republic of China on Enterprise Income Tax*, the enterprise will pay more income taxes due to the rise of charitable donations. In Case 5, under the same conditions, enterprise C, who has 3 million charitable donations, surpassing the deduction limits, pays taxes 0.04 million Yuan (2.29-2.25) more than enterprise B pays. For further explaining the tendency of changes, suppose enterprise C in 2009 has 10 million

Yuan charitable donations (be equal to annual operating profits in current period), then the total annual profits of the enterprise is 0 (10-10). According to provisions of *The Law of the People's Republic of China on Enterprise Income Tax*, the pre-tax deduction limits are 0 ($0*12\%$). Then, the charitable donations produce 10 million Yuan tax adjusted increments (real charitable donations 10 million Yuan – pre-tax deduction limits 0). So, the taxable income of the enterprise in 2009 is 10 million Yuan ($0+1000$), and the income tax is 2.5 million Yuan ($10*25\%$). Compared with Case 3, it is easy to know that the enterprise gets nothing from the charitable donations.

The explanation above shows that the pre-tax deduction will rise along with the rise of charitable donations as the charitable donations are under the deduction limits, which results in the decrease of payable taxes in current period; and the pre-tax deduction will decline along with the rise of charitable donations as the charitable donations are beyond the deduction limits, which results in the rise of payable taxes in current period. That is in accordance with the purpose of national tax laws. However, as charitable donations are beyond the deduction limits, the more the charitable donations, the less the pre-tax deduction is, and the more the payable taxes are. That obviously violates the original intention of the state encouraging enterprises to engage in charitable donations.

To sum up, it is not completely reasonable to take total annual profits as the calculation base for enterprise's pre-tax deduction for charitable donations. In comparison, to take taxable income as the base, adopted by the former tax laws, is more proper for the calculation of pre-tax deduction. However, because of the second contradiction mentioned above, that is, the practical donations and the pre-tax deduction change reversely, we suggest to taking references from the calculation of deduction limits for individual charitable donations, that is, in establishing the calculation base (namely taxable income), the first step is not to deduct the practical charitable donations, but compare the deduction limits calculated by the calculation base (the taxable income before deducting charitable donations) with the practical donations, then choose the smaller and deduct the smaller from taxable income.

Use the "taxable income before deducting charitable donations" as the calculation base to compare Case 1 and 2. In Case 1, there are no other tax adjustments except for charitable donations. So, the "taxable income before deducting charitable donations" is 12 million Yuan ($10+2$), and the pre-tax deduction for charitable donations is 1.44 million Yuan ($12*12\%$), smaller than the real charitable donations 2 million Yuan. The practical pre-tax deduction will be 1.44 million Yuan. Then, the taxable income of enterprise A is 10.56 million Yuan ($12-1.44$), and the payable income tax is 2.64 million Yuan ($10.56*25\%$). In Case 2, except for charitable donations, there is another tax adjustment ----- income from interests on government bonds. The taxable income will be reduced. Therefore, the "taxable income before deducting charitable donations" is 12 million Yuan ($15-5+2$), and the pre-tax deduction limits for charitable donations are 1.44 million Yuan ($12*12\%$), smaller than the real charitable donations 2 million Yuan. The pre-tax deduction should be 1.44 million Yuan. Then, the taxable income of enterprise B is 10.56 million Yuan ($12-1.44$) in current period, and the payable income taxes are 2.64 million Yuan ($10.56*25\%$). After necessary calculations, we know that: as we take the "taxable income before deducting charitable donations" as the calculation base to calculate the pre-tax deduction limits for charitable donations, the results are exempted from the influences of income from interests on government bonds and other non-tax elements, making it more practical for calculating the pre-tax deduction.

Calculate the Case 3, 4, and 5 by new ways and take the "taxable income before deducting charitable donations" as the calculation base. Because there is not any tax adjustment in Case 3, the results do not change. In Case 4, there is only one tax adjustment that concerns the 1 million Yuan charitable donations. So, the "taxable income before deducting charitable donations" is 10 million Yuan ($9+1$), and the pre-tax deduction for charitable donations is 1.2 million Yuan ($10*12\%$), larger than the real charitable donation 1 million Yuan. Then, the real pre-tax deduction should be 1 million Yuan. So, the taxable income of enterprise B is 9 million Yuan ($10-1$) in current period, and the payable income taxes are 2.25 million Yuan ($9*25\%$). Similar to Case 4, Case 5 merely concerns one tax adjustment that is the 3 million Yuan charitable donations. So, the "taxable income before deducting charitable donations" is 10 million Yuan ($7+3$), and the pre-tax deduction for charitable donations is 1.2 million Yuan ($10*12\%$), smaller than the real charitable donations 3 million Yuan. Then, the real pre-tax deduction should be 3 million Yuan. So, the taxable income of enterprise C is 8.8 million Yuan ($10-1.2$) in current period, and the payable income taxes are 2.2 million Yuan ($8.8*25\%$). The analyses above show that: if we take the "taxable income before deducting charitable donations" as the calculation base, with same other conditions, the enterprise's taxable income and payable income taxes decline along with the rise of charitable donations. Till charitable donations reach the pre-tax deduction limits, the payable income taxes stop declining and keep the same.

To sum up, as we take the "taxable income before deducting charitable donations" as the calculation base to

calculate the pre-tax deduction limits for charitable donations, on one hand, it excludes all influences from non-taxable items on the calculation of deduction limits, more exactly reflecting the fundamental principle of enterprise income pre-tax deduction. On the other hand, it gets rid of the contradiction caused by the reverse changes of real charitable donations and pre-tax deduction limits as absorbing real charitable donations into tax calculation base, further reflecting the rationality of preferential tax treatments of the state, and insuring the positive effects of preferential tax treatments.

References

Notices for The Pre-tax Deduction of Charitable Donations. Finance & Tax [2008] No.160.

Regulations for The Law of the People's Republic of China on Enterprise Income Tax. State Council [2007] No.512.

The Law of the People's Republic of China on Enterprise Income Tax. Order of the President [2007] No.63.

Welfare Donations Law of the People's Republic of China. Order of the President [1999] No.19.

Iranian Diaspora: With focus on Iranian Immigrants in Sweden

Asadulah Naghdi

Department of social science

Bu-Ali Sina University, Iran

E-mail: naghdi@basu.ac.ir

Abstract

Based on international data, nowadays, one of the every thirty-five people is living away from his/her homeland. In this respect, the United Nation has called current century an era of greatest human displacement in the history. In the last decades Iran was one of ten top migrant's receiver and sender society. Although there is no precise statistics about Iranians abroad, but according to formal speech, three-five millions of Iranians are dispersed around the world (Diaspora). Thus, studying those social problems by local researchers of social sciences is quite essential, because most of internal researches related on motivations and tendencies (potential immigrants), with a general focus on elites. There have been few studies on the Iranian immigrants and their social issues. This research employs Mixed Methods that integrates questionnaire, narrative interviews, observations, and participant observations. This paper mainly focuses on social problems of Iranian immigrants in Sweden, including employment, marriage, divorce, promoting education after immigration, immigration timing and reasons, satisfaction of life (family, income, and job) and immigrant's attitudes about the behavior of the host society toward them, adaptation, feeling as outsiders, and willingness to return to homeland.

Keywords: Iranian Diaspora, Iranians in Sweden, Immigrant's social problems

1. Introduction

The diaspora, given that many of the best and brightest, as well as wealthiest, members of any country or community live outside their natal areas, the diasporas, or community of those living outside (Kuznetsov, 2006). Considering migration as an important feature of 21th century and the existing evidence indicate that it continues to offer both challenges and opportunities for the host and immigrant communities (UN, 2000:54). According to a UN report, nearly 200 million people are now living in a foreign country. Over the past two decades, more than 10 million people have migrated from Afghanistan, Pakistan and Iran, and resided in other countries. Several millions of Chinese live all over Europe. U.S Immigration Administration warnings show that massive wave of Mexicans are flooding the U.S., so that possibly around 20% of Mexicans migrate from their own country and millions of Africans: 10 million skilled people have emigrated out of Africa during the past 30 years to U.S (Beine, 2009).

Same situation exists in Europe and minorities like Muslims live in most euro zone. This situation can be statistically depicted by the fact that about 20% of Canadian residents are born abroad. According to a formal report of the German government in 2006, about 15.3 million inhabitants of Germany, that means around 18.6 percent of the total population of this country, are foreign immigrants. The same situation can be found in the UK, France and Australia, and some even talk about Spanization in the U.S. (Huntington, 2008).

Immigration is an important element of globalization. Although international immigration has existed long before globalization (Saskaia, 2007), some authors consider women and immigrants as globalization servants (Parrenas, 1999). Migration flows are shaped by a complex combination of self-selection and out-selection mechanisms, of which are affected by the presence of a Diaspora abroad (Bienne, 2009).

2. Theoretical Framework

Gamlen distinguishes two types of diaspora mechanism: one which cultivates and recognizes diaspora communities, and another which draws them into reciprocal ties with their homeland (Gamlen, 2008). Although immigration is a major problem in contemporary Iran, its social, legal, and economic aspects has not received due attention. Immigration studies in Iran are mostly about elite immigration using theoretical push and pull framework with Lee's immigration model (Khajenoori, 2006 Rashno, 2002).

Immigration has always been associated with many consequences and problems (immigration to and out of country). While Iran is a migrant sending country, and compared with its population at the same time its immigration rate is very high, Iran in the last decades was a migrants destination: Since the oil boom of the 1970s in the Middle East and the subsequent increase in employment opportunities, Thousands of Filipino labor migrants, both male and female, have found their way to Middle Eastern countries. Iranians remember the presence of Filipinas in Iran in the mid-1970s when many of them worked as domestic workers, nannies and nurses (Zahdi, 2010:75) it still considered as a major host country as well. Only in 1980-1989, more than 2.900.000 Afghan immigrants moved to Iran and millions of them are still residing here after so many years (see table1).

Unlike previous decades, now, focusing on immigration has shifted from one-sided approach to an interdisciplinary one. In this respect, various scientific fields jointly deal with this topic. Patterns and trends indicate that migratory trends are not describable by emphasizing merely on a single level. Rather, its multi-dimensional nature calls for a complicated approach, which can cover various perspectives, theories, and levels (Kazempour, 2007).so migration can be studied from different perspectives. It needs investigation from historical, philosophical, social and cultural points of view (Mirzaee, 2005). In addition, different schools take different stances toward immigration. Immigration-related orientations follow two important classic approaches: functionalism and dependency. Besides, systemic theory of immigration (Zanjani, 2001) and interactive immigration theory have their own advocates. The most recent debates on globalization and immigration (Sassen 1999, Brettel 2008) are presented at table 2.

3. Iranian and Immigration

Although back into the history, Iranians were themselves immigrants to Iran plateau, for so many centuries they never experienced intensive immigrations until contemporary period. Now, over 100 years have passed from when the first Iranians immigrated for work and education, and in all these years this trend has continued, although with different characteristics at different times. Sometimes it has been a quest for employment. In other times, motivated by intellectual tendencies, Iranians- mostly children of elite and noble men- migrated to Caucasus, then to France and the U.S before revolution. After the revolution, some Iranians immigrated to Western Europe and Scandinavia as political defectors, and in the years not so far away, Japan has been the host to job seeking Iranians. However, more recently, Iranians from different social classes have migrated all over the world. In this era, education was the main goal. On the other hand, the West (developed countries from North America and Europe to Australia and Far East) was the most possible target. At present, Iranians are dispersed in all parts of world (Diaspora) and in my opinion, they have created what may be called the two torn parts of Iranian Nation, which despite some similarities like language, history, and cultural inheritance, are far in life style, and their mutual cultural and social influences are important. In recent times, overseas countries have always fascinated some Iranians and were attributed with some kind of grandeur. With a glance to contemporary history, we can identify three steps in Iranians immigration to foreign countries:

a) Sending students to France in Qajarid era (the start of foreign immigration with intention to return), then immigration of workers to Tiflis and Baku, and intellectuals to Delhi, Istanbul and Cairo. b) Immigration before Islamic revolution, c) immigration after revolution (this itself is divisible into smaller components).

First wave of immigration began with sending students in Sepahsalar and Qajar era, which marks the first contacts with a world called Farang (France). Later, a second wave of compulsory immigration started with runaway Communists and leftists who headed towards the Former Soviet Union. Some students who were sent in first and second Pahlavi period resided the in host countries. The next generation of immigrants that set out the third wave after revolution consisted of opposition forces and some people who wanted to avoid the problems associated with war and low employment in 1990s. The last wave was set by students immigration to Ukraine, India, Malaise and UK which itself calls for independent study and due to its difference with conventional meanings or immigration requires a more accurate approach.

The study of attractive areas for Iranians shows that first immigration in recent times was immigration of Armenian immigrants to Caucus, and Iranian workers to Baku, Kuwait, UAE and other Arabic countries for work (and business). North America, especially after Islamic revolution, has attracted many Constitutionalists. In recent years, immigration to Canada focuses on trade, investing and scientific services. Europe has served as a host to a diverse variety of Iranian immigrants and refugees followed by Japan (number of Iranians in Japan during 1990-1995 increased to 397.8% (Sassen, 2001), Thailand and Malaysia. However, we must note that Iranians live all over the world, from Japan to malaise and Australia, Kuwait, UAE, Norway, Ukraine, India, France, US and Middle East. Here we present immigrants statistics in other countries (see.table3).

Iranians immigrations are marked with a number of paradoxes. For instance, the two countries with more Iranian immigrants are the same countries that have a problematic relation with Iran. The first One is the US that is the most popular destination for Iranian immigrants. Based on formal statistics 370000 Iranians live in US but informal statistics put this figure as high as over 2 millions. Arabic countries along Persian Gulf coasts, especially UAE, are attractive for Iranians in. Geographical proximity and cultural similarities are main reasons for this process. The next popular Arab country is Kuwait with a remarkable number of Iranian immigrants. This country has attracted a different group of Iranians because the education level of Iranians in Kuwait is not high and only 25-35% of them have classic education. Iranians are first immigrants to UAE that followed by Indians, Pakistanese, Bangladeshis, Lebanese, Egyptian and Iraqis (Lahsaezade, 2004).

4. Methodology

This research used mixed methods includes quantitative and qualitative approaches. Vahyuni (2005) introduced two approaches in studying immigration. One is study approach in native homeland and the other is in the target country. The procedure of immigrant's study in the target country is called tracing (Moshfeqh, 2007). For collecting data, we use questionnaires (101 people), observation and participation observation, narrative interviews, meta-analysis of previous studies and second data analysis, deep in interviews with Iranians (52 person).

5. Host Society Migration Policies

The migratory policies of Sweden have undergone many changes. Before World War II, Sweden was an immigrant sending country especially to US, but after war, the economic growth and deep political changes turned this country into a host country and in 2007, it ranked as the most successful country of world in immigration policies. Put it simply, immigration to Sweden is divided into two periods: the first period is primary marked by labor force immigration while in second period we witness refugees' immigration to Sweden. The first period began in 1945 and lasted up to 1970. In this period, partly due to war destructions in its neighbor countries, Sweden economy developed fast. This fast development could not match with appropriate increase in Sweden labor force and therefore, attracting foreign workers was a necessity. This problem was solved in 1950 by the in-flow of skilled labor forces that acted as a supplement to local labor force, mainly from West Germany, Italy and Nordic countries.

This assimilation of labors immediately after war had positive effects on engineering industries and shipbuilding and led to increasing job opportunities in these sections until late 1970s. However, shortage of skilled labor force was still a bottleneck. A large portion of this skilled labor force came from West Germany, Denmark and Italy.

In 1960s, industrial section in Sweden experienced structural changes: a compact optimization process, along with using automatic devices, labor division, specialization and mass production provided job opportunities for unskilled workers. Women and foreign labor force, occupied vacant posts in assembly lines while native workers went to developing services section. In other words, these workers unlike their counterparts in last decade were alternatives for native labor force not supplementing them. While early immigrants caused economic growth, 1960s immigrants only created inflation. In fact, unskilled workers filled new vacancies because new industrial investments geared at increasing international competition and reducing costs (Lundh & Ohlsson1999). Again, engineering and shipbuilding industries took the lead in development and the immigrant workers poured in not only from Nordic countries but also from Mediterranean countries like Greece, Yugoslavia and Turkey.

In late 1960s, immigrants' situation has changed. Commercial units saw immigration as a root of all misfortunes and negative consequences. Such effects slowed down the continuous supply of workers to replace the Sweden who went to service sections. Another aim of the supply of labor force was to decrease wages. So immigration was considered as safeguarding the traditional structure which otherwise should experience wide changes. Government responded to these changes by modifying regulations of immigrants' entrance. New regulations were enforced in 1968 and accordingly, applicants from non-Nordic countries had to apply for acceptance and determine their jobs and residence. This reduced labor force immigration significantly in next decades.

The economic growth of Sweden in early 1970s reduced because of oil crises (from 4% to 2%). At the same time, economy experienced a transition period with a slowdown in industry and boost in service sector. The industrial sector suffered depression after 1975 and employment increase in public sections that started from late 1960s continued. Economic growth of late 1960s increased demand for public services like baby-sitting, education, old cares, health care, etc. Therefore, wide development of public section and depression of industry in 1970s caused structural problems in economy with low growth rate and high unemployment, especially among low skilled workers. According to Schon (1996) the transition of industry towards scientific production methods started in immigrant accepting areas like Malmo in 1980s, a decade later than other large cities.

During this period, immigration of labor forces, especially Danish immigrants, decreased gradually due to diminishing distance in life standards in Sweden and countries like Denmark and Finland, and increasing demand of these countries for labor forces. Although immigration of labor force decreased, other kinds of immigration like refugees and immigration for family reunion increased significantly in 1970s and 1980s, and this coincided by the peak of immigration of Iranians to Sweden that completely transformed the composition of immigrants in this country through increasing the share of non-European immigrants, including Iranians, who had non-economic incentives (Bevalander, 2008). Last decades of the 20th century witnessed more limitation on immigration to Europe. Consequently, regulating European Union immigration policies, rather than immigration laws for each country, was the first priority for these countries. However, Sweden, because of its constitution nature (supporting endangered citizens) is host to many immigrants from Iraq, Bosnia and other countries.

6. Iranian migration to Sweden

The desire to leave Iran for Western countries is strong among Iranians as well. (Zahedi, 2010:78). Sweden, despite its huge geographical distance from Iran, is well-known in Iran and even Swedish advisors are responsible for the establishment of some modern institutions such as Gendarmerie. On the other hand, economic ties of Iran and Sweden, before and after revolution, were active and important. Therefore, some Swedish products like heavy machinery as Volvo, Scania etc are very common in Iran. Reputation of Sweden in humanitarian affairs, low population and its growing economy that inclined it to absorb labor, turned this country into a popular destiny of Iranian immigrants. Nevertheless, Iranians are one of youngest migrated groups (Darvishpoor: 140).

6.1 Demographic features of Iranians in Sweden

Sweden is one of Scandinavian countries and the fourth biggest country in Europe. This country has a population of 9.2 million, 12.6% of which are immigrants and 5% of all immigrants are Iranians. Regarding population policies, it is one of the successful countries in the world and has many attractions for immigrants. In gender distribution of Iranian immigrants, men have the larger share. This fact is justified by more facilities for men and their independence for immigration. In relation with education status, 11.7 percent are in first cycle, 42.2 with second cycle and 42.1% have university degrees, and this means a good educational status, because almost half of Iranian immigrants in Sweden have university degrees: They speak the Dutch language very well (e.g., 92% of the Iranian-Dutch participants of our Study used the Dutch version of the questionnaire), are on average highly educated and many of them are employed (Lindert, 2008:585).

Divorce rate is high in Sweden society, and among other nationalities, Iranians have the highest rate of divorce after Chileans. As shown in this table, almost 70% of Iranians are unmarried. Although because of high education and skills, Iranian are considered as immigrants with high rate of employment, as statistics of Sweden national Census Bureau shows only half of them are employed (55.1%) and considerable portion of them are unemployed (44.9%). This trend has increased in recent years because of low occupation opportunities and intention of immigrants to use social services (see table 7).

The study of Iranian immigration rate to Sweden in recent years indicates that the most significant reason for their immigration during 1994-2006 were education and seeking better life conditions, followed by family re-union, and marriage (for political asylum and escaping from war situation) in 1980s. Self-employment is a major feature of Iranians and unlike Turks and Arabs, is mostly individual, rather than collective. Similarly, because of high level of education, their employment in public section is considerable (42 percent), a privilege that is less accessible for other immigrant groups.

Iranian concentration is in Stockholm, Gutenberg and Skane in south, which conforms to general distribution of all immigrants. It is natural that large cities are more attractive for the economical (job opportunities) and social opportunities they offer, easy acceptance, anonymity and large number of foreigners. The exceptional cases are the immigrants who concentrate in smaller towns due to their special skills or the unique features (for instance, nearness to border like Mexicans in U.S). Ethnic distribution of Iranian immigrants based on a survey in Sweden in 1993 is 79.2% Fars, 6.1% Azeri, 3.5%Kurd, 0.9% Turkmen, 9.6% Armenian, 0.4% Assyrians and 3% others (Hosseini,1997:187).

7. Research Finding

A total of 102 respondents Iranian immigrants (50 women and 52 men) in the present study is generally conforms to total statistics of Iranians in Sweden, although we cannot expect full conformity, and the ratio of men (53.5%) is higher than proportion of women (46.5) Data shows a significant change in people with high education level and education as an instrument for social mobility and a gate for entrance to host societies.

Therefore, education has a special status in Iranian culture(see.table,9).So both Iranian female and male have improved their education after immigration to Sweden, but this change is very remarkable and approximates Swedes for female.

Immigration trend to Sweden among respondents indicates that the majority of immigrants (54.8%) entered this country in 1980s after 1979 revolution, 19.8% came there in 1990s, 18.8% in recent decade, and 3% in 1970s.The immigration process, usually follows a spiral to ascend to final purpose, and in immigration that is sometimes associated with illegal procedures, this trend is most striking. Half of respondents first resided in another country and then moved to Sweden and before coming to Sweden were in countries like Turkey, Emirate, Pakistan and Germany. Geographical mobility of immigrants with changing job index is attributable to the fact that their information regarding the privileges of different cities accumulates gradually and they find better employment and residence opportunities. Therefore, move between cities and towns. Only 32 percent of immigrants have not changes their geographical location and 78% have experienced changing their city once or more.

People usually migrate with different motivations and reasons. One classification of immigration is based on immigration purpose. Accordingly, compulsory immigration (53.5%), education (17.8%), marriage (16.8%) and employment (4%) have more frequencies. to comparison, for 38% percent of Iranian that they have immigrated to UAE for employment, and second (18.7%) for better life and freedom and following family (Lahsaezade, 2004: 363).

The reason for choosing Sweden an destination (if it is voluntary to choose immigration target) shows high share of immigration chain and following relatives, which is evident even in internal immigration from rural areas to cities in Iran and it was observed in author's studies about immigration to city suburbs and illegal residence (Naghdi, 2007).

Migration network can identify number of relatives in Sweden. Because in immigration process, first immigrants try to bring their relatives and families to target country and new comers prefer to migrate where their families live. This helps them to decrease the nostalgia and stresses that are attributable to living in a foreign country. Then we asked about family networks, which were various. An interesting case was immigration with all family members, which was reported exaggeratedly as high as 50 family members were. Deep interviews and observations of author during survey in Sweden confirm this family network of Iranians.

The immigration shock resulting from immigration from third world countries to developed or other countries with apparent cultural difference may be called cultural shock. The first and foremost point, which captures their attention when they enter here, is high discipline and order. In author's opinion, it has two reasons. First, Sweden really has high order and discipline. Second, Iranian immigrants come from a very different setting with weak discipline and order and this doubles the feeling of order and discipline here.

7.1 Family, Marriage and Life Satisfaction

The study of immigration effects on family relations (Darvishpoor, 2001: 108) is an important issue in immigration sociology. In Iranian culture, family occupies a very high status, and it is more vulnerable in immigration process. Divorce rate between Iranians in Sweden is high. Chileans, Iranians, Polish, Lebanese, Norwegian, Iraqis, Finns and Turks suffer high rates of divorce, respectively. Basic reasons of divorces (immigration in time not in place) among immigrants related to migration crises and imbalance of power between men and women, characteristics of migrants finally effects of Western culture (Darvishpoor: 109). In the selected sample, we observe the same high rate and more than 34% have experienced divorce. We asked respondents about the number of divorces he/she experienced, because sometimes they have experienced divorce more than once. Iranians are among migratory groups that are open to cross-national marriages and therefore, marriage with other races and nationalities, especially with the people of the host countries has a high rate among Iranian (see.table10).

This study has different findings about satisfaction level of Iranian immigrants from marriage and family affairs, children, employment and job, income and city of residence. Despite high importance that Iranians attach to family, they have moderate satisfaction in this regard. Iranians are among successful groups in employment. Thirty seven percent have high job satisfaction and 19% are dissatisfied with their job. One important aspect of satisfaction is satisfaction form city of residence. Half of the Iranian immigrants are satisfied with their city of residence and the other half are not satisfied with it. There is no considerable difference between them.

Income satisfaction was one of the measured aspects, with dissatisfaction rate of 60%. Satisfaction from children, as another component of total satisfaction was measured based on satisfaction from importance of

parents-children relations, high dependency to family, interest in children future and following parent's attitudes in Iranian culture, and indicated significant dissatisfaction. Ultimately, we asked the respondents how much they were satisfied with life in Sweden. Results show average satisfaction. We can compare this result cautiously with results of national survey of Iranian values and attitudes.

Groups of immigrants like Turks in Germany or Afghans in Iran send considerable amounts of their income for their families in their homeland. In this respect, despite their higher cash flow and better-paid jobs, Iranians do not rank so high. One third of Iranian immigrants claim they give financial aids to their families in Iran. In addition, I met some Iranians who invested in Iran's Real estate section due to rapid growth of prices in this section: an investment that is not possible in European countries and is further reinforced as well because of the high tax rates imposed on bank deposits.

7.2 Immigrants Attitude about Host Country (Sweden)

In immigration policy making and management, adaptation has special importance for both immigrants and hosts. Iranians are usually more open towards the host culture. More than 73 percent of Iranians claimed they are in harmony with new society and observation and field studies confirm this claim. Nevertheless, some suggest that this attitude is rooted in their group-mindedness and their tendency to follow this motto: while you are in Rome, do as Roman does (Bastani, 2001: 35). The sociocultural adjustment scores of Iranian refugees were above the midpoint of the scale, especially their knowledge about how to organize their lives in the Netherlands (Lindert, 2008: 580).

The level of satisfaction with the host country is a function of several variables but here, in addition to economic factors like job and income, factors such as level of adaptation, mastery in language and harmony with target culture are effective. Seventy percent are satisfied from Sweden society. Level of satisfaction with the new society is high (83%) Women in this case like the other research results are more satisfied than men: Iranian women report more positive acculturation outcomes than men. Mean scores and standard deviations per subscale of Iranian women and men. Results of MANOVA indicated significant main effects for gender (Wilks' Lambda = 0.90, $F(8, 216) = 2.88$, $p < 0.01$). The two acculturation condition subscales showed statistically significant differences between women and men in perceived discrimination. Iranian women scored significantly lower on the perceived discrimination subscale than men ($F(1, 225) = 6.90$, $p < 0.01$) then Iranian women report more positive acculturation outcomes than men (ibid:583).

Generation gap appear in migration more than normal situation, first generation feels more satisfaction than new comers do, and young people are usually more satisfied with their host society than the old are. (Dissatisfaction from social- cultural aspects increases with the age). In this case, migratory regulations and government policies are very effective. Sweden has high rank regarding migratory policies among world's countries. When asked to choose a country for residence, the most selected options were Sweden, U.S, Iran, etc. Although in conversations and interviews that I conducted, they complained about differences, discrimination and lack of belongingness, but as the recorded data shows, assuming the acceptance of their status as foreigners, 44.6% are optimistic to future, which shows a significant hope for future, although the average level of hopefulness was 38.6. Regarding the household dimension, the percentage of families with one, two and three members is significant.

Regarding success domains, the Iranian immigrants are more successful in education, job, and provision of housing and less successful in family and children affairs (see.table11). One of annoying feelings, which is repeatedly reported in interviews, is this:"we do not belong here. Here is very good but for its own people. We are rootless here. Forty percent feel themselves foreigner. Iranian immigrants are reputable in most European countries and U.S, although not in an absolute sense. Nevertheless, because of their education, expertise and financial standing, this is the usual judgment about Iranians. We shall note that this requires careful measurement of host society's opinion. Although merely 7% of Swedes reported a negative attitude towards Iranian immigrants and 42.6% view them positively, there are some reasons to believe that this social capital (confidence, reputation and positive attitudes) will decrease in future.

7.3 Tendency to return home, and its preconditions

A question that usually appears in most studies on immigration is: Will you return to your homeland if conditions and facilities were available there? This is a common question about all immigrants: Do these individuals who migrate, voluntarily or compulsory, want to return to their countries after experiencing life in other countries. It is the catch phrase among governments, and sometimes even offices and agencies are established in high administrative institutions like presidential offices to facilitate their return. One-fourth of Iranian immigrants did not want to come back and one-third made their return conditional, but 38% want to

return. The point, which I observed is that the desire to return to homeland becomes stronger as immigrants grow older, and the youth are less eager to return.

For comparison, we present Lahsaiezade's survey results about preconditions for returning, which was as follows: 54.2% improving economic conditions, 24.8% increasing freedoms, 13.3% security and improving relations with EUA. In Movarekhi's research about Afghans in Iran, they mentioned job opportunities, welfare and basic requirements like education, healthcare, electricity, gas, security, international aids and having a minimum capital among conditions to return (Movarekhi, 2005: 76).

8. Conclusion

This paper has conducted on Iranian abroad affairs. Iran, as a major host country to immigrants in the region and around the world, hosts 3 million Afghan and Iraqi immigrants. However, it sends approximately 3-5 million immigrants to Europe, U.S, Arab countries, and other areas. The majority of Iranian immigrants are economic, scientific and technical elites, and this composition explains its cultural, economic and political importance.

Migration is one of the more obvious markers of globalization (Skeldon, 2008). The 21st century is the epoch of large-scale displacements, voluntarily or compulsory and immigration patterns are regional, although trans-regional immigration continues (UN, 2000:54). Immigration has led to multi-culturalism in entire world, especially in cosmopolitan cities. Extensive immigration of labor force transforms many national communities and metropolitan societies from peripheral to global-multicultural centers through (Oxford, 1998: 233).

Generally, the results of this research and similar studies, and my personal observations suggest that Iranian immigrants have a better economic and scientific status than other groups in host society, mainly because of its young, educated, elite, and modern composition. The Iranians who have university education and reside in OECD countries amount to 25% of all Iranians who have higher education (Zakersalehi, 2007: 114).

Regarding family and marriage, Iranian women have high adaptation potential with European culture. Language learning as a key to a new society is easier for women, and this serves as a tool for competition with husbands and parents. The challenges between men and women, divorce, family disintegration, youth problems, and Iranian identity are among major problems of Iranian immigrants. Divorce rate among Iranian immigrants in Sweden (34%) is high (second place after chilies). Furthermore, the supportive laws for women are a great challenge to the traditional power structure in Iranian families. In general, immigrant women have good conditions due to the much higher attention they pay to the rules and regulations of the host country. Therefore, they are assimilated more and complain lesser than men.

Most Iranian immigrants (not our sample) immigrated in 1980s but a new wave of immigration for education and access to social advantages is emerging. The most important point that attracts Iranians is the discipline in the host country. Half of Iranians entered Sweden indirectly, and one-fourth, changed their city 2 times. The main reason for immigration is compulsion. Thirty two percent of Iranian immigrants have selected Sweden because a family member was already stayed there, (62% have relatives in Sweden): Family-linked immigration is one of the main sources of immigration. According to Swedish law, spouses and children under 18 years of age have a right to reunification with their family (Muus, 2003:16).

Adaptation with new society was high (84% moderate to high). Satisfaction of host country is very high (83%). Immigrants choose Sweden, The U.S and Iran as a re-selection. Among family, children, labor, city, life and income variables, the highest satisfaction belongs to job and employment. Outstanding features of Sweden for immigrants are social security and welfare. Respondents consider Iranian immigrants most successful in education, job and employment. Percentage of individuals who feel themselves as outsider is not high (12%). Thirty-four percent claim they give financial aids to their families. Only 6% feel that Swedes have negative opinion about Iranians. A significant portion of Iranian immigrants has improved their education. finally only 34% want to return, 25% never return, and 31.7% have specified some preconditions for their return. In comparison, Lahsaiezade's research on Iranians in Dubai found these preconditions for returning home: 54.2% improving economic conditions, 24.8% developing freedoms, 13.3% security and improving relationship with Emirate (Lahsaiezade, 2003: 364) and in Abbassi et.al study, Afghans pointed to access to education, employment and life facilities (Abbassi, 2008: 59). Findings of a study about Afghans (Movarekhi, 2005) indicate significant difference between Iranians attention to non-material conditions for return although Afghans emphasize on basic needs. As results support Iranian have high caliber to adjustment with new host societies, women more than men adapted.

References

- Abbasi-Shavazi, Jalal et al. (2008). *Second-generation Afghans in Iran: Integration, identity and Return*. UNHCR & EC.
- Axford, Barry. (1998). *Global system: economy, policy and culture*. Translated by Homeira Moshirzade, international and politic studies office.
- Beine. Michel, Frédéric Docquier, Çağlar Özden. (2009). *Diasporas*. *Journal of Development Economics*.
- Bevelander Pieter. (1999). The employment integration of immigrants in Sweden. *Journal of Ethnic and migration Studies*, vol. 25, No.3, 445-468.
- Brettell, B.Caroline and James, F.Hollified. (2008). *Migration theory, talking across disciplines*. Rutledge.
- Camarota, Steven A. (2007). *Immigrants in the United States: A Profile of America's Foreign-Born Population Studies: Backgrounder* Center for Immigration Studies, November, pp.19-23.
- Darvidshpoor, Mehrdad. (2003). *Challenges of women against men Stockholm*. Baran, publications.
- Ershad, Farhang & Hemaatkhohe Jahromi, Mojtaba. (2007). The study of cross-immigration of Iranian elite. *Human development magazine*, No3.Vol1, pp7-30.
- Gamlen, Alan. (2008). The emigration state and the modern geopolitical Imagination. *Political Geography*, 27, pp.840-856.
- Hosseini kalajahi. Hassan (1997). *Iranian in Sweden*. Stockholm University.
- Huntington, Samuel. (2008). *Challenges of Spanish speaking individuals* translated by Sara Ahmadi.
- Jamshidiha, Gholamreza & Alibabae, Yahya. (2002). The study of effective factors of Afghans return based on Gohsahr residents in Mashhad. *Social sciences magazine*, No. 20, pp71-90.
- Jamshidiha, Gholamreza & Anbari, Mosa. (2004). Social dependence and its effects on returning of Afghans. *Social sciences magazine*, No. 23.
- Kazemipoor, Shahla. (2007). Residence experience and inclination to migrated to Tehran demography magazine, 2en year, No. 3, pp.130-148.
- Khajenoori, Bijan. (2007). The study of effective factors of youths' attitude toward immigration human sciences and literature faculty, No. 1, pp.47-81.
- Kuznetsov, Y. (Ed.). (2006). *International Migration of Skills and Diaspora Networks: How Countries Can Draw on Their Talent Abroad*. Washington: The World Bank.
- Lahsaezade, Abdolali. (2004). *Immigration of labor force from Iran to UAE Iran's demography association Seminar*. The study of Iran's population problems based on youths.
- Lahsaezade, Abdollali. (1988). *Immigration Theories Shiraz*. Navid publications.
- Martin, Susan, F(Ed). (2000). *World Migration Report*. IOM, UN.
- Mirzaee, Mohammad. (2005). *Development Population of Iran Asia Population studies center*.
- Muus, Philip. (2003). *The economic and social aspects of immigration*. The European Commission and the OECD.
- Muus, Philip. (2005). *Immigration and the Family in the European Union*, Johannes Pflegerl, Sylvia Trnka (eds.) *Austrian Institute for Family Studies*.
- Parrenas, Rehecel, Salzar. (1999). *Servants of Globalization*. Stanford University press.
- Rahbar, Saeed. (1376). *Another view to ancient homeland*. Baran publications, Sweden.
- Rashno, N. (2002). *The study of geo-politics of elites migration*. Kavier publisher, Tehran.
- Sassen, Saskia. (2001). *The Global city*, second edition. Princeton University Press.
- Sassen, Saskia. (2007). *Sociology of Globalization*. Norton and company Inc.
- Sharifi, Mansoor. (2004). The study of attitudes of Immigration in Tehran and Sanati-Shari universities professors. *Iran's demography association Seminar, the study of Iran's population problems based on youths*.
- Skeldon, R. (2008). International migration as a tool in development policy: a passing phase? *Population and Development Review*, 34(1), 1-18.

Zahedi, Ashraf. (2010). Transnational marriages of Filipinas and Iranian men: Adjustment and social integration. *Women's Studies International Forum*, 33, 70–80.

Zakersalehi, Gholamreza. (2007). Meta-analysis of studies about elite and prevention of their immigration. *Iran's sociology magazine*, Vol. 8, pp.113-135.

Zanjani, Habibollah. (1992). *Population and development*. Pezhman publications.

Zanjani, Habibollah. (2001). *Immigration*. Samt publications.

Zokaei, Mohammad, Saeed. (2006). Youths, globalization and international immigrations: the study of young elite. *Iran's sociology magazine*, vol. 7, No. 2, pp.41-75.

Table 1. Ten top migrants host countries in 1999-2001

1999	2000	2001
<i>Iran</i>	Pakistan	Pakistan
Pakistan	<i>Iran</i>	<i>Iran</i>
Germany	Germany	Germany
Tanzania	Tanzania	Tanzania
U.S	U.S	U.S
Yugoslavia	Yugoslavia	Yugoslavia
Guinea	Guinea	Congo
Sudan	Sudan	Sudan
Armenia	Congo	China
China	China	Zambia

(UN, 2003:30)• (Martin, 2008:17)

Table 2. Migration theory across disciplines

Discipline	Research question(s)	Levels/units of analysis	Dominant theories	Sample hypothesis
Anthropology	How does migration effect cultural change and affect ethnic identity	More micro/individual households groups	Relation or structuralism and transnational	Social network help maintain cultural difference
Sociology	What explains immigration incorporation?	More macro/ethnic groups and social class	Structuralism and /or functionalist	Immigrant Incorporation is dependent on social capital

(Brettell, et al 2008:5)

Table 3. Iranians distribution around the world

Country	Formal statistics	Informal statistics	reference
U.S	371000	Up to 2 millions	Camarota,2007:11
UAE	500000		http://alef.ir/content/view/42567/
Germany	13500	More than 200000	http://kamangir.persianblog.ir/post/50
UK	42377		http://www.bbc.co.uk/persian/news/story/2005/09/050907_mf_bornabroad.shtml
Sweden	56000	Up to 100000	http://www.scb.se/ages/Search_261371.aspx
Canada	85000		http://iranculture.ca/fa/index.php?option=com_content&view=article&id=68&Itemid=34
Kuwait	73000		http://www.topiranian.com/news/archives/003362.html
Belgium	10000		http://iran-tourism.ir/index.php?option=com_content&task=view&id=2966&Itemid=56
France	80000		http://www.topiranian.com/maghalat/archives/000500.html
India	40000		High council of Iranians in abroad
Malaysia	60000		http://www.iranmalezi.com/123NewsDetail.aspx?NewsId=19761
Netherland	30000		(Lindert, at al2008 :587)

Table 4. Iranian statistics in Sweden in 2006

Men	29552	53.05
Women	26145	46.94
Total	55697	100

National statistic center of Sweden

Table 5. Iranian statistics between 20-59 years old by marital status

Married	14607	30.8
Unmarried	32837	69.2
Total	47444	100

Table 6. Iranian migration timing to Sweden

Period	Number	percent
Before 1974	6620	11.9
1975-1984	5108	9.2
1985-1994	9658	17.3
1995-2006	24769	44.5
Total	56000	100

Table 7. Iranian migrants 20-59 years old based on employment in public and private sectors in 2006

Section	Number	Percent
Public/government section	11213	42.9
Private section	14916	57.1
total	26129	100

Table 8. Education level distribution of respondents before and after migration

Literacy distribution	Before Migration	After Migration
Under Diploma	10.9	8.9
Diploma	52.5	31.7
B.A	24.8	23.8
M.A	4.0	15.8
Ph.D	2.0	5.0
Missing	6.0	12.9
Total	100	100

Table 9. Education distribution and improving in Sweden1993-2003

Country	People with university education 1993		People with university education 2003	
	F	M	F	M
Swedes	29	27	43	38
Foreigner	22	23	32	32
Fenland	25	19	37	28
Denmark	22	20	43	44
Germany	25	29	36	37
Poland	29	28	36	30
Former Yugoslavia	8	9	15	18
Turkey	9	11	14	17
Chili	19	21	24	25
Iran	22	36	42	39
Iraq	26	41	42	47

(Bevalender 2008, 23)

Table 10. Iranian statistics based on sex and marriage situation

	Male		Female		Total	
Single	19996	0.74	10043	0.51	30039	0.64
Married	7024	0.26	9802	0.49	16826	0.36
Total	27020	100	19845	100	46865	100
Marriage with Iranian	6016	0.86	6016	0.61	12053	0.72
Marriage with Swedes	706	0.10	1336	0.14	2042	0.12
With other nationalities	302	0.4	2450	0.25	2752	0.16
total	7024	100	9802	100	16826	100

(Hosseini, 1997: 187)

Table 11. Success of Iranian Immigrants in Different Fields in Sweden from point of responders

subject	Agreement percent
Marriage success	21.8
Success in brought up children	60.4
Success in job	85.1
Success in education	94.1
Success in providing real state	69.3

Analysis and Strategies of College Physical Education Reform

Yuping Chen

Department of Physical Education, Qingdao University of Science & Technology

Qingdao 266042, China

E-mail: chenyping222@163.com

Abstract

Through the investigation of the status of college physical education, this work analyzes the crisis existing in the physical education curriculum. Reform plans and strategies are proposed on the teaching objectives, teaching contents, methods of organization, evaluation criteria, venues, equipments and teaching staffs, with the aims of providing guidelines and references to the ongoing physical education reform in colleges of China.

Keywords: College physical education, Curriculum design, Teaching reform

1. Introduction

In 2002, the Ministry of Education of China issued the general teaching outline of college physical education. It clarified the teaching objectives of physical education. Provincial Committee of Education integrated and compiled the teaching materials. Colleges composed their curriculums and criteria of physical education respectively. Due to the different levels the colleges are at and different geographical regions the colleges locate, they exhibit big difference in the situations in physical education. Some of the colleges need teaching reform and some need proper regulations. Through the investigation of the reform situations of physical education of 50 colleges, search of physical education and other related materials and observations of the curricular and extra-curricular activities carried out, the authors explored the construction of new teaching system consisting of general college physical education objectives, content, organization methods, evaluation criteria etc. Changes also were proposed on the current situation of physical education, such as limited curriculum setting and invariant teaching mode. The current curricular form of physical education is mainly in elective course. Most of the physical education courses are competitive sports instead of sports of leisure and recreation. There is also lack of focus on the theory of physical education teaching, which also results in incomplete access criteria and system on students' performance and health. According to this situation, the reform plans and strategies are proposed in order to provide guidelines and references to the ongoing physical education reform in colleges.

2. Research targets and methodology

2.1 Research targets

50 general colleges and universities nationwide, including 12 national key universities and 38 normal universities/polytechnic colleges.

2.2 Research methodology

2.2.1 Interview method: interviews were carried on among colleges with deans who are in charge of physical education and physical education department heads, as well as discussions and seminars on the research of physical education teaching method.

2.2.2 Survey method: 50 questionnaires were sent, with 48 retrieved (feedback rate of 96.2%). Prior to distribution, the questionnaires were conducted a validation test by 15 experts in related area. 100% of the participating experts believed that the questionnaire is feasible and has high validity. Questionnaires retrieved were tested using the small scale re-measurement method and to carry out a reliability test ($r = 0.83$ and 0.788), indicating that the questionnaire has high reliability.

2.2.3 Literature review method: information was accessed and collected on sports in schools, colleges and universities of monographs, papers, reports and related archives.

2.2.4 Mathematical statistics method: according to the research purposes and requirements, the relevant data derived from survey results were statistically processed and analyzed.

3. Results and Analysis

3.1 Physical Education Curriculum Status

In the survey of 50 colleges and universities, all of them have physical education 2-hour-class once a week. Basic physical education course are available for the first year students and the options of specialized sports courses are available for the second and third year students. Sports electives are available for the fourth year students. Many schools have organized sports clubs in recent years and turned the instruction of sports electives in the form of sports clubs. The master students are also required to take the sports electives, including basketball, volleyball, soccer, track and field, martial arts, aerobics, swimming, artistic gymnastics, table tennis, badminton, tennis etc. For the first and second students who are verified by hospital to be not suitable to participate in intense sports, they are provided the courses of physical health improvement. The content of physical education theoretical courses are sports training methods, sports health, sports competition rules, the value and function of sport, leisure of sports and sports technical principles, of 2-4 hours per week per semester. Physical performance evaluation is to convert sports results, theoretical results, compliance achievement and attendance into a percentage of assessment. The colleges of China have more rigorous form of physical education. The curriculum of physical is lack of variation and too much emphasizes on the leading role of teachers. The teaching methods merely emphasize on the 'one-side instruction', which makes teaching into the form of forcing. This traditional type of methods results in the strong dependency of students on teachers and deprives students of innovation and initiative.

Insert Table 1 Here

3.2 The form and status of current physical education teaching

From the statistics of the survey results, the main form of college physical education courses are sports electives, followed by the combination of traditional physical education and specialized sports. Each university manages to compose syllabus, textbooks and teaching materials according to their own situation. The purely traditional form of physical education teaching has been abandoned by the majority of colleges and universities. However, there is lack of guidance and encouragement from teachers to let students form interests in sports and habits of taking excises. Therefore, many college students seldom take excises after the physical education course; some of them even prefer to be the audience of sports competition rather than participating in it. The final results are the fitness of college students in recent years declined dramatically.

Insert Table 2 Here

3.3 The status of physical education theory courses

In college physical education, the situation of overlooking the teaching of sports theory is still quite serious. The contents of physical education course are mainly the teaching of sports skills and training of physical fitness. The physical educational excises and activities limited the students for a long time on the scope of improvement of physical health and proficiency of sports skills and theories. The overlook of the exploration of enhancing college students' intellectual and psychological capabilities through physical education greatly constrained the functions of 'overall education'. In the survey of 50 colleges and universities, only a small number of colleges maintain the physical education theory class up to 8 hours per semester. Most colleges and universities only hold theory class for 2 hours per academic year. Over the years, the college students exhibit great contrast between their lack of sports knowledge and the relatively high IQ of Chinese college students. Among the 50 colleges and universities surveyed, only 23 of them have set up healthy education seminars and talks, which is contradictory to "establishing the guiding idea that health has the first priority in school education".

Insert Table 3 Here

3.4 Course evaluation method

Methods of evaluation in teaching lack of validity and scientific supports, with too much emphasis on skills and fitness assessment. The methods take use of traditional standard and 'one ruler' like exam-oriented approach of test. This test method has its advantages but also obvious drawbacks, which mainly does not consider well enough for students' study attitude and progress. It ignores the differences between individual student and overlooks the students' initiatives of study. This traditional method of evaluation lack of consideration of the subjective efforts of students and the improvement on skills and tactics, resulting in serious hurts on the students, especially the learning initiative of 'students poorly performed in sports'.

4. Strategy research and prospect

4.1 Reform of teaching methods and organizational form

According to the current realities, during the first year, the physical education course should mainly emphasize on the improvement of fitness and general proficiencies of basic sports skills. In the second year, the courses should mainly foster students' interests and specialized sports skills. The reason is that there is no systematical and institutional physical education before college in many parts of China; some places even do not have physical education at all. It is believed that in the future, with the growth of economy and improvement of physical education system, our organizational form will have significant changes. The forms with great variety, flexibility and freedom such as sports clubs will be gradually implemented. The physical education methods in the future, in addition to the options classes, elective courses and health classes, the club sports, training and recreation may be considered as physical education courses. With the majority of students' welcome and interests, the trend of integration of curricular and extra-curricular activities can be established. Teachers will be active and flexible in using a variety of media to help and guide students in learning and physical exercise. Requirements of quality education indicate that physical education should break the identity, trying to achieve the combination of general guidance and personalized treatment, and the combination of group training and individual practice, with the enhancement students' self-care ability. The teaching is not only for all students but is also designed for every individual according to his or her own physical and skill condition. The teaching efficiency can therefore be improved.

4.2 Reform of the form of evaluation

The new evaluation method can be designed from the following points: 1) Emphasize on behavior, attitudes, evaluation, forming a combination of quantitative and qualitative evaluation. Let care, desire and attitude in the first priority of consideration and comprehensively evaluate the students' thinking, judgment, skills and performance in all. By doing so, the emphasis of physical education curriculum will be knowledge and skills, as well as the affective learning, which is favorable for life-long sports development. 2) Give the same emphasis on the process evaluation and result evaluation. Process evaluation is timely and relevant. It can feed back the teaching information to teachers promptly, to achieve constant supervision and encouragement to students, while continuing to reform the teaching program. Teaching process can be better controlled through multiple evaluations. Process evaluation methods consist of mainly four types: teachers' evaluation, peer assessment between teachers and students, peer assessment between students, students' self-evaluation. 3) Comprehensively evaluate the teaching process, conduct an overall assessment of the total learning process for a student or a teaching project and give a reasonable grade. To achieve this, it is required to comprehend the attitude, thinking, skills and *knowledge*. *The grade should be given based on all of the aspects.*

4.3 Reform of the facilities and equipment

We can take use of market and sponsors to attract funding for new stadiums, which will be managed socially and gradually connected with the social community. Some paid service and stimulus of holidays sports consumption can be temporary solutions for the funding shortage. These approaches have been tried in some schools and obtained successful experience. It not only solves some of the equipment and service charges, but also provides venues for some sports competitions. Such approaches must keep pace with the operation open to society, both for the convenience of students, teachers, as well as the surrounding citizens. There will also be increased income of teachers, which can effectively reduce the part-time jobs taking by teachers in their non-professional areas. It provides the platforms for the teachers to exhibit their expertise and enables teachers much broader exposure, greatly improving teachers' professional capability and teaching quality, bringing the whole school with new development at the same time.

4.4 Building of team of teachers

There are many problems exist in colleges for building an effective team of physical education teachers. It is necessary to strengthen the ideological learning, enhance the cohesion, promote the professionalism and dedication attitude, enhance teacher's sense of honor; responsibility and mission, letting them put all their effort into teaching, training, after-school counseling and research. Combine the emotional encouragement with real prizes, with prompt prizes given in various forms. Multiple prize mechanisms will be built, such as giving teachers opportunities of further studying of professional skills and opportunities of promotion and so on. Build human resource management mechanism suitable for the development of free market economy. Reasonably arrange the human resource, allowing proper circulation and exchange of teachers. Promote the construction of sports facilities and thus the attraction of teachers. Improve the social image of physical education teachers and solve the income inequalities comparing with teachers in other disciplines. Schools should create good training

environment, providing a variety of forms, multi-level, multi-thematic training programs, with secured funding, emphasis on academic echelon development and trainings of academic leaders.

References

Hu, Chunlei. (2002). Transition from sports to see the status of university physical education and reform. *Proceedings of Beijing university of education*, Vol. 63, 320-328.

Hu, Yongnan. (2001). Colleges and universities to implement physical education and health curricula and research. *Journal of Physical Education*, Vol. 14, 66-71.

Lu, Hong. (2002). New model of physical education in colleges and thinking. *Zhejiang Sports Science*, Vol. 12, 181-192.

Qu, Zonghu. (1998). On the teaching reform in college sports development and the idea. *Physical Education*, Vol. 23, 212-218.

Table 1. Statistics of college physical education electives

Course	Number of colleges (n)	Percentage (%)
Track&field	10	20
Basketball	50	100
Volleyball	50	100
Soccer	49	98
Table Tennis	38	76
Tennis	33	66
Chinese Wushu	35	70
Gymnastics	45	90
Swimming	26	52
Baseball	5	10
Badminton	17	34
Skating	11	22

Table 2. Statistics of the form and composition of college physical education courses

	Type			Time (year)			Syllabus and textbooks		Not suitable for normal class	
	traditional	electives	combination	2	3	4	national edition	self composed	health class	exempt
n	2	41	7	21	12	7	12	38	45	5
%	4	82	14	42	24	14	24	76	90	10

Table 3. List of college sports theory class and Statistics

	Hours of teaching per academic year			Teaching content					
	2	4	8	Purpose &function of sports	Health knowledge	Tactics in sports	Organized layout	Aesthetics	Human Science
n	38	9	3	50	28	32	32	5	8
%	76	18	6	100	56	64	64	10	16

Research on the Athlete Growth Evaluation Model

Jiaxin Wang

Sports Science College of Qufu Normal University

No.57 JingXuan West Road, Qufu 273165, Shandong, China

E-mail: wangjiaxin305@163.com

Shandong Colleges Human Social Science Research Project: J09WE07

Abstract

The relevant research on capital and sports has proved that human capital, social capital, psychological capital is important for the athlete growth, the three-dimensional capital of them can be used to measure the value and growth situation of athletes. Based on this theory, the paper establishes the evaluation index system of athlete growth, and uses exponential equation to build the three-dimensional capital model of athlete growth evaluation, then carries on the empirical study to verify the model through factor analysis.

Keywords: Athlete, Growth evaluation, Three dimensional capital, Exponential equation, Factor analysis

1. Introduction

In the Western Economics, capital refers to the resources that can be used in the physical production and create income. With social progress and development of research, capital connotation expands from material capital to human capital, social capital and psychological capital. With similar nature and supplementary content, human capital, social capital and psychological capital promote for each other, and constitute the individual career capital, which can be objectively measured, invested the development and effectively managed, it has obviously related with the individual career success. Therefore, in the management of human resources, the researchers attempt to construct the talents growth evaluation model, using human capital, social capital, and psychological capital as the variables. And with large quantities of empirical researches it has been proved to be valid.

In our country, the research on athlete growth evaluation has just begun. They paid much more attention on human capital than social capital and psychological capital, the scientific athlete growth evaluation system has not been formed. Therefore, the paper attempts to construct the three dimensional capital model of athlete growth evaluation, and confirm it through empirical study.

2. Theoretical Basis of the Three-dimensional Capital Model of Athlete Growth Evaluation

2.1 Human Capital and Athlete Growth

In the mid-20th century, human capital theory expanded the connotation of traditional capital from material capital to human capital; moreover, human capital had much greater contribution than physical capital to economic growth. And human capital received more and more attention.

Athlete human capital refers to the input stocks of knowledge, skill and physical ability in the entire sports career and all life which is able to bring benefits now and in the future. It embodies in the sports skill, physical ability, and tactical knowledge and so on. The athlete human capital is formed through investment and training based on the athlete's sports talent. At the same time, the capital can bring about income, enable the investor to obtain certain repayment.

Competitive Sports in fact is a challenge to the limits of human physiology, it specially requests person's physical quality and physical talent, in fact, the majority of athletes enter the sports because of their remarkable physical talent. Based on the good physical quality, through a systematic and scientific training, athletes study professional sports technology, master and enhance the motor skills, then create the outstanding sports achievement. It can be said that for athletes, human capital is the most important components to evaluate athlete growth condition.

2.2 Social Capital and Athlete Growth

Social capital can bring incremental intangible assets, as the resources existing in the social relationship structure. Individual relations may make a connection with each kind social joint in the complex social relations, thus provide the foundation of the establishment of good individual relations. Membership may cause the members to

enjoy a variety of interior resources provided by organization. The social network may enable the members to have the sense of belonging, and collect each kind of social resources. The trusting relationship may make cooperation and transaction of social members easier to achieve, lower the transaction charge, and reduce the transaction cost or the social cost. Many scholars have studied the relations between social capital and individual growth from many aspects, they find that the level of individual social capital has positive correlation with the growth potential and personal values.

Xu Yanhui (2006) found that social capital has certain promoter action to the development of athlete career, social capital plays the role in the athlete development process based on human capital. And, the self-induced social capital displays tremendous influence on “improving the result”, “obtaining the opportunity to display the individual talent”. Therefore, social capital is also an important indicator of the athlete growth.

2.3 Psychological Capital and Athlete Growth

The concept of psychological capital first appeared in the economics, investment and sociology literatures. From the perspective of positive psychology and positive organizational behavior, Luthans defined it as: the individual positive psychological state, self-efficacy, hope, optimism and resilience are the four typical elements, it goes beyond human capital and social capital, and individual can obtain the competition superiority through the cultivation and development of it. The researchers found that human capital and social capital are only the potential of the realization of organization high-performance, psychological capital is the tool which makes the potential into reality.

In the book “*Psychological capital: Developing the human competitive edge*”, Luthans pointed out that competitive sports should be the important application areas of psychological capital. Many foreign scholars agreed that self-confidence has correlation with operation results. In 1982, Morelli and Martin found at the scene, the more stronger self-efficacy, the more athletes played better in track and field, tennis, diving, gymnastics and other sports. In 1993, Jones and Hardy tested the CSAT-2 revised edition on swimmer: one group with the good competition result and the other with the bad competition result. The results showed that the outstanding swimmers had higher self-confidence. Tian Maijiu and Wu Fuquan discovered through the personality test and the appraisal: one main personality characteristics of partial world champions and world record inventors in our country was self-confident. The characteristic had close correlation with sports result. Compared with the ordinary athletes, the top athletes had the more positive psychological features generally. In the aspect of skills influencing, for low and intermediate athletes, psychological factor accounted for 20%, the physical factor accounted for 80%; But for top athlete just the opposite, the psychological factor accounted for 80%, the physical factor accounted for 20%.

Obviously, the relevant studies have shown the importance of human capital, social capital, psychological capital to athletes growth, and the three capital can be objectively measured, invested development and utilization, therefore, human capital, social capital, psychological capital should be used in scientific measurement of the athlete growth status. They are the theoretical basis of the three-dimensional capital model of athlete growth evaluation.

3. The Construction of Three-dimensional Capital Model of Athlete Growth Evaluation

3.1 Index System of Athlete Growth Evaluation

In this study, many mature and reliable research results of human capital, social capital and psychological capital are drawing on. The evaluation index system is also set based on the athletes career characteristics.

Human capital is the knowledge, skill, experience and other abilities embodied in person. For athletes, the human capital includes three secondary indicators: knowledge, sports skill, competition experience.

Social capital carries on the survey from structure, relation and cognition three dimensions, the structural dimension contains network density and interactive strength, the relational dimension mainly weighs by the trust level, cognitive dimension contains common language and common prospect, five secondary indicators in total.

The paper adopts the conclusions of Luthans and Youssef, the four indicators of psychological capital are the self-efficacy, hope, optimism and resilience.

Thus, human capital, social capital, psychological capital form the first-level indicators of athlete growth evaluation, knowledge, sports skills, game experiences, network density, interactive strength, trust, common language, common prospect, self-efficacy, hope, optimistic, resilience are the twelve second-level indicators. Athlete growth evaluation index system is shown in Figure 1.

Insert Figure 1 Here

3.2 The Construction of Three-dimensional Capital Model of Athlete Growth Evaluation

The value of athletes can be measured by their human capital, social capital and psychological capital. Along with the athletes growing up, the amount of capital is bound to rise. The upgrading of anyone of the three capital can bring the raising of athletes total capital in the athletes growth. Therefore, the situation of athlete growth can be expressed with the quantitative model. The three capitals are the functions.

For further refining study of the athlete growth, according to the above research method, the paper build the index equation of athletes:

$$\left\{ \begin{array}{l} Gt = f(Hc, Sc, Pc) \\ \partial G / \partial H > 0 \\ \partial G / \partial S > 0 \\ \partial G / \partial P > 0 \end{array} \right. \quad (1)$$

Gt is the athlete growth index, it represents athlete growth status, is the dependent variable. Hc, Sc, Pc are the independent variables. Hc represents athlete's human capital, Sc represents athlete's social capital, Pc represents athlete's psychological capitals. According to ours definition, Gt is the monotonic increasing function.

Likewise, we can separately establish the equation of human capital, social capital, psychological capital, then establish the athlete growth index simultaneous equation as follows:

$$\begin{aligned} Gt &= f(Hc, Sc, Pc) \\ Hc &= f(Kn, Te, Ex) \\ Sc &= f(Nd, Is, Tr, Sm, Su) \\ Pc &= f(Se, Ho, Op, Re) \end{aligned} \quad (2)$$

Kn, Te, Ex are the weight factors of human capital, stands for knowledge, sports skill, competition experience respectively; Nd, Is, Tr, Sm, Su are the weight factors of social capital which correspond to network density, interactive intensity, trust level, common language, common prospect; the weight factors of psychological capital Se, Ho, Op, Re, are the respected symbols to self-efficacy, hope, optimism, resilience. The formula (2) not only has pointed out the three dimensional capital structure of athlete growth, but also gave the assessment method of athlete growth status, the measurement and comparison method of athlete growth index.

4. Model verification

4.1 Sample Selection

Sample survey is the multi-stage stratified sample survey way, from the beginning of June, 2008, researchers carried out the investigation in Jinan, Qingdao, Yantai, Weihai, Weifang, Taian, Jining, Zibo, in total eight cities in Shandong Province. In the investigation, researchers provided 600 questionnaires, 559 valid questionnaires were recovered and effective recovery rate is 93.2%. The sex distribution of samples: men held 63.8%, women 36.2%. The age distribution of samples: 14 ~ 18-year-old occupied 41.9%, 19 ~ 23-year-old 47.3%, 23 ~ 27-year-old 8.2%, and over the age of 27 2.5%. The education distribution of samples: The elementary school accounted for 3.1%, the junior middle school 23.6%, the high school 28.1%, and universities 45.3%. The household distribution of samples: the provincial capital city, municipal cities and county-level cities, rural areas accounted for 21.5%, 55.7%, 13.1%, 9.7% respectively. The occupational distribution of samples: the percent of professional athletes was 40, sports school students 34.2, amateur 25.2. The athlete skill levels distribution of samples: master-level accounted for 34.2%, first-level 21.6%, second-level 37.2%. The sports honor distribution of samples: the masters before the eight of world competitions, intercontinental competitions, national competitions, provincial competitions, the city game respectively was 4.0%, 5.0%, 46.4%, 56.2%, 54.2%. Sample sports items included basketball, track and field, handball, weightlifting, judo, taekwondo, shooting, archery and so on. After the input and summary of all questionnaires, software SPSS16 was used to the processing statistical analysis.

4.2 Measuring Tool

Variables involves in the paper have been discussed in research literatures of human capital, social capital and psychological capital, moreover these survey meters have been proved to be effective and reliable in the relevant literatures.

The human capital meter based on Schultz, Becker's meter, the social capital test meter based on domestic scholar Ke Jianglin's research results, the psychological capital meter uses Luthans PCQ-24 meter^[6], Likert 5 point system is used to measure and evaluate for all topics.

4.3 Research Process

First of all, software SPSS16 is used to carry out the factor analysis of the twelve factors of athlete growth evaluation from the 559 samples. The purpose of factor analysis is to withdraw the overlapping information parts of the original variables, extract and integrate into the final factors, to reduce the number of variables. Therefore, it requests to have strong correlation in the original variables. Otherwise, if the original variables are independent of each other, there is no information overlap, then they can not be integrated and concentrated, there is no need for factor analysis. In general, we determine if the original variables are suitability to factor analysis through the calculation of the correlation coefficients of original variables, Bartlett's Test of Sphericity and Kaiser-Meyer-Olkin (KMO) test are also can be used.

Table 1 shows the KMO test and Bartlett test results of the original variables. The Approx. Chi-square value of Bartlett's Test of Sphericity is 6.736, significant level (Sig value of 0.000) is less than 0.001. The number indicates that it is the correlation matrix rather than matrix units. KMO coefficient of test sample is 0.851. According to the KMO metrics Kaiser given, KMO values above 0.9 means factor analysis is very suitable, 0.8 means right suitable. In the study, KMO value of original variables is 0.851, higher than 0.8, it illustrates that the correlation matrix of the subject has common factors. Through the test of the two statistical indicators, it indicates that this study was suitable for factor analysis of the data.

Insert Table 1 Here

To definite factor numbers, there are two methods, the factor characteristic root value and the cumulative variance contribution rate. Table 2 demonstrates the characteristic root value, variance contribution rate, and cumulative variance contribution rate in the three kind situations of initial factor solution, factor solution and final factor solution factor. As shown in Table 2, in the initial factor solution situation, there are three factors whose factorial characteristic root value is bigger than one, its cumulative variance contribution rate is 78.464%. Therefore, it is possible to withdraw three factors to explain the majority of information of original variable, and less information is lost.

Insert Table 2 Here

Using varimax method to have orthogonal rotation of the factor loading matrix, output the factor loading after rotation in descending order of the first factor loading, the factor loading matrix after rotation is shown in table 3. From table 3, we can see that common prospect, interactive strength, common language, trust and network density have higher load in the first factor. The first factor can explain these variables, in accordance with the relevant research literature, they can be released for the social capita. Optimism, hope, resilience, self-efficacy have higher loading in the second factor. It can explain these variables, they can be summed up as psychological capital. Competition experience, sports skill, knowledge have higher load on the third factor, the main explanation of these three variables can be summed up in human capital. Compared with the previous rotation, the correlation in factors become stronger, and the variables' meaning become clearer.

Insert Table 3 Here

Table 4 shows the three-factor covariance matrix. It illustrates that there is no linear correlation in the three factors, the design objective of factor analysis have realized.

Insert Table 4 Here

Using "Cronbach a" coefficient to test on the reliability of the questionnaire (as shown in table 5). The reliability coefficient of variables ranges from 0.764 ~ 0.925, all are greater than 0.70, it shows good internal consistency. Therefore, the data obtained through the sample survey is reliable and can be used to further research on the three new variables getting from the factor analysis.

Insert Table 5 Here

4.4 Results

Social capital, psychological capital and human capital all have a significant positive correlation with athlete growth status. For a single capital, the constituent elements all can give a good explanation of the capital value changes.

5. Conclusion and Suggestion

In this study, the theoretical derivation and empirical test shows that the three-dimensional model based on human capital, social capital, psychological capital, can explain the growth status of athletes, the three-dimensional capital model constitute the athlete growth evaluation system.

From the economics perspective, the capital concept expands from human capital to social capital and psychological capital. It reflects the expansion of talent's connotation and extension, and talent has higher ability: the disposal of people's own knowledge and skills -- - the disposal of the inter-relationship between people - the disposal of people's positive psychological factor. The talent value should be measured by personnel human capital, social capital and psychological capital. As a kind of highly professional talent, athlete value and growth status also should be measured by human capital, social capital and psychological capital.

Using the three-dimensional capital model to evaluate the athlete growth, we can grasp the athlete developing condition accurately and comprehensively, and then promote the athlete sustainable development. Firstly, we must pay attention to invest to promote the level of athlete's human capital, social capital and psychological capital. Secondly, we should carry on survey of athlete from the three dimensional capitals, obtain the quite accurate comprehensive index by using the science method, attempt to apply it in the athlete selection and training. At the same time, we should try to display the joint effort of athlete three dimensional capitals. Take the athlete human capital as the foundation, display the promoter action fully of athlete social capital and psychological capital, advance athlete's growth and development together.

References

- Fred Luthans, Carolyn M.Youssef & Bruce J.Avolio. (2008). Translated by Li Chao-ping. *Psychological capital: Developing the human competitive edge*. Beijing: China Light Industry Press.
- Ke, Jianglin, Shi, Jingtao & Sun Minjian. (2007). Using mathematical models to study research misconduct's affection on national innovation systems. *Studies in Science of Science*, (5):935-940.
- Nahapiet J, Ghoshals. (1998). Social capital, intellectual capital and the organizational advantage. *Academy of Management Review*, (232):242-26.
- Vancouver. Jeffery B. (2002). Two studies examining the negative effect of self-efficacy on performance. *Journal of Applied Psychology*, Jun. Vol. 87(3):506-516.
- Xu, Yan-hui, Zhang, Mei-sheng & Chen Yang. (2006). Role of Social Capital on Athlete's Cultivation in Liaoning Province. *China Sport Science and Technology*, (1).
- Zhu, Peili. (1993). Revision of the Chinese Norm of the Sports Competition Anxiety Test. *Psychological Science*, 16(2):99-103.

Table 1. *KMO* and Bartlett's Test of Sphericity

<i>KMO</i> coefficient of sample test	0.851	
Bartlett's Test of Sphericity	Approx. Chi-square	6.736E3
	df	66
	Sig.	0.000

Table 2. Total Variance of the Original Variables in the Factor Analysis

Factor No.	Initial factor solution			Factor solution			Final factor solution		
	Characteristic	Variance	Cumulative Variance	Characteristic	Variance	Cumulative variance	Characteristic	Variance	Cumulative variance
1	4.802	40.016	40.016	4.802	40.016	40.016	3.876	32.298	32.298
2	3.084	25.704	65.719	3.084	25.704	65.719	3.403	28.359	60.657
3	1.529	12.744	78.464	1.529	12.744	78.464	2.137	17.806	78.464
4	0.618	5.151	83.615						
5	0.471	3.927	87.542						
6	0.331	2.762	90.304						
7	0.289	2.407	92.711						
8	0.252	2.100	94.811						
9	0.211	1.758	96.568						
10	0.178	1.487	98.055						
11	0.124	1.036	99.091						
12	p.109	0.909	100.000						

Table 3. Factor Loading Matrix after Rotation

Indicator variables	Factor			
	1	2	3	
Social Capital	Common prospect	0.905	-0.264	0.025
	Interactive strength	0.881	-0.033	0.201
	Common language	0.863	0.018	0.215
	trust	0.847	-0.362	0.047
	Network density	0.790	-0.146	-0.018
Psychological Capital	Optimistic	-0.114	0.922	0.087
	Hope	-0.148	0.897	0.120
	Resilience	-0.133	0.875	0.041
	Self-efficacy	-0.162	0.852	0.015
Human Capital	Game experience	0.210	0.119	0.865
	Sports skill	0.251	0.139	0.822
	Knowledge	-0.088	-0.026	0.774

Table 4. Factor Covariance Matrix

Factor	1	2	3
1	1.000	0.000	0.000
2	0.000	1.000	0.000
3	0.000	0.000	1.000

Table 5. Reliability Test of Factor Analysis

Factor variables	Mean	Correlation coefficient	Alpha coefficient
Social capital	3.937	0.714	0.925
Psychological capital	4.314	0.751	0.924
Human capital	3.469	0.546	0.764

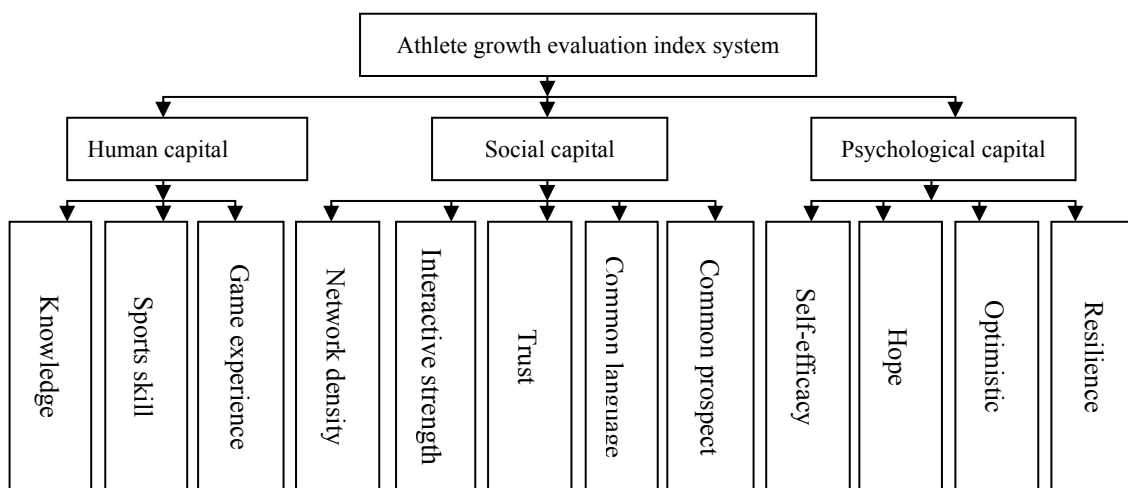


Figure 1. Athletes growth evaluation index system

Local People Perceptions toward Social, Economic and Environmental Impacts of Tourism in Kermanshah (Iran)

Mostafa Mohammadi

Faculty of Management and Human Resource Management
Universiti Teknologi Malaysia, Malaysia
Tel: 60-1-7763-1528 E-mail: utm626@yahoo.com

Zainab khalifah

Faculty of Management and Human Resource Management
Universiti Teknologi Malaysia, Malaysia
E-mail: m-zainab@utm.my

Hasan Hosseini

Faculty of Management
Payame Noor University of Tehran, Iran
E-mail: ir_hosseini@yahoo.com

Abstract

This study examines the locals' people perceptions about social, economic and environmental impacts of tourism in the cultural heritage destination of Kermanshah in Iran. The study focused on residents in the vicinity of popular heritage attractions in the region. According to the survey, a high percentage of the respondents recognizes and appreciates the positive impacts of tourism towards the local people. Among the impacts, the positive social impacts of tourism were most favorably perceived by the local community. The findings of semi structured interviews with residents supported the survey results.

Keywords: Local community, Tourism impacts, Perceptions, Iran

1. Introduction

Local communities are known as the key stakeholders in leisure and tourism management. Tourism has to be managed with the help and interest of all stakeholders in a given territory with a focus on local inhabitants (Guyer and Pollard, 1997). Considering the importance of residents who have a key role in tourism, many studies have been carried out by researchers in developed countries about local community perceptions toward tourism. Among them are Lankford and Howard (1994), Hernandez et al., (1996), Schroeder (1996), Ryan and Montgomery (1994), Nicholas (2007), Williams and Lawson (2001). But unfortunately, hardly any work has been devoted to examine residents' attitudes on tourism development in developing countries (Lepp, 2007). This study will focus on Kermanshah province of Iran, recognized as one of the main tourism destinations in the region. The purpose of this study is to identify the perceptions of residents on the tourism impacts in the vicinity of two main tourism destinations of Kermanshah.

2. Setting

Iran is the eighteenth largest country in the world. It is located in southwestern Asia and covers a land area of more than 1,648,000 sq. km. It has a population of over seventy million (SCI, 2006). Throughout history, Iran due to its geostrategic position and being located in central Eurasia has always been important. It also occupies an important place in the world economy due to its large reserves of petroleum and natural gases. The country possesses one of the world's oldest major civilizations, with historical and urban settlements dating back to 5000 BC. It is rich with the history of humanity and has numerous archaeological sites (Zendehtdel, 2001). Iran has ten historical sites listed under the World Heritage list, with more than 60 other sites in the process of being awarded

the prestigious status (United Nations Educational, Scientific and Cultural Organization, 2006). Heritage attractions are the catalyst for tourism development as it would increase the appeal and give a significant competitive advantage on the destination. Realizing the huge potentials of tourism, the Iranian government intends to develop tourism as the key sector for boosting the economy as emphasized in the country's national economic and social development plan.

Kermanshah province is in the western of Iran, covers an area of 24,434.25 sq km which is approximately 1.5 percent of Iran's total land area. Kermanshah has a moderate mountainous climate and has been the home of man since the Paleolithic and Neolithic age. Based on the historical monuments found in Kermanshah, evidence suggests that it was very glorious in the Achaemenid and Sassanian eras (more than 1400 years ago), and was closely associated with the kings of those times. In the Islamic period, especially in the Safavid period (about 400 years ago), it continued to grow and made great progress.

From the Paleolithic time to the present, this district has been the home of many people (Ahmadi, 1989). Presently, the Kurds, Lors, Arabs, and Turks are people living in this province. In addition to the inhabitants of the town and villages, there are nomadic societies throughout the province. The predominant language is Farsi, but other languages are also spoken. Today, the popular heritage sites of the province are TaqueBostan and Bisotun.

TaqueBostan is a series of large rock relief from the era of Sassanid Empire of Persia, the Iranian dynasty which ruled western Asia from 226 to 650 AD. The site is located in the capital city of Kermanshah and is only 5 km from the city of Kermanshah. The population of the city is about 900 000 (SCI, 2009). The other site, Bisotun is located in the small city of Bistoon, 30 kilometers from the city of Kermanshah, There are many historical monuments in the Bisotun complex. Its primary monument is the Bisotun Inscription carved in 521 BC during the era of Darius the Great when he conquered the Persian throne. The inscription is written in 3 languages: Elamite, Babylonian and Old Persian (UNESCO, 2006). Both TaqueBostan and Bisotun are protected under the National Cultural and Natural Heritage Department of Iran while Bisotun was registered in UNESCO List of World Heritage Sites on 13 July 2006 (UNESCO, 2006). Bisotun is inhabited by only 2500 people during fall and winter (SCI, 2006); however, the number escalates in spring and summer because of the more desirable weather and more job opportunities especially in the tourism sector. In the past, Bisotun was a village with only 100 houses, being a crossroad for traders from other regions. It had about 25 shops comprising butchery, bakery and grocery stores. After the Islamic revolution of Iran (1978), the population increased gradually with the emergence of more shops and houses in the region. In 1996 a decision was made by the government to change its status, from a village to that of a city. Today, they are more than 500 families living in the city of Bisotun. The economic livelihood of the population is dependent on agriculture, tourism and manufacturing.

Taking into consideration the current global tourism trends and the unique heritage attraction which the province possesses, the tourism sector has been identified by government as the major economic driver. The first government body responsible for tourism in Iran was set up in 1935 and if literally translated is known as 'attracting tourists and advertisement'. Since then, the responsible body has gone through many changes, ranging from its name, structure, objectives and policies (Farzin, 2007). However, the tourism industry of Iran was badly affected by political crises and war, such as the Islamic Revolution of Iran in 1978 and the imposed Iran-Iraq war. After the Islamic revolution, tourism was again taken into account in the first development plan of the country (Safaei, 2007).

Presently, the Iran Cultural Heritage, Handicraft and Tourism organization is the government body responsible to establish, protect, preserve and restore the country's historical-cultural legacy as well as promote and develop tourism. The main objectives of tourism development in the five year (2004-2009) socio cultural and economic development plan of Iran are to introduce the culture and civilization of Islamic Iran, stimulating local commerce and industries and project a favorable worldwide image of the country (Farzin, 2007).

The TaqueBostan and Bisotun sites are visited by many domestic and international tourists every year. It takes only about half an hour by car to reach Bisotun from Kermanshah. Tourists will visit both the destinations during their stay in Kermanshah. Their main motivation is to enjoy the unique heritage and natural beauty of the areas. The typical visit is short and seasonal. Peak seasons for domestic tourists are usually during the NowRuz (Iranian New Year) period, spring, summer, and other public holidays. International tourists visit the area throughout the year and their visits are mainly organized by tour operators. During the peak tourist season, these destinations may host more than 25 000 visitors per day.

3. Literature review

Heritage is regarded as one of the more significant and fastest growing components of tourism in many developed economies (Alzue, O'Leary, & Morrison, 1998; Herbert, 2001). It is becoming increasingly popular in the world, and deemed important for tourism development. Defined as a form of special interest tourism, it caters to the desire of tourists interested to learn about the history and lifestyle of a destination (Craik, 1997; Williams, 1998). It has long been recognized that the ideological and institutional context of heritage tourism is fundamentally different from that of general tourism (Garrod&Fyall, 2000). The relationship between heritage and tourism is frequently characterized by contradictions and conflicts (Nuryanti 1996). Heritage has its special values and concerns. Although, heritage tourism provides opportunities for many destinations, it may also represent different kinds of threats for residents. In order to minimize these threats, there is a need for dialogue, cooperation, and collaboration among the various stakeholders involved (Aas et al., 2005). The stakeholders' involvement must be included in any sustainable tourism plan in order to reduce conflict (Byrd 2007).

The concept of stakeholders is becoming increasingly important in heritage management and planning, especially the community as owner and custodian of the heritage (Nuryanti, 1996; Peters, 1999; Serageldin, 1986). The local community is often recognized as the main stakeholder in heritage tourism. Local community residing in the vicinity of heritage areas is increasingly being afforded the opportunity to make decisions over their own resources and livelihood infrastructure (Cochrane and Tapper, 2006). But the level of resident participation in tourism management varies in different countries. Compared with many developed countries, local residents in many third world countries do not have the opportunities to share in the decision making process of tourism development. Mowforth and Munt (2003) have discussed and provided vast evidence on how local communities in third world countries have been exploited. Little control is given to them to steer the direction of tourism development in their region. Their views are rarely heard and opportunities to nurture their low budget entrepreneurial tourism businesses are frequently exploited by the bigger external investors.

A larger proportion of the local population should benefit from tourism, rather than merely bearing the burden of its costs. Moreover, the industry ought not to forget that these destinations are essentially these communities (Blank, 1989). In many third world countries, a more appropriately planned tourism development process is needed which would spread both costs and benefits more equitably as well as be more sensitive to the social and cultural impacts. This would not only reduce the need for local residents to trade off their quality of life and social costs for economic growth, but would also contribute to having a more broadly based positive attitude towards tourism (Mansfield 1992). Many analysts call for greater local participation in the third world tourism sector to permit a more equitable distribution of costs and benefits (Blank 1989).

4. Methodology

In this research the perceptions of Kermanshah local communities toward social, economic and environmental impacts of tourism, are presented. A questionnaire was designed for this research and various related literature (Lankford & Howard, 1994; Williams and Lawson, 2001; Milman&Pizam, 1988; Choi and Sirakaya 2005; Andriottis, 2002) were used to develop the items of the questionnaire. Most of the questions were based on a 5 point Likert scale, ranging from 1: 'strongly disagree' to 5: 'strongly agree' and the questionnaire was pilot tested to have its content validated by several tourism scholars in Iran. Using the Cronbach's alpha method, the validity of statements about tourism impacts was tested. Descriptive analysis and t-test were employed as statistical techniques in this study.

Means and standard deviations are the descriptive statistics used in discussing the distribution of responses gathered in the research. To assess the normality of the distribution of the data, the skewness and kurtosis of each variable were also examined. In this study, the skewness and kurtosis were 0.239 and -0.201 respectively, indicating that the distribution is relatively symmetric. T-test was used to determine whether there were significant differences between respondents' group mean totals and item mean scores. The questionnaires were distributed among the local people, living or working in the vicinity of these two heritage destinations of Taqebostan and Bisotun. A total of 300 usable and completed questionnaires were collected and analyzed. Besides the questionnaire, semi-structured interviews with residents were also conducted. Interviews were recorded digitally and transcribed while informal conversations and observations were compiled as field notes by the researcher. A total of 90 persons were interviewed: 41 from Bisotun and 49 respondents were from Taqebostan. The data from the interviews were interpreted qualitatively.

5. Results

From 300 respondents, 53% was from Taqebostan and 47% from Bisotun. Female respondents constituted 27% of the sample while 73% were male participants, with an average age of 43 years (68% are less than 35 years

old). 44% of them are married, while 51% are still single. With reference to their educational level, 38% has secondary school qualification as the highest level of education attained, while 26% of the respondents have diplomas and 8% have a degree or a higher degree. The average length of residency was 31 years and 61% have been living in the area for 25 years and more. With regard to employment, 41% of the respondents stated that they have jobs related to tourism. 56% of the respondents reported a monthly household income for the year 2009 as Iranian Rials (RIS) 2000000-4000000 (about US\$216- US\$432) while 29% of respondents indicated a monthly income of under (RIS) 2000000 (about US \$216).

Concerning the community attitudes toward tourism in the area, items about social, economic and environmental impacts of tourism were studied. Descriptive statistics revealed that respondents mostly agreed the positive statements of related impacts. Table 1 shows community perceptions toward the perceived social, economic and environmental impacts of tourism. Some of the social impacts, which are most favored by residents, are as follows: "increase in the recreational facilities" (4.12), and "meeting tourists is a valuable experience" (4.08). Findings about environmental impacts show that the most favored item by residents is "tourism provides an incentive for restoration of heritage" (4.18). The negative aspects of environmental impacts are "crowded public places" (4.34) and "traffic congestion, noise and air pollution" (3.22). Based on the mean measures of economic impact items, the most favored items are "tourism leads to more investment and spending" (4.02) and "tourism creates job opportunities" (3.62). The negative economic impact item is "prices are increasing because of tourism" (3.64). However the lowest mean score of the economic impact is "tourism gives economic benefit to local people" (2.36). T-test statistical analysis was used to establish whether there is a significant difference between the respondents in Bisotun and Taqebostan. The result of the test shows that there are no significant differences of social, economic and environmental impacts of tourism between the two districts.

Interviews with local communities revealed that they value and appreciate the positive economic impacts of tourism. However, most of the respondents said they expected more economic benefits of tourism especially in terms of employment. Many of them believed that tourism has created more jobs for outsiders, benefiting only a small group of people in the province, rather than local people from Kermanshah. However, the majority of these respondents are in favor of tourism development in the area. On the environmental impacts of tourism, several respondents from Bisotun also believe that there will be negative impacts on the community's environment. For example, tourists would add to the traffic congestion in Bisotun during the tourist season but the streets around Taqebostan are wider and also several residents who work in the shops are accustomed to traffic and noise in the area.

With regards to social impact of tourism most of the respondents have positive perceptions and said that they are happy to meet tourists especially from other countries in Kermanshah. However, some respondents in Bisotun are concerned about the changes that tourism would cause such as affecting their traditional culture and the influence on the younger generations. Findings from the interviews support the results from the questionnaire survey whereby respondents from both Bisotun and Taqebostan perceived that tourism does have positive impact on their communities and they agree in principle that tourism can lead to the development of their economy in the region.

6. Conclusion

The residents' attitudes about social, economic and environmental impacts of tourism in Kermanshah have been studied in this research. Results showed that respondents perceived social impacts of tourism favorably, followed by environmental impacts and economic impacts. Residents believed that tourism has not yet created enough economic benefits for local people, but they agreed that tourism has provided job opportunities and can help to trigger the economy in the region. They have high hopes and positive outlook of developing tourism in Kermanshah.

The social impacts of tourism were evaluated positively by the residents. They are eager to meet tourists and show their ancient heritage, but some residents have concerns about undesirable effects or changes which tourism may cause on their culture. With regards to the environmental impacts, they believe that tourism would provide an incentive for the restoration of their heritage. However, crowded public places, traffic congestion and noise were found to be the negative aspects of these tourism impacts. From the semi-structured interviews, many similarities have been found in the two destinations with regards to their perceptions toward tourism in the two destinations and findings from t-test analysis indicated that differences were not significant.

References

Aas, C., Ladkin, A., Fletcher, J. (2005). Stakeholder Collaboration and Heritage Management. *Annals of Tourism Research*, 32(1), 28-48.

- Ahmadi, Hasan. (1989). *Geography of Kermanshah province*. Tehran: TarighNashr.
- Alzue, A., O'Leary, J., & Morrison, A. M. (1998). Cultural and heritage tourism: identifying niches for international travelers. *The Journal of Travel and Tourism Studies*, 9(2), 2–13.
- Andriottis, K. (2002). Residents' satisfaction or dissatisfaction with public sector governance: The cretan case. *Tourism and Hospitality Research*, 4(1), 53–68.
- Blank, U. (1989). *The Community Tourism Industry Imperative: Its Necessity, Opportunities, and Potentials*. State College: Venture Publishing.
- Byrd, E. (2007). Stakeholder in Sustainable Tourism Development and their Roles: Applying Stakeholder Theory to Sustainable Tourism Development. *Tourism Review*, 62(2):6–13.
- Choi, H. S., & E. Sirakaya. (2005). Measuring Resident Attitudes toward Sustainable Tourism: Development of a Sustainable Tourism Attitude Scale. *Journal of Travel Research*, 43(4), 380–394.
- Cochrane, J., & R. Tapper. (2006). *Tourism's Contribution to World Heritage Site Management in Managing World Heritage Sites*. A. Leask and A. Fyall, eds., pp. 97–109.
- Craik, J. (1997). *The culture of tourism*. In C. Rojek, & J. Urry (Eds.). *Touring cultures: Transformations of travel and theory* (pp.113–136). London: Routledge.
- Farzin, M. (2007). Study and analysis of Irans tourism policies in the fourth development plan, Asareh, pp. 17-26.
- Garrod, B., & Fyall, A. (2000). Managing heritage tourism. *Annals of Tourism Research*, 27(3), 682–708.
- Guyer, C., Pollard, J. (1997). Cruise visitor impressions of the environment of the Shannon-Erne waterways system. *Journal of Environmental Management*, 51, 199–215.
- Hall, C. M., & S. Page. (2000). *Tourism in South and South-East Asia*. Oxford: Butterworth-Heinemann.
- Herbert, D. (2001). Literary places, tourism and the heritage experience. *Annals of Tourism Research*, 28(2), 312–333.
- Hernandez, SA., Cohen, J., & Garcia, HI. (1996). Residents attitudes towards an instant resort enclave. *Annals of Tourism Research*, 23(4), 755–779.
- Iran Statistical Center. (2009). [Online] Available: <http://www.sci.org.ir> (January 2009).
- Iranian Cultural Heritage, Handicraft and Tourism Organization, Bisotun Research Center. (2004). [Online] Available: <http://www.Bisotun.ir> (January 2009).
- Lankford, S. V. & Howard, D. R. (1994). Developing a tourism impact attitude scale. *Annals of Tourism Research*, 21(1), 121-139.
- Lepp, M. (2007). Residents' attitudes towards tourism in Bigodi village, Uganda. *Tourism management*, 28, 876-875.
- Mansfeld, Y. (1992). Group Differentiated Perceptions of Social Impacts Related to Tourism Development. *Professional Geographer*, 44, 377-392.
- Mowforth, M., & Munt, I. (2003). *Tourism and sustainability: Development and new tourism in the Third World* (2nd ed.). London: Routledge.
- Nicholas, N. (2007). Stakeholder Perspectives on the Pitons Management Area in St. Lucia: Potential for Sustainable Tourism Development. PhD dissertation in Recreation, Parks and Tourism. University of Florida, United States.
- Nyaupane, G., & Thapa, B. (2004). Evaluation of Ecotourism: A Comparative Assessment in the Annapurna Conservation Area Project, Nepal. *Journal of Ecotourism*, 3, 20–45.
- Nuryanti, W. (1996). Heritage and Postmodern Tourism. *Annals of Tourism Research*, 23, 249–260.
- Peters, H. (1999). *Making Tourism Work for Heritage Preservation: Lijiang, A Case Study*. In UNESCO and The Nature Conservancy, Yunnan. International Conference on Anthropology, Chinese Society and Tourism, Kunming.
- Ryan, C., & Montgomery, D. (1994). The attitudes of Bakewell residents to tourism and issues in community responsive tourism. *Tourism Management*, 15(5), 358–369.

Roberts, L., & F. Simpson. (1999). Developing Partnership Approaches to Tourism in Central and Eastern Europe. *Journal of Sustainable Tourism*, 7:314–330.

Safaei, F. (2007). High council of cultural heritage and tourism, from threats to opportunities. *Asareh*, 90, p. 2.

Schroeder, T. (1996). The relationship of residents' image of their state as a tourist destination and their support for tourism. *Journal of Travel Research*, 34(4), 71–73.

Serageldin, I. (1986). *Financing the Adaptive Reuse of Culturally Significant Areas*. In the Challenge to our Cultural Heritage: Why Preserve the Past, R. Isar, ed., pp. 67–95. Washington, DC: Smithsonian Institute Press.

Tatoglu, E., Erdal, F., Ozgur, H., & Azakli, S. (2000). Resident perception of the impacts of tourism in a Turkish resort town. [Online] Available: <http://www.opf.slu.cz/vvr/akce/turecko/pdf/Tatoglu.pdf> (January 25, 2009)

UNESCO. (2006). UNESCO world heritage site [Online] Available: <http://www.worldheritagesite.org> (January 2006).

United Nations Educational, Scientific and Cultural Organization. (2009). UNESCO world heritage site [Online] Available: <http://www.worldheritagesite.org> (January 2009).

Williams, J., & R. Lawson. (2001). Community Issues and Resident Opinions of Tourism. *Annals of Tourism Research*, 28, 269–290.

Zendedel, S. (2001). High council of cultural heritage and tourism. *Iranian culture and history*. Sarir, 40, p. 2.

Zolfagharia, M. & Cheginib, N. & Malianc, A. (2005). PHOTOGRAMMETRIC DOCUMENTATION AND ANALYSIS OF DARIUS' MONUMENT AT BISOTUN, paper presented at CIPA 2005 XX International Symposium, Torino, Italy.

Table 1. Community perceptions toward tourism impacts

Tourism Impacts	Mean	Std.D
Economic impacts	3.08	2.76
Tourism leads to more investment and spending	4.02	0.93
Our standard of living is increasing considerably by tourism	3.04	1.12
Prices are increasing because of tourism	3.64	1.20
Tourism creates job opportunities	3.62	1.10
Tourism gives economic benefit to local people	2.36	1.22
Social impacts	3.44	2.22
Meeting tourists is a valuable experience	4.08	0.68
Tourism had led to increase in the recreational facilities	4.12	0.72
Tourism has an undesirable effect on our way of life	2.90	1.11
Tourism causes changes in our traditional culture	2.66	0.83
Tourism causes a lower quality of life for local residents	3.42	1.22
Environmental impacts	2.72	2.62
Tourism provides an incentive for restoration of heritage	4.18	0.90
Public facilities are kept at a better standard	3.02	1.18
Tourism causes Crowded public places	4.34	0.67
Traffic congestion, air pollution and noise increase by tourism	3.22	1.24
Tourism destroys the natural environment	2.02	0.86

A Cultural Comparison of English and Chinese Family Names

Hongmei Zhu

School of Foreign languages, Henan University of Technology

Lotus Street, Hi-Tech Development Zone, Zhengzhou 450001, Henan, China

Tel: 86-371-6775-6797 E-mail: zhuhongmei@haut.edu

Abstract

The family names of humans are formed and used in the long process of the course of history and the development of society. Family names, being a part of culture, are closely related to history and culture. English and Chinese names are different in their origins and name orders, which is certain to be reflected in their perspective culture. Therefore an exploration of their reflections in the cultural aspects of historical development, feudal history, historical tradition, historical influence and current social situation will be beneficial for the deepening of English study and the mutual understanding and communication of the East and the West.

Keywords: Cultural comparison, English family names, Chinese family names, Origin, Name order

The word "culture" comes from the Latin root "colere" (to inhabit, to cultivate, or to honor). In general, it refers to human activity; different definitions of culture reflect different theories for understanding, or criteria for valuing, human activity. Culture is traditionally the oldest human character, its significant traces separating Homo from australopithecines, and Man from the Animals, though new discoveries are blurring these edges in our day. Sir Edward B. Tylor wrote in 1871 that "culture or civilization, taken in its wide ethnographic sense, is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society" while a 2002 document from the United Nations agency UNESCO states that culture is the "set of distinctive spiritual, material, intellectual and emotional features of society or a social group and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs". [UNESCO, 2002]. It is generally accepted that language is part of culture. It carries culture, thus be influenced by culture. Names including family names, which is a part of language, are sure to reflect the distinct culture of the people using it. This paper intends to start from the English and Chinese family names from the perspectives of the origin and order so as to reveal their reflections on their own culture.

A family name (in Western contexts often referred to as a last name or surname) is part of a person's name indicating the family to which the person belongs. A family name is the most fundamental and most significant symbols showing the identification of the members of a society. The use of family names is widespread in cultures around the world, which means family names are part of culture. As far as English and Chinese names are concerned, their cultural differences can be shown in the origins of their family names and the different orders of their names so as to make us learn about the development history of a society or a nation and some other aspects of its culture, which is the purpose of this paper intending to make an analysis between English and Chinese family names from their cultures reflected.

1. Cultural reflections of the origins of family names

If we trace back into the origins of Chinese family names, we can see that Chinese family names are closely related to the development history of the Chinese nation. According to legend, family names started with Emperor Fu Xi in 2852 BC. His administration standardized the naming system in order to facilitate census-taking, and the use of census information. For scientific documentation that matrilineal surnames existed in China before the Shang Dynasty (1600-1046 BC) and that "by the time of the Shang Dynasty they (Chinese surnames) had become patrilinea." Therefore, what we can learn first is that the ancestors of the Chinese nation came from primitive society. When the Chinese nation went into class society, the emperors had the supreme powers in their hands in awarding lands and fields to those ministers who performed meritorious service to their reigns, establishing official positions. Their supreme power was best exemplified in granting a surname to a person when he was alive or after his death. In addition, in feudal societies, the emperors' names was a taboo on every occasions. The origins of family names also showed that Chinese nation actually is combination of multiple nationalities, which is the same case for the British and American people. As for English family names,

they have a relatively short history. Documents indicate that surnames were first adopted among the feudal nobility and gentry, and only slowly spread to the other parts of society. In Britain, hereditary surnames were adopted in the 13th and 14th centuries, initially by the aristocracy but eventually by everyone. By 1400, most English and Scottish people had acquired surnames, but many Scottish and Welsh people did not adopt surnames until the 17th century, or even later. Henry VIII (1491–1547) ordered that marital births be recorded under the surname of the father. The whole process lasted for 500 years. However, English family names differ from Chinese family names in their civilians consciousness, which can be shown in the casual choice of their family names for even a nickname, childhood name like Fox, Stout, Armstrong, Longfellow can be a person's family name. The origins of English family names can show their love for nature, respect for and sentimental attachment to everything in it. English family names like Bird, Lion, Swan, Wood, Wolf, Bush, Flower, Rose and Apple are such examples. Their family names also indicated that English people are characterised by the pursuit for novelty and oddness without an exception of their family names. According to a survey made in 1974, there were as many as 1,280,000 family names in America, among which more than 1/3 were those that had never been used before, which was obviously a result of Americans' unconventional and original personality.

2. Cultural reflections of the order of family names

2.1 Reflection of perspective feudal history

The nations with a name order of family names preceding given names usually have a long feudal history. The Han nationality have a feudal history of more than 2,500 years, which started from the Western Zhou (1066 - 771 BC) or Eastern Zhou (770 - 256 BC) Chinese society to the Opium War in 1839. However, the feudal history of those nations with a name order whose given names precede family names is relatively short. Great Britain is a case in point. It only had a short feudal history of several hundred years. From the 9th century to the 11th century, Britain was still on its way to feudalization and there existed a large number of free farmers. It was only after the Norman Conquest of 1066, the feudal system was widely established in Britain. However, only several hundred years later, in the 14th century, its feudal system was disintegrated. When it came to the 16th century, the capitalism was widely developed, which directly led to the British Bourgeois Revolution in the 17th century. To sum up, the feudal history of Britain is very short with no more than 500 years, but its capitalism was developed quite early.

2.2 Reflection of perspective historical tradition

The nations with a name order of family names preceding given names usually have a long feudal history, in which there wasn't any democratic tradition and everything was determined by the will of the supreme emperors. Therefore, in those nations, given names which represent a person himself can only be put behind family names which stand for home ownership. In China, from the very beginning of family names, they were put before given names and the tradition lasted for more than 2,500 years. In these nations, although the choice of a person's given names has always been changing with the era, the order of names has always been stable.

On the contrary, the British and American people had their democratic tradition even in the feudal reign, which made these nations strengthened more on individual roles. Therefore, their given name which stands for the individual himself was always put before their family name which is a representation of their family.

2.3 Reflection of their historical influence

Chinese name order has a direct influence on that of its neighbouring countries like Korea, Vietnam and Japan because of its 5,000 year history of civilization. China's naming system came into being as early as the reign of Emperor Fu Xi. Its neighbouring countries like Korea, Vietnam and Japan either had long been its dependent country or using Chinese characters as their own language. They were greatly influenced by its culture. Similarly, these countries all had a long feudal history, had no democratic tradition, bordered China, used Chinese characters. Therefore it was no wonder that they were sure to be influenced Chinese cultures including naming system.

However, the English name order was influenced by Roman Republic in its early time. Rome became a republic in about B.C. 510. From then on, the civilians had constant fights against nobility for their rights, which was the origin of their democratic tradition. Because at that time, ancient Rome was the number one civilized country in Europe and in the course of its development it constantly expanded its territories and formed its hegemony in the Mediterranean in the 2nd century B.C., therefore, its democratic tradition had a great influence on the formation of the national psychology of the whole Europe. Ancient Romans' name was spelled in Latin, and freeman's name was formed by given name plus tribe or clan name, which was actually their family name. Take the famous Great Emperor Caesar of ancient Rome for example, his name was formed by three parts, that is Caius, Julius

and Caesar. With the development of history, the middle name which was one's clan name disappeared with the diminishing power of clan. The Roman name order which strengthened individual role was widely accepted in the Miderterranean with its expansion in this area. The Latin language which was spoken by ancient Romans first replaced other languages in this area but then split into Italian, French, Portugese and Spanish with the fall of the Roman Empire. Because these languages all have Latin origin, it's natural that the name order of the Latin language permeated into their languages.

3. Reflection of current social situation

Family names are not only used for addressing people, they also reflect social realities at that time. In China's ancient Zhou Dynasty, having or not having a family name showed the contradictory relation between the ruling class and the working class. Before the establishment of the People's Republic of China, Chinese women followed their husband's family name by abandoning their original family name, which showed the feudal prejudice against and bondage upon them. After the establishment of the P. R.C., the social status of Chinese women has been greatly improved and been considered "half sky", they can keep their own family name when they get married. However, in England and cultures derived from there, there has long been a tradition for a woman to change her surname upon marriage from her birth name to her husband's last name. From the first known US instance of a woman keeping her birth name, Lucy Stone in 1855, there has been a general increase in the rate of women keeping their original name. This has gone through periods of flux, however, and the 1990s saw a decline in the percentage of name retention among women. As of 2004, roughly 90% of American women automatically assumed their husband's surname upon getting married. Even in families where the wife has kept her birth name, parents traditionally choose to give their children their father's family name. Although in America, there was a great change for married women traditionally known as Mrs [Husband's full name] into a modern Mrs [Husband's last name], the incompleteness of women's liberation can still be shown from this.

To sum up, family names are not only a sign for a person but reflect culture from different aspects. And a comparison of English and Chinese family names can make us learn about the cultural differences shown from the origins and name orders, which is good for the deepening of the study of English as well as helps to promote the mutual understanding and communication of the East and the West.

References

- Danesi, Marcel. (2007). *The Quest for Meaning*. Toronto: University of Toronto Press, p 48.
- Doll, Cynthia Blevins. (1992). Harmonizing Filial and Parental Rights in Names: Progress, Pitfalls, and Constitutional Problems. *Howard Law Journal* (Howard University School of Law) 35.
- Kramsch, Claire. (2000). *Language and Culture*. Shanghai: Shanghai Education Pres.
- Wang, Quangen. (1988). *Perspectives of Chinese Personal Names*. Nanning: Guangxi People's Publishing House.
- Wang, Quangen. (2001). *Culture of Chinese Personal Names*. Beijing: Unity Press.
- Wiehl, Lisa. (2008). Wedding Norms Challenged as Women Question Changing Names, Fox News. Retrieved October 14.

Study on Status Quo of Dance Education among University Students and Countermeasures

Yujuan Bi

Duzhou University

Dezhou 253023, Shandong, China

E-mail: dzbyj@163.com

Abstract

Since the 90s in the Twentieth Century, China has always been advocating artistic education for all-round development among university students. As part of education for all-round development, dance education has entered classes in universities and has enabled quite a lot of people who care about dance education to feel delighted. In the mean while, how to make dance education really play its role in education for all-round development also has become a problem which is considered and reflected by all people involved in dance education in general institutions of higher learning. This article makes an analysis in the status quo and reasons of dance education among university students and puts forward countermeasures and suggestions for reform of dance education among university students.

Keywords: Colleges and universities, Dance education among university students, Countermeasures

Dance education among university students is one of the important contents in artistic education. An analysis of existing issues and reasons of dance education among university students in China and an exploration of countermeasures and measures of reform of dance education among university students has significant realistic meaning to improve the comprehensive quality of university students and enhance the education teaching quality among university students.

1. Analysis of the status quo of dance education among university students

Compared with other artistic education, dance education in higher colleges and universities in China started later. It has been discovered in the wide survey on dance education in some colleges and universities, standards and methods in all universities to carry out dance education are varied, and some universities list dance education into the Department of Social Science as human quality education. Some universities set up unique artistic centers, set up dance troupes for university students and attribute dance troupe into the scope of Youth League Committee in the universities. By contrast, some other universities list dance as the Department of Physics habitually and set up selected courses of dance. The major reasons which cause these phenomena are that the economic conditions, dance classrooms and dance teachership are not qualified and perfect in these universities. However, within the short period of several years, with emphasis by people on artistic education in colleges and universities, dance education has been continuously development and has become an important content in quality education in universities today. Although methods and standards to carry out dance education in universities are varied from each other, they all attach great importance to the entertainment functions and educational functions of dance education and give full play to the important role of dance education in cultivating university students' healthy aesthetic concepts and aesthetic capacity, edifying their lofty moral sentiment and moulding their benign physical beauty.

Since the 90s in the Twentieth Century, China has always been advocating artistic education for all-round development among university students. As part of education for all-round development, dance education has entered classes in universities and has enabled quite a lot of people who care about dance education to feel delighted. In the mean while, how to make dance education really play its role in education for all-round development also has become a problem which is considered and reflected by all people involved in dance education in general institutions of higher learning. As part of art education, one of the purposes of dance education is to cultivate more excellent compound talents for development of scientific development, but not merely fostering students' dance skills and performance capacity. Otherwise, it is difficult for dance education to be connected with cultivation of science-oriented talents in art education. From this perspective, we can discover mainly the following four problems of dance education in education for all-round development in colleges and universities in China.

1.1 Dance education more carries out practical education in general institutions of higher learning and its scope of popularization is not extensive.

The teaching content of dance education in general institutions of higher learning at present, on one hand, is learning of dance works, and on the other hand, is to rehearse performance of rich campus cultural activities. Restrained by ages and physical conditions, quite a large number of university students lose confidence in learning of dance courses, and they are afraid of learning dance, which is especially serious among university students of agricultural department. Thus, it is particularly difficult to conduct further teaching in learning of dance works. However, in campus cultural activities, what dance aims at is to enable university students to appreciate who do not have strong sense of participation. If university students' capacity of participation in dance is not enough, then it is difficult for them to achieve a common sense. Therefore, those who are involved in dance education is not as many as those involved in other artistic disciplines and the degree of emphasis on dance education in artistic education in colleges and universities is not enough compared with other artistic courses.

1.2 Setting of content of dance courses is not combined with cultivation of quality of creative talents.

At present, artistic education in colleges and universities mostly aims at improvement of skills and appreciation level of students, and is centered with cultivation of students' artistic thinking ability, artistic sentiment and recognition of "beauty". Dance education merely focuses on improvement of students' skills and development of their artistic thinking capacity, but does not combine improvement of students' artistic knowledge and cultivation of creative talents. Most colleges and universities put emphasis on scientific thinking capacity in their cultivation of talents, and figurativeness of artistic thinking can improve, affect and promote scientific and logic thinking. Although scientific thinking is strict and abstract and has essential difference from the emotionality and visualization of artistic thinking, as a matter of fact, the thinking mode of human being is complicated and non-linear, and has the characteristics of plyability. Artistic thinking has the characteristics of emotional image. Thus, when artistic thinking is combined with scientific thinking, the organic combination and mutual interaction of the two can more expand the thinking space of human being, enlighten and make up for logistic thinking and helps scientific thinking to gain success. Thus, in colleges and universities, especially those with the main stream of agricultural science, if the artistic education neglects combination with scientific and technical research activities, then it might be out of line with education for all-round development in a real sense.

1.3 Dance education is out of line with other human and social science education

On the basis of cultivating artistic skills of university students, dance education should concentrate more on cultivating students' artistic appreciation ability, artistic evaluation ability and particular artistic insight in objects, and should also transfer dance and other human and social science subjects into comprehensive ability of feeling. That is to say, focus of dance education should transfer from ontology of dance to combination of other subjects, such as aesthetics, philosophy, psychology, sociology and architecture. Professor Liu Qingge once said, "The interdisciplinary theory of dance mainly includes theory of interdiscipline subjects (dance aesthetics, psychology, anthropology, sociology and pedagogy) in which dance and human and social science subjects are interrelated, and study on interdiscipline subjects in which dance and natural sciences are interrelated." For example, in practical classes, popularization of dance knowledge should be emphasized. In appreciation classes, after we give lectures about authors, creative motive, manifestation content and structural appreciation, we should further extend content of the classes and enlighten students to expound their feelings from the perspective of art theory, art sociology, art psychology and art philosophy, so as to enrich and improve content of art education for all-round development.

1.4 Dance education has not established a clear-cut position in the system of artistic education.

At present, artistic courses set up in colleges and universities in China are mostly selective courses, mainly including free selective course and limited selective course. Courses that can be set up can be divided into three categories. one category is courses centered with skills and technique, such as singing skill, learning of all sorts of instruments and selective learning of dance works, etc. Number of such sort of selective courses and their scale are varied due to limitation of occasion, funds and teacher resources, etc. The second sort of courses is set up to resolve the problem that students have to possess basic knowledge to learn a selective artistic course, such as basic music theory and dance basic training, etc. This sort of selective courses is set up in almost all colleges and universities. The third sort is courses of appreciation. Different schools set up such a sort of selective courses with different contents. Some schools set up classic music appreciation courses, some set up folk music appreciation courses, some set up western music appreciation courses, some set up typical music appreciation courses, some set up opera dance drama or a list of plays or operas appreciation courses, and some set up purely

special music appreciation courses and dance works appreciation courses (not many in some schools). These three sorts of courses occupy different proportions in selective artistic courses in colleges and universities, and have no unified and complete teaching outline and assessment standard.

2. Analysis of causes

There are various reasons for problems existing in dance education in general institutions of higher learning. Subjectively speaking, it is as a result of deficient recognition and deficient emphasis on dance education for all-round development in the ideological thinking. Restrained by traditional concepts, the scale of dance education is still open to be expanded. In the ideological thinking, education on cultural knowledge outside arts is more concentrated, while the role of dance education in the education of quality of human being is ignored.

In terms of knowledge in the brain science, people underestimated the role of development of dance arts in the right brain in the past. According to scientists, the left brain is of intelligence and the right brain is abundant in emotion; the right brain can participate with the left brain to make a decision and harmony of speeches and action of people is dependent on the interaction between the left and right brain. From ancient times to present, training of people in the left brain is mainly dependent on speeches and words in the civilized society for education, which has led to the result that training on the left brain takes up the superior position while the right brain is underdeveloped. As a result, the serious loss of balance is not favorable for a comprehensive improvement of the individual quality. Thus, there has, for a long time, been existing the situation that the right brain is underdeveloped and cultivation of emotional thinking and image thinking is relatively weak.

Education of emotional quotient among university students is not enough. The ultimate purpose of education among university students is to let human beings more adaptive to the society. Intelligent quotient is especially important to development of human kind, whereas the emotional quotient of human being can enable the intelligent quotient of people to be fully explored in social development. In connection between artistic education and the society, both observation by predecessors and the practical artistic practice of later generations tell us that connection between artistic education and the society is one of bidirectional relationship and those who accept education are enlightened by artistic works to realize arts. The reproduction of content, forms and types of artistic works, formation of the style, development of artistic history and diversification of recognition concept are all restrained by certain times background, certain social conditions and certain living conditions. Formation of an artistic works is the outcome of the society, reflection of social life, and this kind of reflection is indirect and flexural and is formed through the intermediate aspect of people's emotion. In the process of realizing artistic works, people's emotion is enlightened by artistic works and produces the recognition concept. At the same time, people's emotion reacts up on people's social action and social relation.

From an objective perspective, the teacher resources for dance and art education in colleges and universities are deficient and the proportion of teachers in those who are involved in art education for all-round development is still small, and some schools even do not have dance teachers for art education. Furthermore, teachers who are involved in dance teaching are seldom trained for professional dance. Besides, the knowledge structure of teachers who are purely trained for professional dance learning is single, which, together with non-plyability of teachers, becomes the obstacle for us to promote dance education. Cultivation of students is directly influenced because dance teachers are affected by traditional art education, their own quality is deficient, together with the traditional feature of teaching method and specialization of dance profession and imperfect teaching system and insufficient emphasis on teachers in the schools. In the mean while, teachers who are involved in dance and art education in colleges and universities occupy only a small proportion and have not formed a large group, so academic communication is generally insufficient.

3. Several suggestions for reform of dance education among university students

At the time when art education in colleges and universities lead university students to go towards the art palace, colleges and university should focus more on cultivation of the capacity of students. Only if they cultivate students' imagination, creativeness and artistic thinking capacity, can they develop scientific intelligence in the process of education for all-round development and serve for scientific education. Considering the current art education in colleges and universities at present, the author believes that dance education should conduct reform from the following several aspects.

It is obviously not realistic for the course system of "one major, several supplements" to list dance and art courses into the major courses of colleges and universities. As a matter of fact, the more the categories of dance and art courses opened and the more the branches of these courses, the more difficult it is for university students to make a choice. Thus, the multiple dance selective courses should be integrated into one in a scientific way, should be lengthened in class hours and reduced in the number of categories. No matter what kind of subjects is

set up, first of all, colleges and universities should start from the perspective of education for all-round development. Mostly importantly, they should set up a course that has the asymptotic property and plyability in the content system. That is, they should appreciate and analyze artistic works according to the physical conditions and learning ability of university students and on the basis of giving lectures about basic dance and art theory and evaluate and appreciate artistic works from the perspective of other artistic and social sciences. Dance and art courses should be based on this course, and other courses should be regarded as supplementary. If it is allowed, this course can be set up as a kind of dance and art required course for university students. In such way, they can avoid the situation that students have no way to make a choice, and meanwhile, can expand space for students to choose dance courses of other categories. In the same time, we should carry out the purpose of art education for all-round development and set up some selective courses of such interdisciplinary subjects as dance aesthetics, dance psychology, dance sociology and art philosophy for setting up of supplementary dance and art courses, so as to satisfy different demands of university students.

Colleges and universities should pay attention to practical education forms and should hold some campus cultural activities in addition to giving lectures in class in the process of dance and art education for all-round development, such as dance communication association, salon and panel discussion, etc. In the process of holding this sort of activities, colleges and universities should organize activities for students with different artistic levels in addition to certain width and depth. They may regard artistic core members as a "point" to activate common students and stimulate university students' interest and favor in dance and art, and they can establish dance troupe and art studio, etc, spontaneously. They can also expand communication and cooperation among university students, learn to meet practical needs in the process of creation and practice and make theory deepened in practice and achieve the purpose of cultivating talents through art education.

Colleges and universities should perfect the professional knowledge structure of teachers. At present, the knowledge structure of teachers involved in dance and art education in colleges and universities is faced up with two problems. Firstly is learning of professional dance knowledge and secondly is learning of knowledge in psychology, philosophy, sociology and aesthetics. Only colleges and universities cultivate teachers with compound knowledge structure, can they cultivate comprehensive talents. Thus, multi-discipline training on teachers of dance and art in colleges and universities is an important aspect for dance and art education for all-round development.

In one word, dance education in colleges and universities at present needs to re-establish a new cultivation target, that is, to transfer from skill-oriented education to comprehensive development education of artistic quality and scientific quality. The so-called comprehensive development of artistic quality and scientific quality firstly refers to development of artistic quality. Namely, dance education focuses on the improvement of students' quality, but not simply "learning" and "appreciation". Comprehensive development of artistic quality also needs to combine dance and art education and scientific education in an organic way, realize mutual promotion and benign interaction between the two and play an interdisciplinary and supplementary role for cultivating compound and high quality talents. Cultivation target is the direction and standard for growth of talents and is the premise and guidance for all teaching activities. Change of direction of colleges and universities in cultivation target of dance education will affect such dance teaching practices as course setting, teaching design and activity organization, etc, will put forward more demands on the teacher resources of dance and art education, will push art quality of university students to a higher level and will finally improve the comprehensive quality of university students in an overall way.

References

- Liu, Qingge. (2002). Reflection: Foundation of Cultural Study of Dance. *Journal of Beijing Dance Academy*, (1).
- Ping, Xin. (1999). Aesthetic Education of Dance and Education for All-round Development. *Journal of Beijing Dance Academy*, (4).
- Wang, Guobin, et al. (2002). Study on Aesthetic Education of Dance and Education for All-round Development. *Journal of Beijing Dance Academy*, (2).

The Influence of Low Carbon Economy on Corporate Social Responsibility

Jin Lv

School of Economics and Management, Changchun University of Science and Technology
Weixing Road No. 7989, Changchun 130022, China
E-mail: lvjin713@163.com

Jing Ma

School of Economics and Management, Changchun University of Science and Technology
Weixing Road No. 7989, Changchun 130022, China
E-mail: majingdoll@hotmail.com

Jianting Li

School of Economics and Management, Changchun University of Science and Technology
Weixing Road No. 7989, Changchun 130022, China
E-mail: jianting1986@126.com

This paper is one of the research achievements of science and technology development project of Sci-Tech Department of Jilin Province

Abstract

Under low carbon economy environment, as the pioneer of implementing low carbon economy, corporations have to follow current tendency, change ideas, and take their social responsibility actively, so as to win new competitiveness and achieve sustainable development per se. Firstly, we illustrate the positive influence of low carbon economy on corporate social responsibility through elaborating the internal and external pressure that low carbon economy brings to corporations. Then we propose the approaches to be utilized by Chinese corporations to take social responsibility under low carbon economy background. Finally, we call corporations to do something and confront the challenge in low carbon economy age actively.

Keywords: Low carbon economy, Corporate social responsibility, Corporate benefits

Preface

From global overview, great adjustment of relevant industries characterized by low carbon and changes of global specialization structure are coming soon. U.S.A., Japan and Europe have invested enormously in low carbon industry field. And the emerging economies like China, Brazil and India also take low carbon economy as a new increasing point of future economy in the ascendant. China has the most carbon releasing, therefore, it is very important to change traditional production- and living modes and reduce carbon releasing for future China's sustainable development. Specially, as for Chinese corporations, some of the key links among global industrial chain, along with a new low carbon economy tidal wave, if they want to win low carbon competitiveness, they have to expedite changing production mode actively, simultaneously make every effort to take new corporate social responsibility in low carbon age, and achieve long-term development.

1. Low Carbon Economy and Corporate Social Responsibility

1.1 Low Carbon Economy

Low carbon economy primarily emerged in British energy white paper in 2003, "Our energy's future: creating a low carbon economy", which is the green economy based on low energy consumption and low pollution. The

core is to promote whole social economy to transform into high energy efficiency, low energy consumption and low carbon releasing. Definitely speaking, the development mode of low carbon economy is based on “low- and high in three aspects respectively” (low energy consumption, pollution and releasing and high effectiveness, efficiency and benefits), directed on low carbon development, with reduction of energy and releasing as development mode and with carbon counteraction technology as development method.

Low carbon economy derives from late 20th Century. Its symbol is “United Nations Framework Convention on Climate Change” Kyoto Protocol constituted on whose third conference in Japan in Dec. 1997. And in Dec. 2009, the Copenhagen Conference was held, whose main topic is to study out a new climate agreement to take over expiring “Kyoto Protocol” and confront the influence of world climate change in new century on human living environment. The Copenhagen Conference intimates the coming of low carbon economy age.

1.2 Corporate Social Responsibility

Corporate social responsibility (CSR) means, when corporations create profits and take law responsibility for shareholders, they need to be responsible for staff, consumers, community and environment. CSR require corporations to transform the traditional idea, i.e. a single target—profit, but emphasize on the value of human during production process and on the contributions to consumers, environment and society.

Traditional CSR consists of the followings: (1) Economic responsibility. Corporations provide society with goods, services and employment opportunity, and contribute to national economic development. (2) Obey laws. Corporations represent good models on obeying laws and regulations, running with honesty and credit and constructing law-dominated society altogether. (3) Ethics and charity responsibility. Corporations help weak populations and improve social welfare.

After 1960s, with the emerging of international environmental protection movements and sustainable development ideas, reduction of energy consumption and environmental protection are also classified into the scope of CSR. Entering 21st Century, along with global climate change and low carbon economy coming up, the CSR reports of many multinational corporations center on staff, community responsibility and so on as well, gradually switching to contents relevant to environmental protection and carbon releasing.

Before Copenhagen Conference in 2009, Chinese government promised to reduce carbon releasing per GDP by 40-45% of 2005 by 2020. This promise will impose most of the responsibility on corporations. When the internal- and external environment of corporate development changes, corporations need to adjust their own development strategy in time according to the changing environment. They should be with the tendency and take the new social responsibility of low carbon and environmental protection in new age, so that they could achieve long-term development.

2. Corporate Pressure to Take Social Responsibility under Low Carbon Economy Background

2.1 External Pressure by Carbon Economy

2.1.1 Financing Pressure

It is well known that finance industry is regarded as the main force of modern economic development. Under low carbon economy, some departments of Chinese government have established new policies on environmental protection continuously. Since 2007 some green financing products have been brought out, such as green credit, green insurance, and green security. In July 2007, Ministry of Environmental Protection of China, the People’s Bank of China and China Banking Regulatory Commission issued “Proposals on Implementing Environmental Protection Policy and Preventing Credit Risks” together, which is an important political document on green credit to restrict the expansion of high energy consumption and high pollution. In November of the same year, China Banking Regulatory Commission issued “Proposals on Enhancing the Social Responsibility of Banking and Financial Organizations”, which declares saving energy, protecting and improving natural environment are the essential social responsibilities that banking and financial organizations should take.

Under the background of low carbon economy, finance industry gradually steps into green finance, which will direct corporations to a way of clean production and green production.

2.1.2 Pressure from Industrial Adjustment

Low carbon economy will transform modern industrial civilization into ecology civilization and initiate epoch of human economic development. The industrial development of China will surly step along new-pattern industrialized road and promote optimization and upgrading of industrial structure, as well as the transformation of growth mode. Low carbon economy will urge economic structure to switch from present energy consumption and extensive pattern to energy saving and intensive pattern, which will result in a change of social industrial

structure layout. Definitely speaking, inferior corporations with high investment, high energy consumption, high pollution, low benefits will certainly be washed out. And low carbon industrial cluster will be formed finally. Therefore, corporations have to make strategic adjustment and expedite reform, reorganization, and reconstruction so as to adapt a new round of industrial structure adjustment.

2.1.3 Pressure from Consumption Transformation

The pressure from consumption transformation represents two aspects: change of consumption concept and improvement of consumption environment. As for consumption concept, low carbon economy leads industrial civilization to ecology civilization, and “green consumption”, “healthy consumption” and other new consumption concepts will penetrate into hearts gradually. So when consumers select products, they are tending to consider their production mode, energy consumption and other factors which may affect corporate traditional production. With regard to consumption environment, the development requirement of low carbon economy promotes the government to establish good consumption environment for low carbon products. One hand, Chinese government is constructing the growth mode and consumption mode of energy saving and ecology environmental protection through establishing and consummating license system of discharging pollutants and indicial system of reduction of energy and releasing. On the other hand, Chinese government also will advance social civilization to improve consumption environment, figure ecology environment and encourage ecology consumption. Thus, corporations have to reestablish corporate culture in order to adapt and get involved in the ever changing consumption environment.

2.1.4 Pressure from Carbon Tax Domestically and Internationally

Carbon tax is imposed on carbon dioxide releasing during production, transportation and other processes of products. Along with human’s ever deeper view on climate change, the voice on imposing carbon tax domestically and internationally is bigger.

From global point of view, “Clean Energy Security Act of America” passed by American Boule on Jun. 26th, 2009 stipulates America has the right to impose carbon tariff on the imported products from the countries without reduction quota of releasing carbon, including China. In June of the same year, French government also formally declared they are about to establish scheme of imposing carbon tax on energy dissipation products, which will be implemented by 2011. In China, on Sep. 18th 2009, Chinese Energy Research Institute National Development and Reform Commission issued “Chinese Energy and Carbon Releasing Report by 2050” which makes suggestions and analysis on Chinese carbon tax, carbon releasing reduction system and so on. Subsequently, a report from Research Institute for Fiscal Science, Ministry of Finance of China, sponsored by Energy Funds of China, “On China Imposing Carbon Tax”, claims China may consider imposing carbon tax in five years, and also proposes definite framework of carbon tax system.

Imposing carbon tax seems to be an inevitable result, however, the influence of that on all corporations, especially plenty of Chinese corporations with high pollution and high energy dissipation, is huge as every process of corporations, such as production, transportation, sale, is likely to be listed on carbon tax scope.

2.2 *Internal Pressure from Low Carbon Economy*

2.2.1 Social Responsibility Correlates with Corporate Public Image

According to a poll by Hill and Harris, most of American people will measure the social responsibility influence of a product when buying it. High to 79% of people will consider the behavior of corporate social responsibility, simultaneously, 36% of them think that is an important factor influencing their purchase. Obviously, only focusing on social responsibility, corporations can establish their own brands in long-term development; only proving society with high-quality products and services, and showing good corporate image to consumers, corporations can gain return and approval from society and consumers. Regarding the above good circulation, corporations will be the final beneficiaries.

2.2.2 Social Responsibility correlates with Corporate Human Resource

The development of corporations is tending to depend on the initiative and creativity of staff. So during corporate growing, human capital is the basic source of corporate competitiveness. For the talented persons, what attracts them is not only salary and individual development, but also corporate good social image. At the same time, corporate taking social responsibility can promote corporate culture establishment and show corporate sense of mission and of duty, furthermore, form strong agglomeration and attraction. Therefore, the corporations which take social responsibility actively are easier to obtain and keep excellent staff, so that they could fulfill long-term and healthy development.

3. Positive Effects of Low Carbon Economy on CSR

Developing low carbon economy is not only the approach to accomplish CSR, more significantly, it brings increasing corporate profits as well, so CSR and corporate benefits are both gained. We shall elaborate and analyze from the following three perspectives.

3.1 Conformity between Innovation of Developing Low Carbon Economy and Corporate Benefits

J.A. Joseph Alois Schumpeter, an American economist, once pointed out that profits derive from innovation. In order to develop low carbon economy, corporations are necessary to induct new products of less energy dissipation, apply more intensive production mode, explore low carbon market, and look for more energy saving material source, therefore, developing low carbon economy is undoubtedly an innovative representation.

When corporations develop low carbon economy, they will emphasize preventing resource destroy and environmental pollution from the head of production process, and consider resource saving, castoff avoidance or reduction systematically on every strategy of that. One of the corporate innovations rests with producing green products whose production and utilization run through the whole low carbon economy and are the important links of low carbon economy and key factors of transforming industrial development mode. Corporations reduce using materials by producing products in order to accomplish optimized production and maximum recycling resource. Thus they could achieve reduction of energy and releasing, and also environmental pollution, at the same time, accomplishes optimal benefits on economy, society and ecology.

NEC is a multinational corporation, including commercial companies, telecommunication service, governmental IT and network products. It involved reduction of energy and releasing into corporate production and operation as its own mission in 2002. It reduced its direct carbon dioxide releasing in production and produce energy-saving goods to make consumers reduce carbon releasing. So this mode not only cuts cost for NEC, but also makes NEC products more competitive in the market. NEC has ranked first for two continuous years and by 12% market share among global telephone equipments in 2007.

As for the development mode of NEC on low carbon economy, its control on the direct carbon dioxide releasing in production is the introduction of a new production mode; its producing energy-saving products to make consumers reduce carbon releasing is the introduction of a kind of new product and exploitation of a new market. Finally, it continued to hold the champion of market share of global telephone equipments, which also effectively proves the conformity between innovation and corporate benefits on developing low carbon economy.

3.2 Conformity between Uncertainty of Developing Low Carbon Economy and Corporate Benefit

Current society is mostly optimistic to prospect of low carbon economy, regarding it not only as contribution to human society, furthermore as a unique opportunity for global economic development. Meanwhile, possible resistance on developing low carbon economy is also noticed. Especially, this economic mode just starts and involves enormous investment, which adds some uncertain factors for it. However, the uncertainty of low carbon economy could probably create more benefits.

Frank Hyneman Knight, American economics professor, proposed in "Risks, Uncertainty and Profits" in 1927, that profits come from uncertainty. If market is certain, all the income corporations get from consumers will become social opportunity cost. Here, price is equal to sum of cost without any profit.

Although Knight focused on "profit", obviously benefit is more extensive than profit. When corporations obtain profits, they must get benefits as well. On developing low carbon economy, corporations could be conservative, or go ahead of other competitors. Obviously, the latter choice means encountering more uncertainties. In other words, directed by right decision and management, they should obtain more benefits surely.

3.3 Developing Low Carbon Economy Brings Corporations with Brand Effect

It is well known of the brand effect on corporate benefit. Corporations can raise customer loyalty and governmental support by good brand image. Currently, it is easier for low-carbon-economy corporations to establish good public image compared to the corporations with high releasing and dissipation. So they can further more extensive market and capture market share so as to establish stable base for corporate benefits.

Regarding direct effects of low carbon economy on brand marketing, besides possible carbon tax discussed again and again by officials, the changes of global consumption values should be concerned by all brand managers. With low carbon economy tendency, some consumption values usually proclaimed in traditional brand marketing, such as showing off luxury and style, are likely to be embarrassed and put under the public magnifier of reducing energy and releasing, becoming the market poisonous drugs. Because the public has realized consumption can't be so casual to just satisfy individuals. Unreasonable and excessive consumption will leave too many troubles to

offspring. Therefore, “responsible consumption” will increasingly become global popular consumption values, which will influence all products, from luxury to fast moving consumer goods, without any exception. We take Britain, with strong consciousness of reducing dissipation, for example. An investigation result at the end of 2008 shows over two-third public in Britain prefer to purchase the products whose companies actively participate reducing energy and dissipation. In recent years, American Hollywood film stars greatly pursue gas-electricity mixed cars, which represent “low-carbon luxury” will replace “low-key luxury” step by step, and become a new value of top consumption.

Through the above theoretical and empirical analysis, we acknowledge CSR and corporate benefits are not conflict, on the contrary, they are complementary with conformity which is more obvious and outstanding in low carbon economy.

4. CSR Approaches on Developing Low Carbon Economy

Currently, China has become the most carbon-releasing country in the world. Chinese corporations are the subjects of carbon releasing, representing low carbon economic benefits individually. When implementing low-carbon social responsibility, they should start from the following aspects.

4.1 Develop Industries Friendly to Environment and Attach Importance to Low-Carbon Technology Innovation

Every corporation needs to attach high importance to early investment, sufficiently use established clean-development funds and Chinese green carbon funds, set up long-term development layout and actively exploit and use high-efficiency and low-carbon producing technology. Corporations also should construct alliance platform for innovation of carbon technology in time, so that they could grasp technology on developing low carbon economy and relevant technology. Meanwhile, they can share resources, study together, extend productive technology chain, and then promote the transformation to low carbon.

4.2 Encourage Management and System Innovation, and Form Good Green Production Atmosphere

Corporations should implement innovations on production, circulation, consumption and recycle of products. Producers need to carry out not only clean production on manufacture stage, but also consider the effects of other stages of life circle on environment. They are supposed to increase using efficiency of resource and energy, and construct green production value of the whole process, including design, material purchase, manufacture, transportation & selling, consumption and recycle.

4.3 Strengthen Healthy Interaction with Consumers and Promote Green Business Development

As we all know only when green products and services are purchased and consumed by consumers, corporate green cost of production, selling and service can be complemented sufficiently, and profits are achieved. Corporations need to enhance disseminating green products on producing and selling, popularize relevant environmental protection knowledge, strengthen public environmental protection responsibility, and then drive market to promote the productive recycle of green-business society running continuously. It is obvious that the active interaction between participators is the durable power for healthy development of green business.

4.4 Conform to Internationalization Actively

If Chinese corporations are eager to win in international competition in low carbon economy age, their carbon releasing must be consistent with international standard, such as the carbon label on package, stating carbon releasing on production and selling process. Chinese corporations also need to strengthen technology communication and cooperation with the corporations of developed countries, especially EU and U.S.A. whose carbon abatement technologies rank first in the world, and introduce and digest energy saving and carbon abatement technology. They should exploit and enhance the cooperation with western corporations and non-governmental organizations to discover new cooperation mode for sustainable development.

4.5 Emphasize on Cultivation of Corporate Culture

Corporate culture is corporate spirit. Corporations should take corporate culture as a new element, construct corporate low carbon culture, and implement low carbon everywhere in the corporations. They have to strengthen staff training on low carbon knowledge based on their own internal and external conditions, penetrating clean production, energy saving and carbon abatement, green products and other relevant concepts into staff's value.

4.6 Try for Policy Support on Developing Low Carbon Economy from Government

In order to accomplish transformation of low carbon economy, besides corporate own efforts, corporations also need to make good use of governmental policy guidance to try for policy favor to clean production and recycling

low-carbon corporations, like subsidy and tax reduction. They should take advantage of governmental expanding rate fluctuation space of commercial banks on low carbon corporations, to provide business credit guarantee, and promote governmental financial organizations to offer financial favor policy for clean and low carbon corporations. So that it can encourage corporations to reduce carbon releasing, obey environmental law, and operate green products and services. Furthermore, they have to request government to establish carbon funds to encourage R&D of low carbon technology. The investment of carbon funds can promote breaking the key technology of low carbon and expediting the commercialization of technology.

5. Conclusion

Low carbon economy is a new economic mode or living mode that human transforms from industrial civilization into ecology civilization. It will essentially influence society, economy and corporations. Under the environment of low carbon economy, corporations are the subjects of implementing low carbon economy, the most direct individuals of representing low carbon economic benefits, and the base of constructing low carbon economy. As for corporations, transformation into low carbon economy is a good opportunity to raise productive efficiency, reduce cost, establish corporate public image and fulfill sustainable development. As the cells of national economy, only corporations change their ideas, take social responsibility, make good use of all kinds of resources and carry out low carbon production, national energy structure and economic structure can be adjusted subsequently, and China's economy can get rid of the restriction of traditional production mode and development mode, and then transform into low carbon economy.

References

- [Online] Available: <http://finance.sina.com.cn>. (2010). The only way for low-carbon economy brands.
- Chen, Hongren. (2010). Enterprises in the development of low-carbon economy should take social responsibility. *China Economic Guide*.
- Feng, Shouzun. (2009). On how to achieve social responsibility of commercial banks to address climate change. *Financial Expo*.
- Jiang, Xingwang. (2010). The development of low-carbon economy and the social responsibility of state-owned enterprises. *Liaoning Daily*.
- Joseph Schumpeter. (2000). *The economic development theory*. Xi'an: Shanxi Normal University Press.
- Lv, Peijuan and Si, Xiaojuan. (2008). On the social responsibility of private enterprises in China. *Chinese business*.
- Patricia Aburdene. (2005). *Trend of 2010--the rise of conscious capitalism*. Beijing: Harvard Corporation.
- State Environmental Protection Administration, Policy and Regulation. (2007). On the interpretation of implementation of environmental policies and regulations to prevent the credit risk. *Environmental Protection*.
- Zhang, Lingning. (2009). NEC: the energy saving and the development of their business combination. *WTO Economic Survey*.
- Zhang, Shengdong, Song, Weiming and He, Yu. (2007). Overview on International Development Carbon Fund. *Forestry Economics*.
- Zhou, Diankun, Li, rongqing and Guo, Hongbing. (2007). Commercial development of green building for positive interaction mechanism. *Finance and Trade Economics*.

The Determinants of Gender Wage Discrimination in Pakistan: Econometric Evidence from Punjab Province

Ghulam Yasin

Assistant Professor, Department of Sociology
Bahauddin Zakariya University Multan, Pakistan

Imran Sharif Chaudhry

Associate Professor, Department of Economics
Bahauddin Zakariya University Multan, Pakistan
E-mail: imranchaudhry@bzu.edu.pk

Saima Afzal

Lecturer, Department of Sociology
Bahauddin Zakariya University Multan, Pakistan

Abstract

The development of labor sector has always been on the priority agenda of every country in the world. Since gender discrimination can be categorized in various forms across countries, but this paper concentrates on the gender employment positions and wage differentials in Pakistan. The major objective of this paper is to analyze the determinants of gender wage discrimination in Pakistan using descriptive and regression analysis based on the cross-sectional data of Pakistan labor force survey. It is concluded that illiteracy, poor and low levels of education as well as low vocational, technical, and professional competence are currently important facets of the labor market participants in Pakistan. The results of empirical analysis show that dissimilarity in attainment of jobs is a remarkable phenomenon between males and females. It is also proved that some socio-economic and cultural constraints also hinder the participation of females. Finally the results show that women are not different in their productivity from men and if discrimination does not occur, women can earn more as compared to men in some cases. The governments should take some concrete steps for equitable employment opportunities, improving institutions and infrastructure, provision of quality education and proper training, gender participation in decision-making and knowledge-based economy

Keywords: Gender discrimination, Wage differentials, Female labor force participation, Pakistan

1. Introduction

The development of labor force sector has always been on the priority agenda of every country in the world. But notwithstanding the policies that have been devised so far, gender wage differentials and unemployment still remains a major issue in the economic development of many countries. The dire need to address the issue of gender in labor market cannot be overlooked as it not only hinders the progress of developing countries, but also has been addressed in various forms in developed countries. The promotion of the employment sector by reducing gender gaps in wages is important because it has a double positive impact i.e. economic as well as social.

Moreover gender bigotry against women in the market place reduces the available talent in an economy, which has negative economic consequences especially in terms of low economic growth among others. While gender discrimination against women in the labor market in developed countries is usually identified with differential wage rates, it is in developing countries that this discrimination appears to take the form of differential access to wage employment (Collier, 1994). Since gender discrimination can be categorized in various forms across countries, but major emphasis in this paper is on the gender employment positions and wage differentials in Pakistan.

Over the last six decades a series of policies have been designed for resolving the issue of unemployment in Pakistan. The government has tried to promote the labor intensive techniques by implementing the policies of tax exemptions and facilitating the medium and small industries, but the issue still remains as intense as ever. If a thorough analysis of the Government's policies for employing labor is done, it can be observed that most of these policies are not entirely free of gender discrimination. Besides the discrimination, which is clearly manifested in most of the government's policies for labor employment, there are a lot of other cultural, social and economic constraints upon the female labor force.

These constraints and policies designed so far, have given rise to the issue of gender discrimination in the labor market of Pakistan. Since most of the policies designed for the economic growth or stability in the country, are based on the promotion of export, the export industries rigidly believe in the employment of skilled or highly skilled labor force. Owing to the many socio-cultural constraints and lack of vocational training, a huge majority of the female labor force is not acquainted with the new technology. This phenomenon encourages hostility against the female labor force in the industries. To top it all, the meager wages offered to the female labor force do not prove to be much of an incentive for them.

Women have made great advances in work-related skills, in their labor force participation and in their occupational status, but unequal wages still indicate a considerable difference between the great contribution which women make and the little benefit they receive from it. According to Human Development Report (1998), in almost all the societies, relative to men, women are concentrated in low-paying jobs, generally overrepresented in clerical, sales and service occupations, often work longer hours and much of their work remains undervalued, unrecognized and unappreciated. It is still an unequal world.

The issue of gender wage inequality in the labor market is also imperative in a country like Pakistan where females constitute almost half of the population and involved in production directly or indirectly, but do not have access even to their own earnings. Similar results are also reported by Behrman and Zhang (1995), who studied gender issues and employment for Asian countries in-depth. They report that gender segregation is higher in Pakistan, Philippines, and Turkey, mainly due to the higher concentration of females in the agricultural sector. Furthermore, recent research shows that the rising unemployment rate among males and females, concentration of females in low paying jobs, and gender discrimination may affect the performance of females in the labor market (Siddiqui, 2001).

The main objective of this study is to analyze the factors that affect gender wage discrimination using econometric techniques based on latest labor force survey data. For this purpose, the technical characteristics of the labor market will be analyzed.

2. Profile and Trends of Labor Market in Pakistan

Pakistan is the 6th most populous country in the world with a population of 160.9 million in mid 2008. Annual growth rates have risen from 1 percent in the first three decades of the country to around 2 percent in the next three decades after peaking over 3 percent in the 1960s and 1970s and then below 3 percent in the 1990s. The country's population is estimated to double in the year 2045 if it continues to grow at 1.8 percent (Government of Pakistan, 2008). At present, labour market indicators receiving increasing attention in Pakistan include: generation of productive and decent employment, improvement in working conditions, strengthening social safety nets, increasing vocational and technical competence of the workforce, and design and implementation of a labour market regulatory framework that ensures safer and remunerative working conditions including decent minimum wages. Nevertheless labour market in the country is also confronted with various challenges, including: unemployment, underemployment, poor working conditions, predominance of informal economy, low literacy, poor level of skills, and miss-match between the demand and supply of educated and trained manpower. Women and youth - comprising half of the population - are at a disadvantaged position as well; they are also vulnerable to the ups and downs of the economy.

The labour force participation rate (LFPR) is an important variable which indicates the supply of labour in the economy and the composition of the country's human resource. The results show that LFPRs are low but gradually increasing over the years as is given in Table 1. The urban-rural participation rates for the last ten years also show a gradual rise both for men and women. An increase of 3 percent in the urban areas is dominated by males (4.4 percent for males as compared to 2 percent for females) while females dominate (5.5 percent of females as compared to 2.7 percent of males) almost 4 percent increase in rural areas. The higher increase in the participation rates in the rural areas, especially for females, and of males in urban areas are largely attributed to a positive outlook of the economy.

Insert Table 1 Here

The province-wise distribution is produced in table 2 which shows that the LFPRs are highest in Punjab, 32.2 percent followed by Sindh 30 percent and Balochistan 29.5 percent. The lowest participation rates are estimated for NWFP, about 26 percent. An increase ranging from 2.4 percent to 6.4 percent has been observed in these rates during the last ten years; Balochistan showing the highest, while NWFP showing the lowest. The increase in Punjab and Sindh is of similar magnitude. It is important to note that the increase in the rates is a recent phenomenon as a result of robust economic growth. The mega projects started by the Government are positively contributing especially in Balochistan where increase in the participation rates is almost double as compared to other provinces. Males have higher participation rates in all provinces as compared to females but almost similar increase is noted in the rates over the last ten years. Except NWFP, the increase in the rates is more significant in rural than urban areas and in that too Balochistan showing the highest increase. This increase is more pronounced for females than males.

Insert Table 2 Here

The estimates in table 3 show that about 46.94 million people were employed in 2005-06 as compared to 42 million in 2003-04; an increase of 4.94 million work opportunities in two years. The employment growth during this period is higher. The current good performance of the economy and the pro-poor targeted programs are contributing positively in the job creation. The employment generation has been higher in rural than urban areas attributed to an expanding rural economy mainly due to the focus of the Government on agriculture and livestock, in particular dairy and milk production. A number of schemes under Public Sector Development Programme (PSDP) initiated in rural areas also contributed to job growth. Further, a robust growth in industry and services sector during the last few years, mainly in urban areas and coinciding with increasing consumer spending, has led to a rise in employment. It is worth mentioning that the low employment growth during 1990s was the result of low GDP growth and smaller PSDP allocations to the social sector.

Insert Table 3 Here

Main reason to work is to have enough earnings to support different household activities for decent and comfortable living. The LFS 2005-06 provides earning information only for “employees” category which restricts us to analyze the living conditions of all working groups. The data reveals that more than half of the employees in Pakistan earn, on average, the minimum wage of Rs. 4,000 per month (Table 4). The gender analysis shows that females are at a more disadvantageous position. More than three fourths of them earn monthly income of less than the minimum wage as compared to one half of their male counterparts. More serious is the plight of almost half of the females whose monthly income is even less than Rs 1,500. More than a quarter of males and two thirds of females have monthly income of less than Rs 2,500. The regional analysis shows that a higher proportion of females earn less than minimum wage in both urban and rural areas as compared to males. The earnings are substantially low in rural areas as a higher proportion of both males and females earn a monthly income of less proportion of such workers is almost 40 percent.

Insert Table 4 Here

Another indicator to assess the quality of work is the weekly hours they - employed - supply to the labor market. The LFS 2005-06 data indicates that 15.3 percent of the employed are working less than the normal hours i.e. less than 35 hours per week (Table 5). Among under- employed, about 4 percent worked 1-20 hours, 8 percent worked 21-30 hours and 3 percent worked 31-34 hours per week, respectively. The serious concern is, however, those 42.3 percent who work more than 48 hours per week. A higher proportion of males is an indication of tough time for breadwinners to meet the household expenditures. The over-employment (more than 48 hours a week) is also an indication of poor conditions of work in Pakistan where workers have to supply more than normal hours to survive. Urban workers are more compelled than their rural counterparts to work more due to the higher cost of living.

Insert Table 5 Here

Keeping in view the aforementioned facts, we summarize the situation of labor market in Pakistan as follows. Unemployment and under employment is quite pervasive; the underutilized labor accounts for a fifth of the workforce. Lesser remunerative and low productive work currently affects a significant proportion of the employed. Poor working conditions in significant workplaces are also not uncommon. Of the estimated over three million unemployed, a significant proportion is found to be: i) educated having matriculation and higher level of education - a scarce commodity in Pakistan, and youth, ii) chronically unemployed (39.5 percent) i.e. unemployed for more than a year, and iii) active in the job/work search for over a year (21.3 percent). In the absence of any formal social security system, this places enormous pressure on the concerned households and individuals. It is also a drain on the already meager resources of the country. According to Pakistan labor force

survey, still agricultural sector absorbs largest proportion, while manufacturing sector accounting for 13-14 percent falls even behind, slightly though, social and personal services and whole sale and retail trade. The impact of employment and labor market variables on poverty reduction has been found to be significant. The concentration of workforce in agriculture and high dependency are found to cause poverty. On the other hand, a shift of the workforce to manufacturing and education positively linked with poverty reduction.

Nevertheless problem is compounded further by inadequacy of detailed, reliable and disaggregated information on different labor market indicators. Even basic information on labor market changes, education and skill requirements, and nature and extent of unemployment by gender, areas and length of unemployment is largely not available. Consequently, employment counseling, vocational guidance and employment placement are ineffective and even non-existent. While the changes occurring in different labor markets, the consequences for educated and skilled are not properly monitored. Education and training institutions are not planning and executing their programs in this regard. Mismatch of educated and trained is then the natural outcome. The education and training system continues to have with its qualitative and bottlenecks.

3. Theoretical and Empirical Literature

Since a disparity has been observed between males and females in all dimensions of the life, especially in economic terms and one can find a wide gap in the developed world and particularly in the developing countries. In this section, an effort has been made to review and discuss the theoretical and empirical literature on the different aspects of labor markets. Substantial literature exists on the rationales that describe the gender wage divergences.

The initial descriptions come from one of the most dominant explanations of these differences is given by the human capital theorists Becker (1962) and Mincer (1962). They emphasized the role of schooling, training and other productivity-related factors in closing this gap. Mincer and Polachek's (1974) human capital theory and Becker's (1971) discrimination theory have explained that gender wage gaps are due to endowment variations in individual characteristics. Issues pertaining to differences in male-female earning structures have been analyzed by the economists over a long period of time. Mincer and Polachek (1974) laid stress on the deterioration of women's human capital during periods of intermittency due to child-bearing. Bergman (1974) presented the crowding model in which it is the employer who decides to hire a woman into an occupation and found that the employer's rational decision may be a discriminatory one, if he uses only a person's sex to disqualify her from an occupation. Roemer (1979) explains that women may be excluded if men can coordinate in penalizing those who violate a consensus against hiring women. This explanation would work well in a close-knit community. However, even in LDCs, many labour markets are essentially anonymous, especially in urban areas. In such cases, the existence of such massive coordination is simply not plausible. Polachek (1981) hypothesized that it is due to these interruptions that women enter into those occupations where cost of interruption is low. On the other hand, England (1982) has demonstrated that a woman who plans to enter into an intermittent labor market would not gain an advantage by choosing a traditional female occupation.

Though there is vast empirical literature in developed countries on this issue, for example, Cain (1986) analyzed the labor market discrimination, Jurajda and Teodora (2006) discussed the female managers and their wages in the Central Europe, Taubman and Michael (1986) discussed the same phenomenon under the title of Segmented Labor Markets. Whereas Babcock and Laschever (2003), Baker and Murphy (1988), Bell (2005), Bertrand and Hallock (2001), Black et al. (2004), Blau and Ferber (1987), Bonin et al. (1993), Gneezy et al. (2003) develop the theoretical and empirical work on the gender discrimination related to the corporate sector, Whitehouse (1992) for OECD, for Danish economy, Gannon et al. (2004) for European Economies, little research has focused on male-female earning differences in developing countries. However, one can see some studies on this particular topic such as Bardhan (1994) analyzed the South Asian economies, the case of Nepal has been studied by Acharya and Bennett (1982), Assenmacher (1990) presents the case of the third world, Birdsall and Behrman (1991) studied the gender discrimination for the Brazilian labor market, Chaudhuri (1991) discussed the case of Bangladesh, Collier (1994) presents the situation of Africa, Ecevit (1991) analyzed the condition of women factory workers, Finlay (1989) for Dominican Republic, Folbre (1984) for Philippine, Geisler (1993) for South Africa, Greenhalgh (1985) for South Asia, Ibraz (1993) for Pakistan, Kalpagam (1986) and Mathur (1994) for India, and Reilly (1997) for transitional economies, especially in Pakistan are the studies directly related to these issues but a number of attributes potentially related to earning differentials were unavailable to these studies.

There are also many studies on gender issues in Pakistan, for example, Haque(1977), Guisinger et al. (1984), Khan and Irfan (1985), Chaudhry and Khan (1987), Chishti and Lodhi (1988), Kazi and Raza (1989), Bilquees and Hamid (1989), Hamid (1991), Ahmad et al. (1991), Ashraf and Ashraf (1993 and 1996), Kemal (1997),

Alderman et al. (1996), Siddiqui and Siddiqui (1998), Siddiqui (2001) and Chaudhry (2007). Nevertheless we review some of the most recent quite significant studies in some detail as follows.

Siddiqui and Siddiqui (1998) decompose earning differential in terms of differences in personal characteristics and differences in the labor market. The results show that after adjusting for differences in individual characteristics, discrimination accounts for about 20 percent of the earning differential. Interestingly, the study reveals that wages of highly educated females are a little higher than those of males. This wage difference is also reflected by a positive wage difference for professional workers, implying that education could contribute significantly in lowering gender discrimination in Pakistan. Siddiqui (2001) concluded that though female labor force participation rates, literacy rate, and access to credit and health facilities, though rising, but still these are very low. She also concluded that gender discrimination in the labor market did not change significantly in Pakistan but poverty among male and females increased during 1993/94 and 1996/97.

Chaudhry (2007) investigates the impact of gender inequality in education on economic growth during the period 1970-2005 using econometric analysis. The results suggest that gender inequality in education directly and significantly affects economic growth by lowering the average level of human capital. It is suggested that women will have to be provided with better educational opportunities, better health care and better nutrition in order to improve their economic capacity and participation and consequently, economic growth rate will rise and it will help to alleviate poverty at all levels in Pakistan.

Though the studies address some of the significant issues relating to gender in Pakistan, but none of them has addressed the determinants of gender wage differentials directly. In order to fill this gap, this paper is undertaken to analyze the issues of wage determination and evaluates a number of possible reasons.

4. Data and Methodology

In this paper, the Ordinary Least Squares (OLS) method of regression analysis is employed for empirical explanation. The exact specification of the earning function which is adopted by this study for estimation is given below, dropping the individual subscripts and sex superscripts:

$$\begin{aligned} \text{LnWAGE} = & \beta_0 + \beta_1 \text{SCH} + \beta_2 \text{EXP} + \beta_3 \text{EXPSQ} + \beta_4 \text{EXPSCH} + \beta_5 \text{TECHEDU} \\ & + \beta_6 \text{MAR} + \beta_7 \text{WID} + \beta_8 \text{DIV} + \beta_9 \text{PROF} + \beta_{10} \text{ADMN} + \beta_{11} \text{CLER} + \beta_{12} \text{SALE} \\ & + \beta_{13} \text{SERV} + \beta_{14} \text{AGRI} + \beta_{15} \text{KAR} + \beta_{16} \text{LAH} + \beta_{17} \text{RAW} + \beta_{18} \text{MUL} + \beta_{19} \text{GUJ} \\ & + \beta_{20} \text{PES} + \beta_{21} \text{HYD} + \beta_{22} \text{FAI} \end{aligned} \quad (1)$$

Where the definition of the variables is as follows:

Ln WAGE	=	the natural logarithm of monthly earnings and is defined to include earnings and bonuses of workers evaluated on monthly basis
SCH	=	years of schooling completed
EXP	=	experience: AGE-SCH-6
EXPSQ	=	experience square
TECHEDU	=	one if worker received technical education, zero otherwise.
MAR	=	one if individual is married, zero otherwise.
WID	=	one if individual is widowed, zero otherwise.
DIV	=	one if individual is divorced, zero otherwise.
(Unmarried individuals are reference category)		
PROF	=	one if individual is a professional, zero otherwise.
ADMN	=	one if individual is an administrator/ manager, zero otherwise.
CLER	=	one if individual is clerk or related worker, zero otherwise.

SALE = one if individual is a sales or related worker, zero otherwise.
 SERV = one if individual is a services worker, zero otherwise.
 AGRI = one if individual is an agricultural worker, zero otherwise.

(Production workers are reference category)

LAH = one if individual is lives in Lahore, zero otherwise.
 FAS = one if individual lives in Faisalabad, zero otherwise.
 RAW = one if individual lives in Rawalpindi, zero otherwise.
 MUL = one if individual lives in Multan, zero otherwise.
 GUJ = one if individual lives in Gujranwala, zero otherwise.
 SIA = one if individual lives in Sialkote, zero otherwise.
 BAH = one if individual lives in Bahawalpur, zero otherwise.

(Sargodha is a reference category)

Since the OLS method for empirical analysis is used to estimate the regression coefficients based on cross sectional data from the Labor Force Survey (LFS), 2003-04, conducted by the Federal Bureau of Statistics, this survey covers 18,912 households and more than 100,000 individuals of all urban and rural areas of the four provinces of Pakistan. The entire sample of household has been drawn from 1347 primary sampling units out of which 660 are urban and 687 are rural. Since this study is based on the data from Punjab province, the entire sample of households are 8816, whereas 3096 are from urban and 5120 from rural areas. The data have been collected through a questionnaire asking several questions such as family background, age, sex, education, training, labor force participation, hours worked and wages by direct interviews on monthly basis.

The data for our study are restricted to eight self-representing cities of Pakistan including Lahore, Multan, Faisalabad, Sialkot, Rawalpindi, Gujranwala, Bahawalpur and Sargodha. The reason for this restriction is that we have comparatively rich information on wages in these cities of Punjab. Total sample size for these cities is 19,714 in which 10379 are males and 9335 are females. Furthermore, the data for our study is further confined to those individual, aged between 14-65 years, for whom wages were reported and for whom we could obtain occupations. It, in turn reduced our sample size to 3584 individuals, of which 3252 were males and 332 were females, including only paid employees who worked in public or private sector and received remuneration in terms of wages, salary, commission, tips, piece rate or pay in kind.

5. Empirical Results and Discussion

Keeping in view the model specifications and sources of data, we present empirical results in terms of descriptive and regression analysis. A useful descriptive statistics of categorical variables states that of our total sample, 91 percent are males and 9 percent are females. The categorization of the data by occupations reveals that out of 7 occupations, almost 34 percent males are concentrated into production sector, while 37 percent females are confined to lower level white collar jobs such as clerks. At the same time, women are under-represented in professional, administration, sales and agriculture sectors. However, our data set for females are not large enough to produce reliable estimates of proportion of females in each occupation. So the biases may result from poor measurement of this variable.

Surprisingly, our data in Table 6 shows that males and females attained technical education almost equally, but also this percentage is slightly better for females (11.25 percent versus 11.44 percent). It also suggests that the percentage of married male workers (33.48 percent) is greater than the percentage of married female workers (51.51 percent). On the other hand, the percentage of unmarried, widowed and divorced female workers is greater than that of their respective male counterparts. The distribution of our sample in terms of cities indicates that the largest proportion of the sample about 37 percent came from Lahore city, with 37 percent and 35 percent males and females respectively. Faisalabad and Multan have the second and third largest proportions of the sample (16 percent and 10 percent respectively while the samples from Bahawalpur and Sargodha are very unrepresentative having only 2 percent and 6 percent of the total sample respectively.

Insert Table 6 Here

The mean values of non-categorical variables in this analysis are reported in Table 7. The dependent variable is natural logarithm of monthly earnings in the analysis. The LFS asks the respondents, "How much money did you earn for the main work last week/last month?" After including bonuses, it averages 7.80 for males and 7.56 for

females, showing mean wage of Rs. 2441 for males and Rs. 1920 for females. It describes that, on average females are earning almost 21 percent less than their male counterparts.

Among other features of female workers, on average females are younger by 1 year having obtained one more year of schooling, having almost two fewer years of experience than their male counterparts- a finding that supports the Mincer and Polachek (1974) hypothesis for the cause of the observed male-female earning differentials. Lower average values of experience square and interaction of experience-schooling for females as compared to males show that labor force participation of females is often restricted to early in the life-cycle, before marriage and family formation. Table 7 also indicates that mean number of children of two age groups and mean number of males in a family are greater for males (0.62, 0.95 and 2.51) respectively as compared to females (0.44, 1.40 and 1.32 respectively). It is consistent with the finding of Table 4.1 which already showed that marriage rate for male workers are greater as compared to that of female workers.

Table 8 lists the mean values of log monthly earnings for seven occupation groups. From the tabulations, it is revealed that the production sector gives the highest mean log wages to males, approximately 6.93 (Rs. 1022), where it is already indicated in 6 that males are highly concentrated in production sector. On the other hand, Table 8 showed mean log wages to females around 5.12 (Rs. 167). While Table 6 provides evidences that most of the females are concentrated into this sector.

Insert Table 7 Here

Insert Table 8 Here

These findings are consistent with segmented labor market theorists who argued that male-female wage differential is a result of segmentation of males in high paying jobs and of females in low paying jobs. The above descriptive analysis provides evidence for male-female earning differentials which could be explained through differences in human capital variable, or through differences in occupational distributions.

Now we come to the empirical analysis by employing estimates on the wage regression equations. This empirical analysis describes the results of the human capital and demographic variables included in the two wage equations; full-scale wage equation, and personal characteristic wage equation. The coefficient estimates of full-scale wage equation with t-statistics are presented in table 9 for the sample of 3753 individuals, of which 3409 were males and 344 females. The estimated coefficients of the human capital variables are highly significant especially for males' sample. For example on average, Schooling is associated with 7.2 percent increase in wages for males and 7.7 percent increase in wages for females, showing slightly better rate of return for females as compared to males. However, the rate of return to each year of experience pays off more to males (5.02 percent) than to females (3.81 percent). The estimated coefficients for experience-squared term are negative and significant for both males and females, confirming the concavity of the age-earnings profile. But it shows that for males' wages peak at 35.86 years of age while for females it occurs at 31.75 years of age. It may be due to the fact that potential experience (Age-Sch-6) does not capture the impact of interruptions which are frequently observed in females' labor force participation.

Insert Table 9 Here

The effect of experience on log earnings also depends on the level of schooling. The coefficient for experience-schooling interaction shows that highly educated male would not be more experienced. It may be due to the fact that the more educated will spend more years for schooling and consequently the fewer years will be available for labor market experience. Also technical education is found to be highly significant for males and increases their wages by 9.2 percent.

The coefficient estimates for marital status show the same patterns which is consistent with the human capital theory. According to this theory, it is the continuous labor force participation in which matters. We found that married males are earning more as compared to unmarried males, while positive and significant coefficient for widows is also consistent with a prior expectation. To identify seven broad occupational groups defined in the Labor force Survey, we used dummy variables. The reference category was the production sector. The coefficient estimates as well as the t-statistics were highest for both male and female workers in the professional group, and this followed by the agriculture sector.

To capture the effects of labor market conditions, geographic location and other possible effects, we introduced dummy variables for the nine cities of Pakistan. This variable is important because different cities show different patterns of females' labor force participation and different opportunities available to them. The reference category was Sargodha. The interesting result is that women from Bahwalpur earn more as compared to those of all other cities. It could be due the fact that labor force participation is constrained by cultural restrictions in

these areas, consequently only those women participate in the labor market that are more talented and more motivated. In case of male workers, except workers in Lahore and Rawalpindi, all the other cities show lower earnings as compared to Sargodha city. The largest divergence between male-female earning lies in Bahawalpur City - males from Bahawalpur are earning the lowest and females are earning the highest of those these all cities.

The estimated results from personal characteristic wage equation are presented in Table 10. While in this equation, we are not controlling occupations. Coefficient estimates show more or less the same pattern except that the rate of return to schooling are now the same for both sexes, and wages for males peak at age of 38.07 years while females' wages peak at age of 32.83 years. Furthermore marital status is not found statistically significant for both males and females.

Insert Table 10 Here

6. Conclusion and Policy Implications

This paper investigates the causes of differences in earning structures of males and females in the Pakistan's labor market focusing on what happens to the analysis of causes when occupational attainment is endogenously determined in the model.

It is concluded that illiteracy, poor and low levels of education as well as low vocational, technical, and professional competence are currently important facets of the labor market participants. The current policy "focus" on employment, HRD and raising vocational and technical competence is the only way of ensuring a fairly dispersed, beneficial and sustainable development. This is indeed contingent upon developing greater and directive linkages between setting targets with regard to GDP growth rates, investment and saving levels, fiscal prudence, taxation and monetary policy as well as inflation with considerations on effectively harnessing development and employment potential. Moreover, it also demands an institutional mechanism capable to respond effectively to the challenges, goals and targets.

The results of empirical analysis show that dissimilarity in attainment of jobs is a remarkable phenomenon between males and females in Pakistan. The results also show that women are not different in their productivity from men. It is also concluded that if there is no discrimination, women earn more as compared to men in some cases. It could be both due to differences in employer's tastes toward women and due to a lack of product-market competition. If the labor market does not have only limited traditional occupations for women, it will reduce the degree of gender occupational segregation. It is also proved that some socio-economic and cultural constraints also hinder the participation of females in Pakistan. Moreover, it is more pervasive and more serious in rural areas than in urban areas and there are also wide disparities even between regions within a country. Future research can be conducted on the rest of provinces of Pakistan based on same methodology using latest data sets.

Finally, it is concluded more specifically that the variables of experience, level of schooling, occupational groups, technical and vocational education, geographic location in terms of various cities of Pakistan and marital status are found significant affecting the gender-wage discrimination in the province of Punjab.

Keeping in view the trends and profile of labor market in Pakistan, and empirical analysis, following are some policy implications for reducing gender discrimination in Pakistan:

- i. Since it is assumed that gender limits the opportunity for many people to develop their capabilities and thereby limits their choices as to what they can earn in their lives and how can they participate in the process of earning, the authorities should take some concrete steps for creation of equal opportunities for the workers irrespective of their gender to participate in, contribute to and benefit from the opportunities which are available in the labor market.
- ii. While many governments have failed to recognize the gender bias which prevails in the social and economic sectors and the unintended and unanticipated impact that decisions taken for one gender have on others. Nevertheless gender bias phenomenon can be reduced by improving infrastructure, provision of education and a proper training can improve the present condition of this segment of the labor force.
- iii. The policies regarding globalization and emerging global trends should be enhanced as these are causing fundamental transformations in the labor force and their relationship with the market. As a result of the information revolution and the adoption of free-market economic policies, the economies in Asia and the Pacific will integrate rapidly into a global economy. Consequently this will also facilitate the female labor force participation on steady basis.
- iv. More female labor force participation can be done by enabling all to develop to their full capabilities and by removing any social and regulatory obstacles. In order to enable people, areas and regions to

develop to their full capabilities, governments must ensure access to infrastructure and services including information and credit opportunities for social and economic mobility and participation in decision-making so that more people can seize such opportunities.

- v. Education will have to prepare for change rather than for stability. Thinking schools and learning nations will be the paradigm of the twenty-first century: lifelong learning for lifelong employability. Improving education will no longer be only a matter of providing education for all, but also of enhancing the quality of education, teaching students to learn and think, to be creative, and preparing them for lifelong learning. The knowledge-based economy will require changes in the curriculum and the teaching strategy and changes in the attitude and the mindset of every member of the community: the learners, the educated, parents and society at large. While the changes will first of all affect the professionals and later the industrial workers in the economy, they will eventually have an impact on female population of the economy.

In order to bring all above policy implications in lines with practical implementation, federal government should take some constitutional steps in strengthening the institutions and making appropriate laws.

References

- Acharya M. and L. Bennett. (1982). Women and the Subsistence Sector: Economic Participation and Household Decision Making in Nepal. World Bank Working Paper No. 526.
- Ahmad, E., M.F. Arshad and A.Ahmad. (1991). Learning and Earning Profiles in Pakistan's Informal Sector. *Pakistan Economic and Social Review*, Vol. 29, No. 2.
- Alderman, H., J. Behrman., D. Ross., and R. Sabot. (1996). Decomposing the Gender Gap in Cognitive Skills in a Poor Rural Economy. *Journal of Human Resources*. Vol. 31, No. 1.
- Anderson, S and Patrick Francois. (2001). Wage and Employment Differentials by Gender in LDCs Center. Tilburg University (Preliminary Draft).
- Arrow, K. (1972). Models of job discrimination and some mathematical models of race in the labour market. *Racial Discrimination in Economic Life*, A. Pascal (ed.) Lexington Books, Lexington, Mass. p.83-102, p.187-204.
- Arrow, K. (1973). *The theory of discrimination, Discrimination in labour markets*, (edited by O. Ashenfelter and A. Rees). Princeton University Press, Princeton, N.J.
- Ashraf, B. and J. Ashraf. (1996). Evidence on Gender Wage Discrimination from the 1984-85 HIES: A Note. *Pakistan Journal of Applied Economics*. Vol. 12, No. 1.
- Ashraf, Javed and B. Ashraf. (1993). An Analysis of the Male-Female earning Differential in Pakistan. *The Pakistan Development Review*, 32, No. 4, winter, Pp. 895-904.
- Assaad R. and F. El-Hamidi. (2001). Is all work the same? A comparison of the determinants of female participation and hours of work in various employment states in Egypt. *The Economics of Women and work in the Middle East and North Africa*. Mine Cinar (Ed.) Research in Middle East Economics, Vol. 4. Greenwich, Conn.: JAI Press.
- Assaad, R. (2002). Results of the Egypt Labor Market Survey 1998. Volume II. Research Report. Economic Research Forum for the Arab Countries, Iran, and Turkey.
- Assaad, R. and S. Zouari. (2003). Estimating the Impact of Marriage and Fertility on the Female Labor Force Participation when Decisions are Interrelated: Evidence from Urban Morocco, Topics in Middle Eastern.
- Assenmacher, M. (1990). Family Division of labour and the Economic Status of Women in the Process of Industrialization: Historical Experience and Present Situation in the Third World. *Journal of European Economic History*, Vol. 19 No. 3 Pp.687-696.
- Babcock, L. and S. Laschever. (2003). *Women Don't Ask: Negotiations and the Gender Divide*. Princeton University Press, Princeton, New Jersey.
- Baker, G., M. Jensen and K. J. Murphy. (1988). Compensation and Incentives: Practice vs. Theory. *Journal of Finance*, 43, NO. 3, Pp. 593-616.
- Bardasi, Elena and Janet C. Gornick. (2004). Women and Part-Time Employment: Workers' Choices and Wage Penalties in Five Industrialized Countries. Maxwell School of Citizenship and Public Affairs Syracuse University.

- Bardhan, Kalpana. (1994). Gender and Labor Allocation in Structural Adjustment in South Asia, In Susan Horton, Ravi Kanbur, and Dipak Mazumdar, Labor Markets in an Era of Adjustment, Volume 1 Issues Papers, EDI Development Studies, Washington, DC: The World Bank, pp. 325-345.
- Becker, G. (1971). *The economics of discrimination*. The University of Chicago Press, Chicago.
- Becker, Gary S. (1962). Investment in Human Capital A Theoretical Analysis. *Journal of Political Economy, Supplement*, 70, No. 5 Part 2, S9-S49.
- Behrman, J. R. and Zhang, Z. (1995). Gender Issues and Employment in Asia. *Asian Development Review*, Vol. 13, No. 2, Pp. 1-49.
- Bell, Linda A. (2005). Women-Led Firms and the Gender Gap in Top Executive Jobs. IZA Discussion Paper No. 1689.
- Bergmann, B. (1974). Occupational Segregation, Wages and Profits when Employers Discriminate by Race or Sex. *Eastern Economic Journal*, I (April-July), Pp.103-110.
- Bertrand, M. and K. Hallock. (2001). The Gender Gap in Top Corporate Jobs. *Industrial and Labour Relations Review*, 55, 1-21.
- Bilquees Faiz and Hamid Shahnaz. (1989). Lack of Education and Employment Patterns of Poor Urban Women in Rawalpindi City. *The Pakistan Development Review*, Vol. 4, No. 41, P.791-801.
- Birdsall, N. and Behrman, J. (1991). Why do males earn more than females in urban Brazil: earnings discrimination or job discrimination? in Unfair Advantage: labour Market Discrimination in Developing Countries", N. Birdsall and R. Sabot (eds.), World Bank.
- Black, D., A. Haviland, S. Sanders and L. Taylor. (2004). Gender Wage Disparities Among the Highly Educated. mimeo, Center for Policy Research, Syracuse University, 31.
- Blau, Francine D. and Lawrence M. Khan. (1992). The Gender Earnings gap: Learning from International Comparisons. *The American Economic Review*, 8, Papers and Proceedings of the Hundred and Fourth Annual Meeting of the American Economic Association (May 1992): 533-538.
- Blau, F. and M. Ferber. (1987). Discrimination: Empirical Evidence from the United States. *American Economics Review*, 77, No. 2, Pp. 316-320.
- Blinder, Alan S. (1973). Wage Discrimination: Reduced Form and Structural Estimates. *Journal of Human Resources*, Vol. 8 (Autumn 1973), Pp.436-455.
- Bonin, J., D. Jones and L. Putterman. (1993). Theoretical and Empirical Studies of Producer Cooperatives: Will Ever the Twain Meet? *Journal of Economic Literature*, Vol. 31, Pp.1290-1320.
- Cain, Glen. (1976). The Challenge of Segmented Labor Market Theories to Orthodox Theory: A Survey. *Journal of Economic Literature*, Vol. 14, Pp. 1215-1257.
- Cain, Glen. (1986). The Economic Analysis of Labor Market Discrimination. In Orley Ashenfelter and Richard Layard, Eds. Handbook of Labor Economics, Volume I, Amsterdam: North Holland, pp. 693-785.
- Chaudhary, M. Ghaffar and Khan, Zubeda. (1987). Female Labor Force Participation Rates in Rural Pakistan: Some Fundamental Explanations. *The Pakistan Development Review*, Vol. 26, No. 4, Pp.687-707.
- Chaudhry, Imran Sharif. (2007). The Impact of Gender Inequality in Education on Economic Growth: An Empirical Evidence from Pakistan. *Pakistan Horizon, The Pakistan Institute of International Affairs*, Karachi, Vol. 60, No. 4.
- Chaudhuri, S. (1991). Participation of Rural Women in the labour Force: Levels and Determinants. *Bangladesh Development Studies*, Vol. 19, No. 4, pp. 65-85.
- Chishti, Salim and Lodhi, Akhtar. (1988). Simultaneous Determination of Choice to Attend School, and the Demand for School Education: A Case Study of Karachi, Pakistan. *Pakistan Journal of Applied Economics*, Vol.7, No.2, P.101 – 108.
- Collier, Paul. (1994). *Gender Aspects of Labor Allocation during Structural Adjustment: Theoretical Framework and the Africa Experience*. In Labor Markets in an era of adjustment, Vol. 1, ed. By Susan Horton, R. Hanbur, and Mazumbar (Washington: World Bank).

- Ecevit, Y. (1991). *Shop floor control: The ideological construction of Turkish women factory workers*. Working women: International perspectives on labour and gender ideology. N. Redclift and M. Sinclair (eds.), Routledge, New York, pp.56-78. *Economic Research Forum*, Cairo.
- England, Paula. (1982). The Failure of Human Capital to Explain Occupational Sex Segregation. *The Journal of Human Resources*, Vol. 17, No. 3, summer, Pp. 358-370.
- Finlay, B. (1989). *The Women of Azua: Work and Family in the Rural Dominican Republic*. Praeger, London.
- Folbre, N. (1984). Household production in the Philippines: A non-neoclassical approach. *Economic Development and Cultural Change*, Vol. 32, No. 2, p.303-330.
- Galiani and Pablo Sanguinetti. (2000). *Wage inequality and trade liberalization: Evidence from Argentina*. Sebastian Universidad Torcuato Di Tella
- Gannon, Brenda, Robert Plasman, François Rycx and Ilan Tojerow. (2004). Inter industry wage differentials and the gender wage gap: Evidence from European countries. PIEP Working paper, The London School of Economics and Political Science (LSE), London, UK.
- Geisler, G. (1993). Silences speak louder than claims: gender, household, and agricultural development in Southern Africa. *World Development*, Vol. 21, No. 12, Pp. 1965-1980.
- Gneezy, U., Niederle, M., and A. Rustichini. (2003). *Performance in Competitive Environments: Gender Differences*. *Quarterly Journal of Economics*, Vol. 118, No. 3, Pp. 1049 - 1074.
- Gornick, Janet. (1999). Gender Equality in the Labour Market: Women's Employment and Earnings. Luxembourg Income Study Working Paper 206 (June 1999).
- Government of Pakistan. (1997). *Pakistan Economic Survey 1996-97*. Islamabad, Ministry of Finance.
- Government of Pakistan. (2004). *Labor Force Survey 2003-04*. Federal Bureau of Statistics, Statistics Division, Islamabad, Pakistan.
- Government of Pakistan. (2006). *Labor Force Survey 2005-06*. Federal Bureau of Statistics, Statistics Division, Islamabad, Pakistan.
- Government of Pakistan. (2008). *Pakistan Economic Survey 2007-08*. Islamabad, Ministry of Finance.
- Greenhalgh, S. (1985). Sexual stratification: the other side of growth with equity. *East Asia, Population and Development Review*, Vol. 11, No.2, Pp. 265-314.
- Guisinger, S.E., J.W. Henderson, and G. W. Scully. (1984). Earning, rate of Returns to Education and Earning Distribution in Pakistan. *Economics of Education Review*. Vol. 3, No. 4.
- Haque, Nadeemul. (1977). An Economic Analysis of Personal Earnings in Rawalpindi City. *The Pakistan Development Review*, Vol. 16, No. 4.
- Hartmann, H. (1976). *Capitalism, patriarchy, and job segregation by sex*. In Women and the Workplace, ed., M. Blaxall and B. Reagan, University of Chicago Press, Chicago, 137-69.
- Ibrah, T. (1993). The cultural context of women's productive invisibility: a case study of a Pakistani Village. *Pakistan Development Review*, Vol. 32, No. 1, Pp. 101-125.
- Juhn, Chinhui, Kevin M. Murphy and Brooks Pierce. (1993). Wage Inequality and the rise in Returns to skill. *The Journal of Political Economy*, Vol. 101 (June 1993): 410-442.
- Jurajda, Stepan and Teodora Paligorova. (2006). Female Managers and their Wages in Central Europe. discussion paper series IZA DP No. 2303 Forschungsinstitut zur Zukunft der Arbeit Institute for the Study of Labour
- Kalpagam, U. (1986). Gender in Economics: The Indian perspective. *Economic and Political weekly*, Vol. 21, No. 43, p. WS-59-66.
- Kazi Shahnaz and Raza Bilquees. (1989). Women in the Informal Sector: Home Based workers in Karachi. *The Pakistan Development Review*, Vol. 28, No. 4, Pp.777-778.
- Kemal, A.R. (1997). Employment and the Manufacturing Sector of Pakistan. – MIMEO, ILO.
- Mathur, A. (1994). Work Participation, Gender and Economic Development: A Quantitative Anatomy of the Indian Scenario. *Journal of Development Studies*, Vol. 30, No. 2, pp. 466-504.

- Mincer, Jacob. (1962). On-the-Job Training Costs, Returns, and some Implications. *Journal of Political Economy*, Vol. 70, No. 5, Part 2 October, Pp. S50-S79.
- Mincer, Jacob and Solomon W. Polachek. (1974). Earnings of Women, *Journal of Political Economy*, Vol. 82 (March/April 1974): Pp. S76-S108.
- Nopo, H. (2004). Matching as a Tool to Decompose Wage Gaps. IZA Discussion Paper No. 981.
- Norris, M. (1992). The impact of development on women: A specific-factors analysis. *Journal of Development Economics*, Vol. 38, p. 183-201.
- Oaxaca, R. (1973). Male-Female Differentials in Urban Labour Markets. *International Economic Review*, Vol. 14, Pp. 693-709.
- Oaxaca, R.L. and M.R. Ransom. (1994). Discrimination and Wage Decomposition. *Journal of Econometrics*, 61, 5-22.
- Polachek, Solomon W. (1981). Occupational self-selection: A Human Capital Approach to Sex Differences in Occupation Structure. *Review of Economics and Statistics*, 63:1, 60-69.
- Reilly, Barry. (1997). The gender pay gap in Russia during the transition, 1992-1996. Discussion papers in Economics 04/97, University of Sussex, England, 1997.
- Rios, P. N. (1990). Export-oriented industrialization and the demand for female labor: Puerto Rican women in the manufacturing sector, 1952-1980. *Gender & Society*, 4:321-37.
- Roemer, John E. (1979). Continuing Controversy on the Falling Rate of Profit: Fixed Capital and other Issues. *Cambridge Journal of Economics*, Vol. 3, Pp. 379-398.
- Sen, A. (1987). Gender and Cooperative Conflicts. Harvard University, Discussion paper no. 1342, Cambridge, Mass.
- Siddiqui, Rehanna. (2001). Gender Dimensions of Poverty in Pakistan. presented on 'Asia and Pacific Forum on Poverty' at Asian Development Bank, Manila, 5-9 February 2001.
- Taubman, P. and Michael L. Wachter. (1986). *Segmented Labor Markets*. Orley Ashenfelter and Richard Layard, Eds. Handbook of Labor Economics, Volume II, Amsterdam: North Holland, pp. 1183-1217.
- Tunali, I. (1997). To Work or Not to Work: An Examination of Female Labor Force Participation in Urban Turkey. Proceedings of the 5th Annual Conference of the of the Economic Research Forum, Cairo.
- UNDP. (1998). *Human Development Report 1998*. New York, Oxford University Press for the United Nations Development Program.
- United Nations. (1998). *Statement on gender in Pakistan*. The Publication of the United Nations, July 1998.
- Whitehouse, Gillian. (1992). Legislation and Labour Market Gender Inequality: An Analysis of OECD Countries. *Work, Employment and Society*, Vol. 6, Pp. 65-88.

Table 1. Crude Labor Force Participation Rates by Region and Gender (Percent)

Year	Total			Urban			Rural		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
1996-97	28.7	47.0	9.0	27.2	46.6	5.9	29.4	47.2	10.5
1997-98	29.4	48.0	9.4	27.0	47.1	5.3	30.6	48.4	11.5
1999-00	29.0	47.6	9.3	27.1	46.5	6.3	29.8	48.2	10.7
2001-02	29.6	48.0	9.9	29.1	48.9	7.3	29.9	47.6	11.1
2003-04	30.4	48.7	11.2	29.2	49.8	7.0	31.0	48.2	13.2
2005-06	32.2	50.3	13.3	30.2	51.0	7.9	33.2	49.9	16.0

Source: Labor Force Surveys, Various Issues.

Table 2. Crude Labor Force Participation Rates by Province, Region and Gender (Percentages)

Year	Total			Urban			Rural		
	Punjab								
	Both	Male	Female	Both	Male	Female	Both	Male	Female
1996-97	28.7	47.0	9.0	27.2	46.6	5.9	29.4	47.2	10.5
1997-98	29.4	48.0	9.4	27.0	47.1	5.3	30.6	48.4	11.5
1999-00	29.0	47.6	9.3	27.1	46.5	6.3	29.8	48.2	10.7
2001-02	29.6	48.0	9.9	29.1	48.9	7.3	29.9	47.6	11.1
2003-04	30.4	48.7	11.2	29.2	49.8	7.0	31.0	48.2	13.2
2005-6	32.2	50.3	13.3	30.2	51.0	7.9	33.2	49.9	16.0
Sindh									
1996-97	26.6	46.8	4.0	26.2	46.3	3.8	26.8	47.2	4.2
1997-98	26.5	46.5	4.1	24.7	44.1	3.2	28.5	48.9	5.0
1999-00	25.4	44.4	4.4	23.8	43.0	2.7	26.9	45.6	6.0
2001-02	27.3	47.8	4.1	26.9	47.3	4.0	27.6	48.4	4.1
2003-04	27.9	48.8	4.6	28.1	49.3	4.4	27.8	48.3	4.7
2005-06	30.0	51.1	6.4	28.9	50.9	4.6	31.2	51.2	8.1
NWFP									
1996-97	24.0	41.2	5.9	24.3	43.0	3.7	24.0	40.8	6.4
1997-98	23.7	40.2	6.2	23.4	41.4	3.5	23.7	40.0	6.8
1999-00	24.8	41.1	7.9	24.7	42.5	5.2	24.8	40.8	8.4
2001-02	23.5	41.7	4.7	25.8	45.0	5.0	23.1	41.1	4.6
2003-04	24.6	42.3	6.9	25.1	44.8	5.1	24.5	41.8	7.3
2005-06	26.4	44.4	8.8	26.7	46.4	6.4	26.3	44.1	8.8
Balochistan									
1996-97	23.1	43.1	2.6	21.4	39.1	2.2	23.5	44.1	2.6
1997-98	25.5	46.0	3.6	21.8	39.9	1.8	26.3	47.3	4.0
1999-00	24.2	44.3	3.0	21.7	38.1	3.2	24.7	45.6	3.0
2001-02	25.3	44.5	3.6	23.8	41.3	4.1	25.7	45.3	3.5
2003-04	25.7	45.0	4.8	23.4	41.3	3.9	26.4	46.1	5.0
2005-06	29.5	48.2	8.0	25.1	43.9	3.1	30.9	49.5	9.4

Source: Labor Force survey, various issues.

Table 3. Employed by Region and Gender (in millions)

Year	Pakistan			Urban			Rural		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
1996-97	34.13	29.53	4.58	10.31	9.45	0.85	23.87	20.12	3.74
1997-98	35.94	30.93	5.00	10.78	9.99	0.78	25.15	20.92	4.22
1999-00	36.3	31.21	5.08	10.07	9.19	0.87	26.23	21.98	4.24
2001-02	38.9	33.19	5.69	12.2	11.00	1.22	26.7	22.19	4.47
2003-04	42.00	34.69	7.06	13.1	11.76	1.35	28.6	22.93	5.71
2005-06	46.94	37.81	9.13	14.46	12.80	1.66	32.48	25.01	7.47

Source: Labor Force survey, various issues.

Table 4. Average Monthly Income of Employees by Region and Gender (Percent)

Income group	Pakistan			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<1500	14.4	9.5	46.2	10.8	7.5	34.0	17.5	11.2	55.2
1501-2500	17.6	17.0	21.5	13.7	13.0	18.5	20.9	20.5	23.8
2501-3900	21.7	23.8	8.3	19.9	21.4	9.8	23.3	26.0	7.1
4000 and above	46.3	49.7	24.0	55.6	58.1	37.3	38.3	42.3	13.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Labor Force Survey, 2005-06

Table 5. Hours of Work by Region and Gender (Percent)

Hours	Pakistan			Urban			Rural		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
01- 10	0.7	0.4	1.9	0.4	0.2	2.1	0.8	0.5	1.8
11 - 20	3.6	1.8	11.1	1.6	0.7	8.7	4.5	2.4	11.6
21 - 30	7.9	4.1	23.7	3.8	2.1	17.6	9.7	5.2	25.1
31 - 34	3.1	2.4	6.0	2.0	1.4	6.7	3.6	3.0	5.8
35 - 48	42.3	41.6	45.5	43.1	42.1	50.3	42.0	41.3	44.5
48 +	42.3	49.6	11.8	49.1	53.5	14.6	39.3	47.6	11.2

Source: Labor Force Survey 2005-06

Table 6. Distribution of the Sample across Categorical Variables (Frequencies and Percentages in Parentheses)

Variables	Total Sample	Males	Females
Gender	100	90.74	9.26
Occupations			
Prof	14.26	14.98	7.23
Admin	4.58	4.64	3.92
Clerks	13.42	11.01	37.05
Sale	6.70	6.70	6.63
Services	23.24	24.32	12.65
Prod	33.62	34.44	25.60
Agri	4.19	3.90	6.93
Technical Education			
Trained	11.27	11.25	11.44
Untrained	88.73	88.75	88.55
Marital Status			
Unmarried	32.39	32.01	35.84
Married	65.09	66.48	51.51
Widow	2.06	1.20	10.54
Divorced	0.47	0.31	2.11
Cities			
Lahore	36.91	37.08	35.24
Faisalabad	16.21	15.62	21.99
Rawalpindi	6.22	6.00	8.43
Multan	7.31	7.20	8.43
Gujranwala	5.94	6.33	2.11
Sialkot	9.43	9.32	10.54
Bahawalpur	2.03	2.21	0.30
Sargodha	5.61	5.97	2.41

Source: Labor Force Survey, 2003-2004

Table 7. Descriptive Statistics for Non-categorical Variables (Averages and numbers in parentheses are standard deviations)

Variables	Total Sample	Males	Females
Lnwage	7.78 (0.72)	7.80 (0.71)	7.56 (0.08)
Age	33.68 (11.84)	3376 (11.86)	32.86 (11.56)
Sch	8.14 (6.24)	8.05 (6.14)	8.98 (7.11)
Exp	19.56 (12.93)	19.72 (12.80)	1795 (14.06)
Expsq	549.84 (641.73)	552.91 (638.70)	519.40 (671.28)
Expsch	125.84 (140.94)	128.13 (140.90)	103.05 (139.49)
Child0-6	0.61 (1.04)	0.62 (1.05)	0.44 (.90)
Child6-14	0.95 (1.41)	0.95 (1.41)	0.90 (1.40)
Malpres	2.45 (152)	2.51 (1.52)	1.87 (1.32)

Source: Labor Force Survey, 2003-2004

Table 8. Mean Values of Log Monthly Earnings by Occupation and Gender

Variables	Total Sample	Males	Females
Prof	5.70	5.69	7.09
Admin	6.38	6.48	5.51
Clerks	6.44	6.69	5.12
Sale	6.42	6.59	8.06
Services	6.12	6.60	6.97
Prod	6.63	6.93	6.81
Agri	6.76	6.56	7.09

Source: Labor Force Survey, 2003-2004

Table 9. Coefficient Estimates of Full-Scale Wage Equation by Gender (Dependent Variable = Natural Log of Wage)

Variables	Males	Females
Constant	6.5095** (83.46)	6.5578*** (22.25)
Sch	0.0607*** (15.07)	0.0660*** (5.27)
Exp	0.0491*** (-8.26)	0.0270*** (2.25)
Expsq	-0.0006*** (-8.26)	-0.0005*** (-2.35)
Expch	-0.0009*** (-5.16)	0.0000 (0.08)
Tech	0.0807*** (2.16)	0.0713 (0.69)
<u>Marital Status</u>		
Mar	0.0468* (1.69)	0.0228 (1.18)
Wid	-0.0109 (-0.10)	0.1462* (1.56)
Div	-0.1989 (-1.08)	0.0921 (0.30)
<u>Occupations</u>		
Prof	0.1117*** (6.62)	0.1668** (1.78)
Admin	0.0399 (0.66)	0.1668** (1.78)
Cler	0.0476 (1.52)	-0.0934 (-1.00)
Sale	-0.0621 (-1.57)	-0.0245 (-0.11)
Serv	-0.0203 (-1.02)	-0.0089 (-0.06)
Agri	0.0551 (1.08)	0.1410* (1.54)
<u>Cities</u>		
Lah	0.0570*** (3.45)	-0.0619 (-0.66)
Fai	-0.0106 (-0.22)	-0.2941 (-1.23)
Raw	0.0003 (0.01)	-0.2087 (-1.22)
Mul	-0.0696 (-1.12)	-0.3743* (1.83)
Guj	-0.0487 (0.88)	-0.0238 (-0.00)
Sia	-0.1700*** (-3.37)	0.1260 (0.24)
Bah	-0.0076 (-0.23)	-0.4108** (-2.05)
Sample Size	3409	344
Adjusted R ²	0.2923	0.3687
F-Value	67.04	13.34

Notes:

- i. Numbers with * are statistically significant at the 10 percent level, with ** at the 5 percent level and *** at 1 percent level, two-tailed test.
- ii. Numbers in parentheses are t-values.
- iii. Unmarried, production sector and Sargodha City are reference categories.

Table 10. Coefficient Estimates of Personal Characteristics Wage Equation by Gender (Dependent Variable = Natural Log of Wage)

Variables	Males	Females
Constant	6.4666** (83.45)	6.5769*** (22.32)
Sch	0.0670*** (16.05)	0.0660*** (5.73)
Exp	0.0422*** (10.17)	0.0172** (2.24)
Expsq	-0.0005*** (-8.62)	-0.0004** (-2.25)
Expch	-0.0008*** (-5.02)	0.00000 (0.02)
Tech	0.0684** (2.24)	0.0914 (0.81)
<u>Marital Status</u>		
Mar	0.0346 (1.22)	0.0393 (1.23)
Wid	-0.0038 (-0.04)	0.1929 (1.21)
Div	-0.1090 (-1.08)	0.0949 (0.31)
<u>Cities</u>		
Lah	0.0433*** (3.25)	-0.0758 (-0.73)
Fai	-0.0222 (-0.55)	0.2227 (-1.35)
Raw	-0.0023 (-0.55)	-0.2275 (-1.39)
Mul	-0.0758 (-1.40)	0.4552*** (-2.51)
Guj	0.0654 (-1.16)	-0.0298 (-0.32)
Sia	-0.1653*** (-3.39)	0.3005 (0.51)
Bah	0.0330 (-0.70)	-0.4568** (-2.23)
Sample Size	3409	344
Adjusted R ²	0.1898	0.3462
F-Value	86.87	17.11

Notes:

- i. Numbers with * are statistically significant at the 10 percent level, with ** at the 5 percent level and *** at 1 percent level, two-tailed test.
- ii. Numbers in parentheses are t-values.
- iii. Unmarried, production sector and Sargodha city are reference categories.

Do Female Enrolment Rates Cause Economic Growth in Pakistan?

Khalid Zaman

Assistant Professor, Department of Management Sciences, COMSATS Institute of Information Technology
Abbottabad, Pakistan

Tel: 92-334-898-2744 E-mail: khalidzaman@ciit.net.pk

Muhammad Mushtaq Khan

Head of the Department, Management Sciences, COMSATS Institute of Information Technology
Abbottabad, Pakistan

Tel: 92-992-383-5916 E-mail: khanmm@ciit.net.pk

Mehboob Ahmad

Professor, Department of Management Sciences, FUIEMS, Foundation University, New Lalazar
Rawalpindi Cantt, Pakistan

Tel: 92-333-520-2377 E-mail: mmehboobahmad@gmail.com

Waseem Ikram

Assistant Professor, Department of Management Sciences, COMSATS Institute of Information Technology
Abbottabad, Pakistan

Te: 92-321-980-1301 E-mail: drwaseem@ciit.net.pk

Abstract

There has been much discussion on the relationship between education and economic growth. A few studies have examined the increasing trend of female enrolment in educational institutions and economic growth. The objective of this paper is to empirically investigate four alternatives but equally plausible hypotheses. These are: i) GDP cause female enrolment proxies (the conventional view), ii) Female enrolment proxies cause GDP, iii) There is a bi-directional causality between the two variables and iv) Both variables are causality independent. In order to find the relationship between the two variables set, a time series Co-integration and Granger Causality Tests have been employed separately. Secondary data pertaining to Pakistan from 1966 - 2008 has been used for analysis. The empirical results moderately support the conventional view that GDP has significant long-run casual effect on the female enrolment proxies in Pakistan. The present study supports the unidirectional causality relationship between the GDP and female enrolment in the specific context of Pakistan.

Keywords: Female enrolment, Economic growth, Cointegration, Granger causality, Pakistan

1. Introduction

The Millennium Development Goals that emerged from the UN Millennium Declaration of September 2000 are specific measurable targets, including the one for reducing the extreme poverty that still grips more than 1 billion of the world's people by 2015. Central to this promise are the MDGs related to educational outcomes: (1) Ensure that all children complete primary education by 2015. (2) Eliminate gender disparities in primary and secondary education. By 2006, most countries have already fallen well behind the necessary targets to meet these goals (Millennium Development Goal, 2006).

Human capital is considered as an important determinant of economic growth which is effective vehicle for reducing income inequality and absolute poverty (World Bank, 2008). According to Barnet (1990), human capital investment in the form of higher education is recognized as capital investment, while, Ozsoy (2008) says that human capital is an engine of development for the new world economy. According to Abbas (undated),

education was considered as a tool for human development in the past but now it is considered as a tool of development in broad meanings such as economic, social and also human resource development.

The number of studies has been examined the role of human capital as an important determinant of economic growth (e.g., Romer, 1986; Lucas, 1988). This is supported by number of empirical studies that human capital (such as years of schooling, school enrolment rates, or literacy rates) have statistically significant and positive effects on economic growth (e.g., Romer, 1990; Barro, 1991; Barro and Sala-i-Martin, 1992; Mankiw, Romer and Weil, 1992; Barro and Lee, 1994). Few studies considered, variables reflecting health status (such as life expectancy) are also significant in cross-country growth regressions (e.g., Wheeler, 1980; Barro and Lee, 1994; Knowles and Owen, 1995, 1997).

Most of the cross-country empirical literature on the effect of human capital on growth is "gender-neutral". It usually focuses on levels of education (or health) averaged over the whole (working-age) population. However, female and male education affects growth in quite different ways. Female education along with male education can improve productivity directly when better-educated females participate in the paid workforce and contribute to conventionally measured output. However, female participation rates are generally lower than for males and vary widely across countries. Conventional measures of output, which ignore women's role in non-market home production activities, have long been recognized as understating women's economic contribution relative to men. There is a growing literature, especially in the context of developing countries, female education produces social gains by reducing fertility, infant and child mortality, improving family and child health, increasing life expectancy, and raising the educational attainment of children (e.g., Schultz, 1988; Behrman and Deolalikar, 1988; Bellew *et al*, 1992; Subbarao and Raney, 1995).

Hence, even if female participation rates are lower than for males, the effects of improved female education on general levels of education, health status and fertility can boost measured productivity growth indirectly. Schultz (1995) concludes that female school enrolment has an apparently greater positive impact on economic growth than male school enrolment. However, he does not control for the influence of any of the other variables generally accepted as affecting growth. Hill and King (1993) suggest that both the level of female education and the gap between the levels of male and female education are significant determinants of economic growth. They imply that failure to improve female education to the same (or higher) average level as that of males acts as a brake on development. This contrasts with the results of one of the most influential recent empirical growth studies (Barro and Lee, 1994). Barro and Lee (hereafter BL) argued that, whereas growth is positively related to male schooling, it is negatively related to female schooling.

Stokey (1994) gives an explanation of this puzzling result in response to BL's paper. She argues that the female education variable acts as a dummy variable for geographic regions or ethnic groups that educate women differently from men, especially the (fast-growing) East Asian "Tigers" (Hong Kong, Korea, Singapore and Taiwan). She suggests that the female education variable should be dropped from the BL growth equations and that, given the high correlation between the female and male education variables. This is itself of interest given that, some studies have started questioning the role and significance of educational attainment variables in growth equations, e.g., Pritchett (1996) and Bils and Klenow (1998). Also, Knowles and Owen (1995, 1997) argue that education is not statistically significant in a range of models that include life expectancy and base-period output per worker.

In a Pakistan's perspective, United Nations, State Bank of Pakistan Reports and Economic Survey of Pakistan has given the light on Pakistan's' educational scenario. According to Human Development report (2005),

"The rank of Pakistan is 135th among 177 countries indicating low life expectancy at birth, low educational attainment and low income. The report also indicates the adult literacy rate of age (15 years and above) as 35.2% of female as compared to 61.7% of male. In the same report, the Gender related development index (GDI) rank of Pakistan is 107th among 177 countries. This explains as how the Human Development gap has been further aggravated by substantial gender disparities".

In annual report of State Bank of Pakistan (2004-05) discussed the current situation of education in Pakistan. The report states that,

"Unfortunately, Pakistan's track record in literacy and education has not been satisfactory. The education system in the country is characterized by highly illiteracy rate, low gross and net enrolment at all level of education, high dropout rates from schools, a wide disparity at gender and regional level, and a poor quality of education" (Annual report of State Bank of Pakistan, 2004-05).

In this connection, Economic Survey of Pakistan, 2009-10 states that,

“The overall literacy rate (age 10 years and above) is 57% (69% for male and 45% for female) compared to 56% (69% for male and 44% for female) for 2007-08. The data shows that literacy remains higher in urban areas (74%) than in rural areas (48%), and is more prevalent for men (69%) compared to women (45%). However, it is evident from the data that overall female literacy is rising over time, but progress is uneven across the provinces. Similarly, the overall school attendance, as measured by the Net Enrolment Rate (NER), for 2008-09 was 57% as compared to 55% in 2007-08. Nationally, the Gross Enrolment Rate (GER), sometimes referred to as the participation rate, which is the number of children attending primary school (irrespective of age) divided by the number of children who ought to be attending, in case of both male and female saw no change and remained at 91% between 2007-08 and 2008-09”.

The above discussion shows the strong connection between female education and economic growth. In this paper an analysis has been carried out to find a statistical relationship between female enrolment proxies and economic growth in Pakistan using secondary data from 1966 to 2009. The objectives of this paper are to empirically investigate:

- Whether the statistical relationship between the female enrolment and the economic growth in Pakistan is unidirectional (female education affect/cause economic growth or growth affect / cause female education);
- Whether the statistical relationship between the female enrolment and the economic growth in Pakistan is bi-directional (female education affect/cause growth and growth affect / cause female education);
- The two variables (female education and growth) do not influence each other (causality independent).

The paper is organized as follows: after introduction which is provided in Section 1 above, data sources and methodological framework is explained in Section 2. The estimation and interpretation of results is mentioned in Section 3. Section 4 concludes the paper.

2. Data Source and Methodological Frame Work

The study uses annual observations for the period of 1966-2008. The data is obtained from various issues of Economic Survey of Pakistan, International Financial Statistics, and World Bank Development Indicators data base (2009). To examine the impact of female enrolment in educational institutes on economic growth, the present study used seven different proxies i.e., female primary school enrolment (FPSE), female middle school enrolment (FMSE), female high school enrolment (FHSE), female secondary vocational enrolment (FSVE), female arts & science colleges enrolment (FASCE), female professional colleges enrolment (FPCE) and female universities level enrolment (FULE)] as a dependent variables separately regress on economic growth (GDP) which covering the period of 1966-2008. We have estimated a simple non-linear growth-enrolment model which has been specified as follows:

$$\begin{aligned}
 \log(FPSE) &= \alpha_1 + \alpha_2 \log(GDP) + \mu \\
 \log(FMSE) &= \beta + B_2 \log(GDP) + \mu \\
 \log(FHSE) &= \gamma_1 + \gamma_2 \log(GDP) + \mu \\
 \log(FSVE) &= \chi_1 + \chi_2 \log(GDP) + \mu \\
 \log(FASCE) &= \delta_1 + \delta_2 \log(GDP) + \mu \\
 \log(FPCE) &= \phi_1 + \phi_2 \log(GDP) + \mu \\
 \log(FULE) &= \kappa_1 + \kappa_2 \log(GDP) + \mu
 \end{aligned} \tag{1}$$

Where,

- i. FPSE represents female primary school enrolment ('000 in numbers),
- ii. FMSE represents female middle school enrolment ('000 in numbers),
- iii. FHSE represents female high school enrolment ('000 in numbers),
- iv. FSVE represents female secondary vocational enrolment in numbers,

- v. FASCE represents female arts & science colleges enrolment in numbers,
- vi. FPCE represents female professional colleges enrolment in numbers,
- vii. FULE represents female universities level enrolment in numbers and
- viii. GDP represents Gross Domestic Product at constant Prices at Pak Rs. in million

2.1 Econometric Procedure

This paper reviews the impact of economic growth on female enrolment proxies are examined in the following manners:

- By examining whether a time series have a unit root test; an Augmented Dickey-Fuller (ADF) unit root test has been used.
- By finding the long run relationship among the variable, Engle and Granger Cointegration test has been applied.
- When the variables are found cointegrated, an Error –Correction Model (ECM) has been applied to determine the short run dynamics of the system.

2.1.1 Cointegration Test

The concept of Cointegration was first introduced by Granger (1981) and elaborated further by Engle & Granger (1987), Phillips & Ouliaris (1990) and Johansen (1991), among others. Engle & Granger Cointegration test requires that

- Time-series, say Y_t and X_t , are non-stationary in levels but stationary in first differences i.e., $Y_t \sim I(1)$ and $X_t \sim I(1)$.
- There exists a linear combination between these two series that is stationary at levels i.e., $v_{it} (= Y_t - \alpha - \beta X_t) \sim I(0)$.

Thus, the first step for Cointegration is to test whether each of the series is stationary or not. If they both are stationary say at first difference i.e. they are $I(1)$, then we may go to the second step to verify the long run relationship between them.

Augmented Dickey Fuller (ADF) test is usually applied to test stationarity. It tests the null hypothesis that a series (Y_t) is non-stationary by calculating a t-statistics for $\beta = 0$ in the following equation:

$$\Delta Y_t = \alpha + \beta Y_{t-1} + \gamma_t + \sum_{k=2}^n \delta_k \Delta Y_{t-k} + \varepsilon_t$$

Where $k = 2, 3, \dots, n$. While α, β, γ and δ are the parameters to be estimated and ε_t is white noise error term.

If the value of the ADF statistic is less than the critical value at the conventional significance level (usually the 5 % significance level) then the series (Y_t) is said to stationary and vice versa. If Y_t is found to be non-stationary then it should be determined whether Y_t is stationary at first differences $\Delta Y_t \sim I(0)$ by repeating the above procedure. If the first difference of the series is stationary then the series (Y_t) may be concluded as integrated of order one i.e. $Y_t \sim I(1)$.

2.1.2 Error Correction Model (ECM)

If time series are $I(1)$, then regressions could be run in their first differences. However, by taking first differences, the long-run relationship will be lost that is stored in the data. This implies to use variables in levels as well. Advantage of the Error Correction Model (ECM) is that it incorporates variables both in their levels and first differences. By doing this, ECM captures the short-run disequilibrium situations as well as the long-run equilibrium adjustments between variables. ECM term having negative sign and value between “0 and 1” indicates convergence of model towards long run equilibrium and shows how much percentage adjustment takes place every year.

2.1.3 Granger Causality Test

If a pair of series is cointegrated then there must be Granger-causality in at least one direction, which reflects the direction of influence between series. Theoretically, if the current or lagged terms of a time series variables, say X_t , determine another time-series variable, say Y_t , then there exists a Granger-causality relationship between X_t and Y_t , in which Y_t is granger caused by X_t .

3. Estimation and Interpretation of Results

Economic time-series data are often found to be non-stationary, containing a unit root. Ordinary Least Squares (OLS) estimates are efficient if variables included in the model are stationary of the same order. Therefore, first we need to check the stationarity of all variables i.e. FPSE, FMSE, FHSE, FSVE, FASCE, FPCE, FULE and GDP used in the study. For this purpose we apply Augmented Dickey-Fuller (ADF) test. **Table 1** gives the results of ADF tests.

Based on the ADF tests, all variables appear to be non-stationary at levels but stationary at first difference. Thus, we may conclude that these variables are integrated of order one i.e. $I(1)$. The Figure below shows the plots of female enrolment proxies and GDP in first difference forms, which sets the analytical framework as regarding the long-term relationship of enrolment and nominal growth.

Figure 1 shows the plots of female enrolment proxies and GDP in first difference forms, which sets the analytical framework as regarding the long-term relationship of enrolment and nominal growth. The cointegration test between female enrolment variables and GDP are carried out separately as mentioned below:

3.1 Cointegration Test for FPSE and GDP

Cointegration test for the first female enrolment variable (FPSE) and economic growth (GDP) would help us to clarify if relationship between these two variables exists. Results of regression and ADF test for the residual are presented in **Table 2** and **Table 3** respectively. The finding reveals that the residual is stationary at level i.e., it is integrated of order zero. This authenticates our intention that FPSE and GDP are indeed cointegrated that is a long run relationship between them holds. In order to ensure stability of long run relationship between FPSE and GDP, an Error Correction Model (ECM) has been used. The results are presented in **Table 4**.

The finding reveals that the short run effect and the long run adjustment impact of FPSE and GDP is significant at 5 % level. The adjustment parameter (p) appears with negative value signifying the long run convergence. The ECM estimation reveals that 14.4% of the disequilibrium in FPSE produced by GDP would be adjusted in every year. The conclusion is that there is a stable long run relationship between FPSE and GDP.

To confirm the causal relationship between the FPSE and GDP, a Granger-Causality test has been applied using lag length up to four periods. The following four hypotheses are tested.

- 1) FPSE Granger causes GDP
- 2) GDP Grange causes FPSE
- 3) Causality runs in both directions
- 4) FPSE and GDP are independent.

The results are provided in **Table 5**. It shows the hypothesis that “FPSE does not Granger cause GDP” is rejected. This, of course, accords with the conventional hypothesis 1. But in the same table the null hypothesis that “GDP variables do not Granger causes FPSE” is accepted even at four lags. It validates the hypothesis 2. These results, taken together, does not support hypothesis 3 and 4. So a unidirectional relationship between the FPSE and GDP is established. This finding additionally implies that any investigation of the impact of rural poverty on commercial energy consumption should be performed within a simultaneous equation model.

3.2 Cointegration Test for FMSE, FHSE, FSVE, FASCE, FPCE, FULE and GDP

The cointegration test for female enrolment variables i.e., FMSE, FHSE, FSVE, FASCE, FPCE and FULE is carried out separately over GDP. Results of regression and ADF test for the residual are presented in **Table 6** and **Table 7** respectively. The finding reveals that the residual is stationary at level i.e. it is integrated of order zero. This validates the proposition that FMSE, FHSE, FSVE, FASCE, FPCE, FULE and GDP are indeed cointegrated i.e. a long run relationship between them holds. In order to check steadiness of long run relationship between FMSE, FHSE, FSVE, FASCE, FPCE, FULE and GDP, an Error Correction Model (ECM) is applied. The results are presented in **Table 8**.

The short run effect of GDP on FMSE, FSVE and FPCE is insignificant, while the long run adjustment impact of GDP on FPCE is insignificant. The remaining proxies for short-run effect on GDP is significant i.e., FHSE, FASCE and FULE. While the long-run adjustment impact of GDP on FMSE, FHSE, FSVE, FASCE and FULE is significant with negative value indicating the long run convergence i.e., 3.7%, 4.5%, 11.8%, 26.3% and 19.2% respectively would be adjusted in every year. The conclusion is that there is a stable long run relationship between them.

To confirm the causal relationship between the FMSE-GDP, FHSE-GDP, FSVE-GDP, FASCE-GDP, FPCE-GDP, FULE-GDP, a Granger-Causality test has been applied using lag length up to four periods. The following four hypotheses are tested.

1. FMSE, FHSE, FSVE, FASCE, FPCE, FULE Granger causes GDP
2. GDP Grange causes FMSE, FHSE, FSVE, FASCE, FPCE, FULE
3. Causality runs in both directions
4. GDP and FMSE, FHSE, FSVE, FASCE, FPCE, FULE are independent.

The results are provided in **Table 9**. It shows that the hypothesis that “FMSE does not Granger cause GDP” is rejected. This does accord with the conventional hypothesis 1. But the null hypothesis that “GDP does not Granger cause to FMSE” is accepted. These results, taken together, does not support hypothesis 3 and 4 and suggest that there is a unidirectional relationship between the FMSE and GDP. The other results shows that FHSE, FSVE, FPCE to GDP and GDP to FHSE, FSVE, FPCE both are independent in nature and support our 4th hypothesis. The final outcome shows that GDP Granger cause FASCE and FULE in one direction, therefore, there has a uni-directional relationship exist. However, FASCE and FULE both do not Granger cause their alternative hypothesis. This supports our 2nd hypothesis.

4. Conclusion

The causality approach was used to analyze the relationship between different female enrolment proxies in educational institutions and economic growth over a period of 1966-2008. The short-run effect of female enrolment proxies on GDP is significant i.e., FHSE, FASCE and FULE. While the long-run adjustment impact of GDP on FMSE, FHSE, FSVE, FASCE and FULE is significant with negative value indicating the long run convergence i.e., 3.7%, 4.5%, 11.8%, 26.3% and 19.2% respectively, which would be adjusted every year. The conclusion is that there is a stable long run relationship between the female enrolment in educational institutions and economic growth.

The empirical results moderately support the conventional view that GDP has significant long-run casual effect on female enrolment proxies in Pakistan. This present study supports the unidirectional causality relationship between the GDP and female enrolment in the specific context of Pakistan. This also suggests that only single equation method is insufficient to assess the strong relationship. Therefore it is important to establish simultaneous equations for long-run relationship. It is recommended that government should upgrade the priority of education by raising public expenditure on education to at least 4 per cent of GDP, as recommended by UNESCO. This study provides evidence for the Government of Pakistan’s focus to female enrolment in educational institutions which can contribute towards the prosperous future of Pakistan.

References

- Abbas, M. (undated). *Higher Education in Pakistan; Weaknesses and Remedies*. Dean/Director University of Education Lower Mall, Campus Lahore.
- Barnet, R. (1990). *The Idea of Higher Education*. Philadelphia. USA: The Society for Research into Higher Education.
- Barro RJ, Lee J-W. (1994). Sources of economic growth. *Carnegie-Rochester Conference Series on Public Policy* 40:1-46.
- Barro RJ, Sala-i-Martin X. (1992). Convergence. *Journal of Political Economy*, 100:223-251.
- Barro RJ. (1991). Economic growth in a cross section of countries. *Quarterly Journal of Economics*, 106:407-443.
- Behrman JR, Deolalikar AB. (1988). *Health and nutrition*. In: Chenery H, Srinivasan TN (eds), *Handbook of development economics*, Volume I., North-Holland, Amsterdam.
- Bellew R, Raney L, Subbarao K. (1992). Educating girls. *Finance and Development*, 29:54-56.
- Bils M, Klenow PJ. (1998). Does schooling cause growth or the other way around? NBER Working Paper 6393.
- Economic Survey of Pakistan. (2009-10). *Education and educational facilities*. Economic Advisors wing finance division Govt. of Pakistan Islamabad, Pakistan.
- Engle, R. F. and C. W. J. Granger. (1987). Cointegration and Error Correction Representation, Estimation and Testing. *Econometrica*, 55: 251-76.
- HDR. (2005). *Human development reports (UNDP)*. Retrieved from hdr.undp.org/reports/global/2005/-14k.

- Hill MA, King EM. (1993). Women's education in developing countries: an overview. In: King EM, Hill MA (eds) Women's education in developing countries: Barriers benefits and policies. Johns Hopkins University Press, Baltimore.
- Johansen, S. (1991). Estimation and Hypothesis Testing of Cointegration Vectors in Gaussian Vector Autoregressive Models. *Econometrics*, 59: 1551-80.
- Knowles S, Owen PD. (1995). Health capital and cross-country variation in income per capita in the Mankiw-Romer-Weil model. *Economics Letters*, 48:99-106.
- Knowles S, Owen PD. (1997). Education and health in an effective-labour empirical growth model. *Economic Record*, 73:314-328.
- Lucas RE Jr. (1988). On the mechanics of economic development. *Journal of Monetary Economics*, 22:3-42.
- Mankiw NG, Romer D, Weil DN. (1992). A contribution to the empirics of economic growth. *Quarterly Journal of Economics*, 107:407-437
- MDG. (2006). The Millennium Development Goals Report -2006. United Nations. [Online] Available: <http://unstats.un.org/unsd/mdg/Resources/Static/Products/Progress2006/MDGReport2006.pdf>.
- Ozsoy, C. (2008). The Contribution of Higher Education to Economic Development, 8th Global Conference on Business and Economics, October 18-19, 2008, Florence, Italy.
- Philips, P. C. B. and S. Ouliaris. (1990). Asymptotic Properties of Residual Based Tests for Cointegration. *Econometrica*, 58: 165-93.
- Pritchett L. (1996). Where has all the education gone? The World Bank, Policy Research Department, Working Paper a1581.
- Romer PM. (1986). Increasing returns and long-run growth. *Journal of Political Economy*, 94:1002-1037.
- Romer PM. (1990). Human capital and growth: theory and evidence. *Carnegie-Rochester Conference Series on Public Policy*, 32:251-286
- SBP. (2005). Annual report of State Bank of Pakistan, 2004-05. [Online] available: <http://www.sbp.org.pk/reports/annual/arfy05/qtr-index-eng.htm>.
- Schultz TP. (1988). *Education investments and returns*. In Chenery H, Srinivasan TN (eds) Handbook of development economics, Volume I, North-Holland, Amsterdam.
- Schultz TP. (1995). Investments in schooling and health of women and men: quantities and returns. In: Schultz TP (ed.) Investment in women's human capital, University of Chicago Press, Chicago.
- Stokey N. (1994). Comments on Barro and Lee. *Carnegie-Rochester Conference Series on Public Policy*, 40:47-57.
- Subbarao K, Raney L. (1995). Social gains from female education: a cross-national study. *Economic Development and Cultural Change*, 44:105-128.
- Wheeler D. (1980). Basic needs fulfillment and economic growth: a simultaneous model. *Journal of Development Economics*, 7:435-451
- World Bank. (2008). The Road Not Traveled Education Reform in the Middle East and North Africa, MENA Development Report, the International Bank for Reconstruction and Development / The World Bank, Washington .

Table 1. Augmented Dickey-Fuller (ADF) Test on the levels and on the First Difference of the Variables (1980-2007)

Variables	Level	First Differences	Mackinnon Critical Values for Rejection of Hypothesis of a Unit Root			Decision
			1 %	5 %	10 %	
FPSE	4.298	-2.145	-2.622	-1.949	-1.611	Non Stationary at level but stationary at first difference i.e., $I(1)$
FMSE	5.221	-3.934	-2.622	-1.949	-1.611	Non Stationary at level but stationary at first difference i.e., $I(1)$
FHSE	6.758	-2.863	-2.622	-1.949	-1.611	Non Stationary at level but stationary at first difference i.e., $I(1)$
FSVE	1.273	-5.440	-2.622	-1.949	-1.611	Non Stationary at level but stationary at first difference i.e., $I(1)$
FASCE	4.002	-4.872	-2.622	-1.949	-1.611	Non Stationary at level but stationary at first difference i.e., $I(1)$
FPCE	2.209	-6.498	-2.622	-1.949	-1.611	Non Stationary at level but stationary at first difference i.e., $I(1)$
FULE	4.368	-1.849	-2.622	-1.949	-1.611	Non Stationary at level but stationary at first difference i.e., $I(1)$
GDP	5.012	-3.754	-2.622	-1.949	-1.611	Non Stationary at level but stationary at first difference i.e., $I(1)$

Note: The null hypothesis is that the series is non-stationary, or contains a unit root. The rejection of the null hypothesis is based on MacKinnon critical values. The lag length are selected based on SIC criteria, this ranges from lag zero to lag one.

Table 2. Empirical Results of the Model - FPSE (1966-2008)

Dependent Variable: Log [Female in Primary School Enrolment (FPSE)]	
Constant	-3.578 (-5.563)*
Log (GDP)	0.761 (4.253)*
AR(1)	0.789 (5.337)*
R-square	0.974
Adjusted R-square	0.973
Durbin-Watson Statistics	1.874
F-Statistics	44.216
Probability (F-Statistics)	0.0000*
Number of Observations	43

Note: Values in parentheses show t-statistics. The statistics significant at 1, 5 and 10 % level of significance are indicated by *, ** and ***.

Table 3. Augmented Dickey-Fuller Test for the Residuals – FPSE

Estimated Residual Integration	Level	Mackinnon Critical Values for Rejection of Hypothesis of a Unit Root			Decision	Order of Integration
		1 %	5 %	10 %		
Residual	-2.528	-2.622	-1.949	-1.611	Stationary at level	I (0)

Table 4. Empirical Findings of Error Correction Model - FPSE

Dependent Variable: DLog (FPSE)]	
Constant	-2.914 (-2.897)*
Log (GDP)	-0.733 (-4.012)*
<i>p</i>	-0.144 (-1.989)***
R-square	0.977
Adjusted R-square	0.975
DW	1.926
F-Statistics	55.055
Probability (F-Statistics)	0.000*
Number of Observations	43

Note: Values in parentheses show t-statistics. The statistics significant at 1, 5 and 10 % level of significance are indicated by *, ** and ***.

Table 5. Causality Patterns – FPSE

Lagged Years	Null Hypothesis	Decision
1	No causality from Log (FPSE) to Log (GDP)	Rejected
	No causality from Log (GDP) to Log (FPSE)	Accepted
2	No causality from Log (FPSE) to Log (GDP)	Rejected
	No causality from Log (GDP) to Log (FPSE)	Accepted
3	No causality from Log (FPSE) to Log (GDP)	Accepted
	No causality from Log (GDP) to Log (FPSE)	Accepted
4	No causality from Log (FPSE) to Log (GDP)	Accepted
	No causality from Log (GDP) to Log (FPSE)	Accepted

Table 6. Empirical Results of the Model – FMSE, FHSE, FSVE, FASCE, FPCE, FULE (1966-2008)

	Log(FMSE)	Log(FHSE)	Log(FSVE)	Log(FASCE)	Log(FPCE)	Log(FULE)
Constant	-9.150 (-10.571)*	-11.770 (-12.376)*	-4.378 (-2.004)***	-8.551 (-13.967)*	-25.299 (-10.752)*	-21.901 (-10.083)*
Log(GDP)	0.928 (25.963)*	0.995 (25.323)*	0.579 (6.406)*	0.837 (33.100)*	1.464 (15.057)*	1.297 (14.450)*
AR(1)	0.997 (92.411)*	0.998 (85.212)*	0.995 (19.623)*	0.975 (30.474)*	0.989 (35.429)*	0.747 (5.669)*
R-square	0.942	0.939	0.500	0.963	0.846	0.835
Adjusted R-Square	0.941	0.938	0.488	0.962	0.843	0.831
Durbin-Watson	1.971	2.112	1.566	2.012	2.253	1.980
F-statistics	674.112	641.271	41.047	1095.623	226.711	208.182
Prob. (F-statistics)	0.000	0.000	0.000	0.000	0.000	0.000
No. of Observations	43	43	43	43	43	43

Note: Values in parentheses show t-statistics. The statistics significant at 1, 5 and 10 % level of significance are indicated by *, ** and ***.

Table 7. Augmented Dickey-Fuller Test for the Residuals – FMSE, FHSE, FSVE, FASCE, FPCE, FULE

Estimated Residual Integration	Level	Mackinnon Critical Values for Rejection of Hypothesis of a Unit Root			Decision	Order of Integration
		1 %	5 %	10 %		
FMSE	-2.387	-2.622	-1.949	-1.611	Stationary at level	I (0)
FHSE	-1.985	-2.622	-1.949	-1.611	Stationary at level	I (0)
FSVE	-1.629	-2.622	-1.949	-1.611	Stationary at level	I (0)
FASCE	-2.936	-2.622	-1.949	-1.611	Stationary at level	I (0)
FPCE	-1.941	-2.622	-1.949	-1.611	Stationary at level	I (0)
FULE	-1.645	-2.622	-1.949	-1.611	Stationary at level	I (0)

Table 8. Empirical Findings of Error Correction Model – FMSE, FHSE, FSVE, FASCE, FPCE, FULE (1966-2008)

	DLog(FMSE)	DLog(FHSE)	DLog(FSVE)	DLog(FASCE)	DLog(FPCE)	DLog(FULE)
Constant	0.068 (5.830)*	0.074 (5.597)*	0.089 (1.589)	0.043 (2.345)**	0.113 (2.179)**	0.088 (1.348)
DLog(GDP)	-0.034 (-0.387)	0.021 (1.889)***	-0.278 (-0.662)	0.324 (2.344)**	-0.101 (-0.263)	0.195 (1.921)***
<i>p</i>	-0.037 (-1.928)***	-0.045 (-2.012)***	-0.118 (-3.895)*	-0.263 (-2.526)**	-0.110 (-1.625)	-0.192 (-1.770)***
R-square	0.561	0.498	0.345	0.202	0.158	0.421
Adjusted R-Square	0.552	0.497	0.343	0.161	0.121	0.401
Durbin-Watson	1.652	1.742	1.452	1.866	2.145	2.055
F-statistics	2.923	4.213	3.121	4.957	1.290	5.012
Prob. (F-statistics)	0.045	0.021	0.025	0.012	0.309	0.002
No. of Observations	43	43	43	43	43	43

Note: Values in parentheses show t-statistics. The statistics significant at 1, 5 and 10 % level of significance are indicated by *, ** and ***.

Table 9. Causality Patterns – FMSE, FHSE, FSVE, FASCE, FPCE, FULE

Lagged Years	Null Hypothesis	Decision
FMSE		
1	No causality from Log (FMSE) to Log (GDP) No causality from Log (GDP) to Log (FMSE)	Rejected Accepted
2	No causality from Log (FMSE) to Log (GDP) No causality from Log (GDP) to Log (FMSE)	Accepted Accepted
3	No causality from Log (FMSE) to Log (GDP) No causality from Log (GDP) to Log (FMSE)	Accepted Accepted
4	No causality from Log (FMSE) to Log (GDP) No causality from Log (GDP) to Log (FMSE)	Accepted Accepted
FHSE		
1	No causality from Log (FHSE) to Log (GDP) No causality from Log (GDP) to Log (FHSE)	Accepted Accepted
2	No causality from Log (FHSE) to Log (GDP) No causality from Log (GDP) to Log (FHSE)	Accepted Accepted
3	No causality from Log (FHSE) to Log (GDP) No causality from Log (GDP) to Log (FHSE)	Accepted Accepted
4	No causality from Log (FHSE) to Log (GDP) No causality from Log (GDP) to Log (FHSE)	Accepted Accepted
FSVE		
1	No causality from Log (FSVE) to Log (GDP) No causality from Log (GDP) to Log (FSVE)	Accepted Accepted
2	No causality from Log (FSVE) to Log (GDP) No causality from Log (GDP) to Log (FSVE)	Accepted Accepted
3	No causality from Log (FSVE) to Log (GDP) No causality from Log (GDP) to Log (FSVE)	Accepted Accepted
4	No causality from Log (FSVE) to Log (GDP) No causality from Log (GDP) to Log (FSVE)	Accepted Accepted
FASCE		
1	No causality from Log (FASCE) to Log (GDP) No causality from Log (GDP) to Log (FASCE)	Accepted Rejected
2	No causality from Log (FASCE) to Log (GDP) No causality from Log (GDP) to Log (FASCE)	Accepted Accepted
3	No causality from Log (FASCE) to Log (GDP) No causality from Log (GDP) to Log (FASCE)	Accepted Accepted
4	No causality from Log (FASCE) to Log (GDP) No causality from Log (GDP) to Log (FASCE)	Accepted Accepted
FPCE		
1	No causality from Log (FPCE) to Log (GDP) No causality from Log (GDP) to Log (FPCE)	Accepted Accepted
2	No causality from Log (FPCE) to Log (GDP) No causality from Log (GDP) to Log (FPCE)	Accepted Accepted
3	No causality from Log (FPCE) to Log (GDP) No causality from Log (GDP) to Log (FPCE)	Accepted Accepted
4	No causality from Log (FPCE) to Log (GDP) No causality from Log (GDP) to Log (FPCE)	Accepted Accepted
FULE		
1	No causality from Log (FULE) to Log (GDP) No causality from Log (GDP) to Log (FULE)	Accepted Rejected
2	No causality from Log (FULE) to Log (GDP) No causality from Log (GDP) to Log (FULE)	Accepted Accepted
3	No causality from Log (FULE) to Log (GDP) No causality from Log (GDP) to Log (FULE)	Accepted Accepted
4	No causality from Log (FULE) to Log (GDP) No causality from Log (GDP) to Log (FULE)	Accepted Accepted

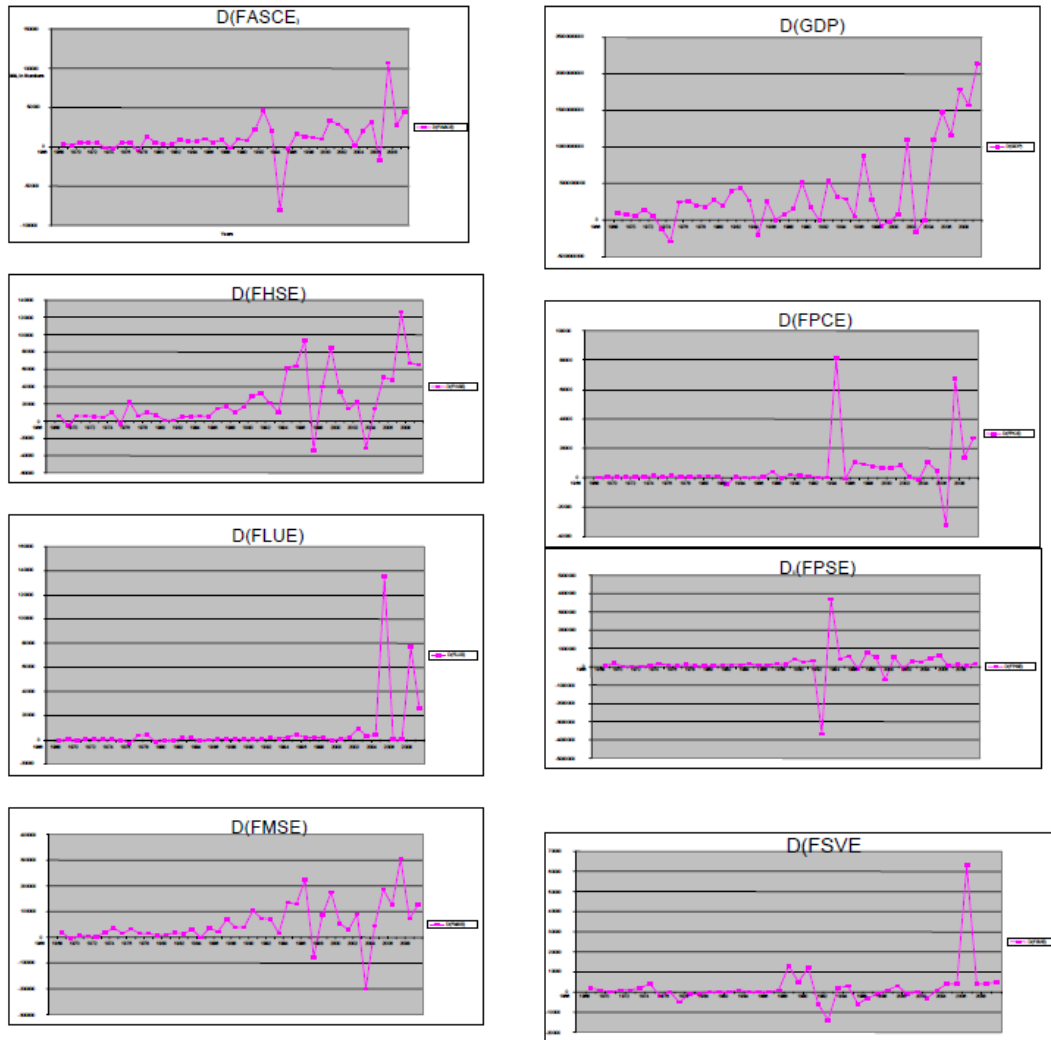


Figure 1. Trends of Variables with First Differences

The Role of Intention in the Construction and Updating of Situation Model

Li Wang

Foreign Languages School, Qingdao University of Science and Technology

Qingdao 266061, China

E-mail: laurewl@gmail.com

Abstract

This paper examines the role of intention in the construction and updating of situation models. In the experiment, we studied readers' reaction to three versions of situations (consistent, inconsistent and deviously consistent). By repeated measure ANOVA analysis, the present study concludes that readers follow the protagonist's intention to construct and update situation models. Readers' English proficiency significantly affects readers' text processing in deviously consistent and inconsistent situation models.

Keywords: Situation model, Intention, Inference, Construction, Updating

1. Introduction

The mental representation of what one reads is called a "situation model" or a "mental model". As a result of the development of cognitive psycholinguistics, especially since the two publications in 1983 of van Dijk and Kintch's *Strategies of Discourse Comprehension* and Johnson-Laird's *Mental Models*. These scholars focus their attention on the mental representations of verbally described situations, which have become known as mental models or situation models. They assumed that readers construct situational mental representations in conjunction with text-based representations. Thus, language is seen as a set of processing instructions on how to construct a mental representation of the described situation (Zwaan & Radvansky 1998).

Based on such views of text processing, text comprehension researchers typically identify at least five dimensions of situations: time, space, causation, intentionality, and protagonist (Givon 1992; Zwaan, Langston & Graesser 1995). Then, a bulk of text processing studies shifted to focus on one of the five dimensions of situation models, such as space. Among this, however, a particular finding that emerged from this line of research is the effects of intention/goal in the construction and updating of situation models.

2. The essence of text processing

Considering the fact that reading a text is not merely reading a list of unrelated sentences, so readers may not satisfy themselves that they have read the explicit text; they may try every means to search beyond text information and build up coherent situation models to organize what they have read by making inferences. Many researchers have argued that the construction of a coherent situation model is tantamount to the successful comprehension of a text. Evidence has shown that comprehension involves constructing a sensorimotor simulation of the described events. Gernsbacher et al (2004) points out that readers must keep track of who is doing what to whom so as to successfully read and comprehend a narrative. Readers' tracking of the narrative information leads to a mental representation which is built on the relevant textual information, with subsequent information being either relevant or irrelevant to the preexisting text base. Thus, when people comprehend certain texts, they create mental representations of the described state of affairs termed situation models. Meanwhile, as Zwaan & Madden (2004) points out that successful comprehension is impossible without some form of updating. Thus, inferencing has to be considered as the minimum prerequisite for successful text processing and the efficient building of an elaborated situation model. Inference is treated as one of the most important differences between a text base and a situation model. So the generation of inferences is a crucial component in constructing a situation model of a text.

Zwaan (2008) points out that "the essence of language comprehension is not to create a mental representation of the linguistic input per se, but to create a mental representation of the situation described by the linguistic input, a situation model." Many researchers have argued that the comprehension of narratives revolves around keeping track of the goals and plans of protagonists.

3. Research of intentionality in situation models

Research in the dimension of intentionality is far from enough. Most research in this field focus on the activation of those fulfilled and unfulfilled intentions/goals. As for the activation of intentions/goals, constructivism holds that reading is an active and tactful process, during which readers explain the events and protagonist's behaviors. Thus, information in long-term memory is activated by and integrated with information being processed. The integrated information is reprocessed in the next period of reading. According to constructivism, readers instantly construct and update situation model during reading. Suh and Trabasso (1993) proved this view. They hold that unfulfilled intention, compared with fulfilled intention, is more accessible and naturally easier to activate and integrate. In other words, as long as the original intention has not been fulfilled and the focus remains, the intention is easily accessible and have a low threshold to be activated. Richards and Singer (2001), however, holds the memory-based view. They argue that the intention of protagonist, as soon as it is put forward, becomes the focus, and even a dominant focus of the reader. With the flow of reading and the introduction of a new intention, the first intention tend to become recessive. This process continues with the introduction of another new intention. Richards and Singer believe that if the first intention is fulfilled, its related information can activate information in long-term memory, which can integrate with the current information. If the first intention is not fulfilled, its related information will not activate information in long-term memory and no integration will occur. They conclude that fulfilled intention is easier to activate than unfulfilled intention.

Then comes the question: fulfilled and unfulfilled intention, which one is easier to activate? From the examination of the research materials in the previous studies, we find that different research materials may be one of the reasons why they got quite different conclusions. Those scholars who hold the constructivist view use those reading materials with explicit goal and causality, while for those who hold memory-based ideas use common descriptive narrations as their research material.

4. The Present Study

The aim of the present study is to have an in-depth understanding of the effects that the protagonist's intention and readers' language proficiency pose on the processing performance of Chinese EFL readers. More specifically, we want to answer the following two research questions: first, does protagonist's intention, which was operationalized as consistent with protagonist's action, inconsistent with protagonist's action and deviously consistent with protagonist's action, has different effects on English text processing? If so, how? Second, does readers' English proficiency, which is operationalized as low and high, significantly affect readers' text processing? If so, how? The whole experiment is carried out with the assistance of E-Prime

4.1 Research material

Four situations, each of which is represented by a series of sentences, are presented to readers on the computer screen one by one in the study phase. For each situation, the description of the protagonist and the targeted recognition sentence have the following three relations(three versions): consistent (the description of the protagonist's intention and the recognition sentence are consistent), inconsistent and deviously consistent (the description of the protagonist's intention is inconsistent with the recognition sentence at first, and the following sentence show that the protagonist has changed his/her habit and the present condition of the protagonist is consistent with the recognition sentence). Appendix lists the research material that we used in one situation.

After the presentation of each situation, a sentence recognition test was conducted, in which readers are asked to make a True/False answer. If they think it is true, then, press J key on the keyboard; if not, press F key. During this process, their reaction time is recorded for further analysis.

4.2 Research design

In the study, we evaluated the effects of readers' L2 proficiency and protagonist's intention on text processing, which were measured by a sentence recognition test. Two factors, that is language proficiency and different versions of situation models are involved. For language proficiency, there are two levels and for situation models, there are three levels. Thus, the present study is a 2 (language proficiency) \times 3 (versions of situation models) mixed design (repeated measure). Since all readers sit in the same sentence recognition test, versions of situation models is the within-subject factors, while language proficiency is the between-subject factor. Our research is a two-factor mixed design (repeated measure).

4.3 Participants

Sixty Chinese readers of English participated our research. Thirty of them are freshmen and the other thirty are seniors, who represent low and high language proficiency respectively. Each participant got his scores for correct percentage (CP) and reaction time (RT).

5. Results of the present study

5.1 General findings

Table 1 is the descriptive statistics of the general mean scores obtained by our three groups of readers.

Insert Table 1 Here

It is clear from the table that, all participants got high correct percentage (CP). This shows that readers can generally grasp the intention of the protagonist and make choice according to the intention.

As for reaction time, the effect of different versions of situation is significant ($F = 8.98, p < .001$). That is to say, irrespective of the proficiency level, readers' sentence recognition performance was significantly different between consistent, inconsistent and deviously consistent situations. More importantly, the interactions between language proficiency and versions of situation have statistical significance ($F = 5.58, p < .001$), which indicates that the effects of the two variables are not independent from each other. In other words, performance of the participants at different proficiency levels may not be significantly different on every version of the three situations.

Thus, we can see that, from the perspective of RT, the effect of within-subject factor (three versions of situation models), between-subject factor (language proficiency) and their interactions are all significant. So the nature of the significant difference between these factors should be examined through further comparisons of a series of means.

5.2 Effects of versions of situations

The effect of versions of situations is significant on reaction time. To further determine whether the observed versions of situations effect is significant on both language proficiency, pairwise comparisons of means were conducted.

As for the reaction time of the three versions of situation models, $RT_{\text{inconsistent}} (M=3012) > RT_{\text{deviously consistent}} (M=2471) > RT_{\text{consistent}} (M=2098.5)$. *Scheffe post hoc* test shows that no significant difference is found between the consistent and deviously consistent versions. This shows that readers constantly construct information around the intention of the protagonist, which is naturally carried on to the following process of reading. So the reaction time between the consistent and deviously consistent version has no significant difference. Thus, we can say that during reading, readers follow the protagonist's intention to construct and update situation models.

5.3 Effects of language proficiency

We have seen that the main effect of readers' language proficiency on the recognition performance is significant $RT_{\text{low proficiency}} (M=2980) > RT_{\text{high proficiency}} (M=2075)$. Further *Scheffe post hoc* comparisons of means found no significant difference between the two proficiency levels in the recognition of consistent version of situation model. This reveals that both low and high proficiency level readers use protagonist's intention as a very important method of integrating information in their reading. The significant difference in RT in inconsistent and deviously consistent versions may be caused by the restriction of short-term memory or reading skills. Further study is needed to explore more specifically the effects of language proficiency in intention-including text processing.

6. Conclusion

From the above analysis, we can conclude that readers follow the protagonist's intention to construct and update situation models. Readers' English proficiency significantly affect readers' text processing in deviously consistent and inconsistent situation models. For consistent situation model, however, significant difference does not exist between the two language levels.

References

- Gernsbacher M.A., et al. (2004). Managing Mental Representations during Narrative Comprehension. *Discourse Processes*, 37(2): 145-164.
- Givon, T. (1992). The grammar of referential coherence as mental processing instructions. *Linguistics*, 30, 5-55.
- Richards E. Singer M. (2001). Representation of complex goal structures in narrative comprehension. *Discourse Processes*, 31(2):111-135.
- Suh S Y & Trabasso T. (1993). Inferences during reading: Converging evidence from discourse analysis, talk - aloud protocols, and recognition priming. *Journal of Memory and Language*, 32(3):279-330.
- Zwaan, R. A. & Madden, C. J. (2004). Updating situation models. *Journal of Experimental Psychology*:

Learning, Memory, & Cognition, 30:283-288.

Zwaan, R. A., Magliano, J. P., & Graesser, A. C. (1995). Dimensions of situation model construction in narrative comprehension. *Journal of Experimental Psychology: Learning, Memory, and Cognition*, 21:386-397.

Zwaan, R.A. & Radvansky, G.A. (1998). Situation models in language and memory. *Psychological Bulletin*, 123, 162-185.

Zwaan, R.A. (2008). Time in language, situation models, and mental simulations. *Language Learning*, 58:13-26.

Table 1. General descriptive statistics

	Language Proficiency	Consistent	Inconsistent	Deviously Consistent
CCP (%)	Low	100	96.7	96.7
	High	100	100	96.7
RT (ms)	Low	2210	3746	2983
	High	1987	2278	1959

Appendix:

Model situation used in the research

Introduction of the intention

1. Lee went to buy something for breakfast in the morning.

Consistent version

2. The restaurant sells delicious fried foods.
3. Lee is not particular about diet.
4. His favorites are fast foods and fried foods
5. He usually eats several days in fast food restaurant every week.
6. Lee easily found his breakfast in the restaurant.

Inconsistent version

2. The restaurant sells delicious healthy foods.
3. Lee is very particular about diet.
4. He is a vegetarian.
5. He never eats fried foods.
6. Lee easily found his breakfast in the restaurant.

Deviously consistent version

2. The restaurant sells delicious healthy foods.
3. He thought that he used to be a vegetarian.
4. And he never ate fried foods.
5. He, however, now likes meat.
6. Lee easily found his breakfast in the restaurant.

Recognition sentence

7. Lee ordered a fried chicken basket combo.

Research on the Fair Assignment of Router's Bandwidth

Zifen Yang

School of Information, Linyi normal University

Shuang ling Street, Linyi 276000, China

E-mail: yzf_smile@163.com

Abstract

The problem of providing a fair allocation between responsible flows (such as TCP) and non-responsible (such as UDP) is investigated. A core stateless fair queuing algorithm with high throughput is presented. In the algorithm, the same packet loss strategies that are based on the calculated probability p are used to all of the flows without distinction. And it does not make into account the sensitivity of TCP. So this paper proposes a new algorithm VCSFQ do the different packet loss strategy. The algorithm can protect TCP flows against UDP flows and improves the fairness of bandwidth allocation. The algorithm performs better than CSFQ for getting high throughput. Simulation shows that it is effective and efficient.

Keywords: TCP flows, UDP flows, CSFQ, Fair assignment of bandwidth

1. Introduction

The flow of Internet is a mixture of different kind of data flows, which include TCP flows, TCP kind of flows, non-TCP friendly flow, and non-responsible flows and so on. Because the conquer of non-responsible flows and non-TCP friendly flow to shared resource, hindering the fair assignment of bandwidth between normal TCP flow and kindly TCP flow, and has a bad influence on the Internet. Therefore, it will have a magnificent influence on the service quality of Internet, if we arrange different kind of flow separately and realize the fair share of bandwidth.

2. Related work

It is indicated by most research that there are still exist three kind of problems hindering promote of service quality .The first problem is the fair assignment between TCP flow and UDP flow. The second is the fair assignment of bandwidth between the separate flows among the aggregate flow; the third problem is the fair assignment of the left bandwidth between aggregate flows. Since the jam of the TCP flow and the slow mobility, TCP flow is extreme sensitive to the jam and data dropping. However, UDP flow is not influenced by that, so when the Internet is jammed, the delivery rate of TCP data will decline extremely. At the same time, UDP flow will take place a lot of Internet resource, which prevent TCP flow from getting fair assignment of Internet resource.

3. CSFQ Algorithm

3.1 Overview

The good of CSFQ algorithm is to arrange the bandwidth in shared Internet flow fairly and support endowing a weight to each flow, the distribute bandwidth base on weight. When package p arrives, edge rather classify it, then decide which $flow_i$ each of them belonging to, then estimate their arrival rate AR_i . The estimation of $flow_i$ arrive rate is as follows:

$$AR_{i,new} = (1 - e^{-\frac{T}{K}}) \frac{L}{T} + \frac{T}{K} AR_{i,old} \quad (1)$$

In this formula, $AR_{i,old}$ is a roughly character of the former arrival rate of flow; K is a constant; L is the length of the bag P ; T is the interval time between the former bag and current bag, $AR_{i,old}$ will be the label of bag P .

When bag P arrives, edge and centre rather will use formula (2) to calculate the rate of dropped bags, then transmit or desert data bags.

$$P_{drop} = \max(0, 1 - \frac{FS}{P.label}) \quad (2)$$

In this formula, FS is a fair shared rate calculated when the former bag arrived, $P.label$ is the label of current bag. Obviously, when $P.label > FS$, $P > 0$; when $P.label \leq FS$, $P = 0$.

So, when $P.label > FS$, package P will be dropped at the rate of P . When there is another bag come in, a re-calculation of the fair shared rate will be needed. Firstly, we will use formula (1), by even the index, estimate the arrival rate AR of aggregate flow in rather and the rate FR of transmitted, then reserve buffer. The management of buffer is by means of "dropping bottom", if buffer is full, then the arriving data bags will be dropped.

3.2 A new improvement of CSFQ

Based on the research of CSFQ, we find that the dropping tactics of CSFQ is based on non responsible flow, the "dropping bag" tactics is applied into all flow at the rate of P_{drop} , without identify non responsible flow, neither consider about the sensitive and reactive of TCP. For TCP flow, dropping one group means slow down half of the transmitting rate. Besides, since the characteristic of data flow, such as UDP flow will get extra bandwidth that TCP flow has lost. Then the fair assignment of bandwidth will be damaged.

Because the reason we have mentioned above, we will change the CSFQ algorithm. Here we introduce a new parameter V , the variable V is the ideal character of the average rate of TCP flow. If we want the average rate of TCP flow reach the ideal character V , we should put off the time of TCP flow dropping bags. That is to say, when the Internet is jammed, the system don't drop TCP flow immediately, instead dropping it when its rate reach $4/3 V$, when its rate wave between $2/3 V$ and $4/3 V$, so we get the ideal average rate. Thus, rather should estimate the ideal average rate V accurately. Based on the principle of dropping bags, the rate that UDP flow got will almost equal to a . If we can estimate the average rate of an accurately, then we can get the average rate of UDP flow. With this rate to require TCP flow, then we can balance TCP flow and UDP flow.

By the logic we have mentioned above, we will improve it like this, carry out different tactics according to TCP flow and UDP flow. We have improved formula (2) and have designed the means of dropping bags as follows. For UDP flow, the tactics is:

$$P_{UDP} = \max[0, 1 - \frac{\alpha(t)}{r_i(t)}] \quad (3)$$

For TCP flow, the tactics is:

$$P_{TCP} = \begin{cases} 0, & r_i(t) < \frac{4}{3}V \\ \max[0, 1 - \frac{a(t)}{r_i(t)}], & r_i(t) \geq \frac{4}{3}V \end{cases} \quad (4)$$

As have mentioned above, the arrival rate of each flow is $r_i(t)$, the fair shared rate is $a(t)$ at t time.

3.3 The Analysis and experiment on Improved Algorithm

3.3.1 Analysis

In the primitive CSFQ, when data bag P arrive, the edge rather will classify it, decide it belong to which flow, then suppose it is flow, after that, estimate the arrival rate of this flow. Nevertheless, when bag P arrive, the edge and centre rather will transmit data bags according to the dropping bags rate calculated by the formula we have mentioned above.

In V-CSFQ, the calculated of arrival rate and average rate of data bags is as same as CSFQ; follow the formula (1) and (3). When arrival rate and average rate, that is to say when jam happened, for different data flow. TCP flow and UDP flow should resort different algorithm. TCP flow should follow formula (5) and UDP flow should follow formula (4), so that will be fair to both TCP flow and UDP flow.

Compared with CSFQ, V -CSFQ is as complicated as it; both the calculation of arrival rate and average shared rate is as same as the former. What need to do is to carry out different drop algorithm according to different flow. In drop algorithm, the drop time was postponed and the transmutation rate was promoted by linear.

3.3.2 Experiment

Now, let's imitate and experiment the function of the V -CSFQ in NS. Algorithm in the situation of TCP flow and UDP flow share the jammed link.

In the experiment, TCP flow and UDP flow share one jammed link, the import rate of link is 10Mb/s, the cache size is 128Kbyte, UDP is transmitted at the rate of 10Mb/s from start to bottom, TCP flow's RTT is 100ms. It takes fast retransmit and recorder as tactics to cope with the amount of dropped bags which according to the same agreement and transmission principle as the web transmission system in reality. Tragedy K (the interval time used for estimating the arrival rate of each flow), K_a (the interval time used for estimating the fair shared rate) and K_c (the interval time used for judging whether the link is jammed or not) are 200ms, the text time is 30ms. We use the topology graph show as Figure 1.

Insert Figure 1 Here

Figure 1 is the ratio that the throughput in reading to ideal throughput. The algorithm of ideal throughput can get through data link rate multiply text time then divide the amount of flow.

We consider about three kinds of situations. First the data which will be sent are a TCP flow and seven UDP flows. Second, the data which will be sent are four TCP flows and four UDP flows. Third, the sent data are seven TCP flows and one UDP flow. Then we can get table I by the simulate result.

Insert Table 1 Here

The most web transmission in reality belongs to the third situation. In other words, TCP flow is the majority in most situations and a few UDP flow appear occasionally. It is obvious in the text result that the TCP flow gets less bandwidth than UDP flow in the CSFQ algorithm. However, according to the figures in the chart, TCP flows get more bandwidth than UDP flow in the improved algorithm. Through TCP flow get less in chart three, get they are almost same. Then we can see clearly now that in all kind of situations, the TCP flow and UDP flow get more fair assignment of bandwidth than the primitive algorithm.

4. Conclusion

V-CSFQ carries out different kind of drop tactics, and makes sure the fair assignment between UDP flow and TCP flow. The simulate result have proved that V-CSFQ has an advantage in bandwidth assignment than CSFQ. Besides, drop groups, combine and scheduling algorithm is not only another access to improve the web fair, but also a research direction to improve QOS.

References

[Online] Available: <http://www.w3.org/TR/2002/CR-Xmlesc-corene-20020304/>,2003-07.

Li, Shenglei, Zhang, Dejun & Liu, Gang. (2006). A New Algorithm Of Bandwidth Assignment. *Newspaper of Xi An Transportation University*, 85, 123-126.

Wu, Jianpiang & Xu, Xiaomei. (2008). *Advanced Computer web* (1st ed.). Machinery Industry Press. Beijing (Chapter 4).

Xie, Xiren. (2005). *Computer Network* (3rd ed.) Electronic Industry Press. Beijing (Chapter 3).

Zhang, Mingxin & Chen, Guohang. (2007). The Analysis And Improvement of CSFQ Algorithm *Micro-computer System*, 186, 28-31.

Table 1. The result of the experiments

	1	2	3	4	5	6	7	8
CSFQ	0.55	0.92	0.95	0.90	0.88	0.92	0.90	0.95
V-CSFQ	0.95	0.87	0.85	0.86	0.88	0.85	0.86	0.87
V-CSFQ	0.95	1.15	0.95	0.90	0.93	0.90	0.90	0.92

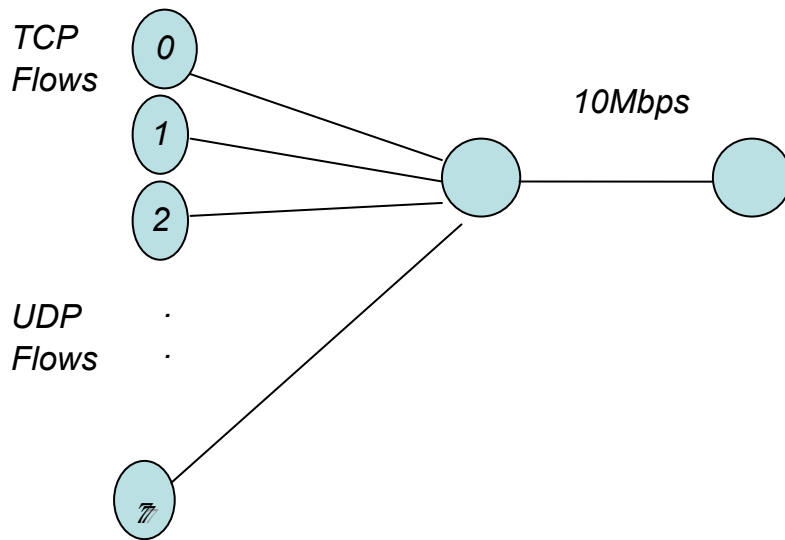


Figure 1. Topology graph of this experiment

Problems and Countermeasures in Establishment and Construction of College Students' Credit Files

Shuzhen Xia

Dezhou University, Dezhou 253023, China

E-mail: dzcmh@sohu.com

Abstract

Through the investigation and analysis of the status of college students' credit files, this essay expatiates on the existing problems in credit file establishment and construction, and puts forward some constructive countermeasures.

Keywords: College students, Credit file, Countermeasures

Due to different recognitions on credit files in Chinese academic circle, there has been no authoritative conclusion up to now. Through studies and researches on this issue, I think that credit file is formed during credit checking activities reflecting credit subjects' credit condition in a variety of social practice and can be utilized as original information record for later examination. By nature, credit checking is a credit information service offered by the third party in order to avoid credit risks. Currently, an increasing number of colleges are joining the construction of college students' credit files and furthering their exploration into depth. However, in terms of a scale of over 2000 colleges in China, only few of them has established credit files for their students. Even those that have established credit files are still lying at an exploratory stage and of course suffering from quite a few puzzles.

1. Major Problems in Establishment and Construction of College Students' Credit Files

1.1 *Insufficient Legal and Institutional Guarantee*

There is no national credit management law issued in China, not to mention that intended for college students. Only mentioned briefly in General Principles of the Civil Law, Law of Bill, Guarantee Law, Criminal Law and Contract Law, credit system is only confined to equal, willing, fair and honest basis. In spite of some local laws which stipulate on credit file management, there is no complete and systematic law to standardize social credit activities at the moment. What's even worse is that some existing laws are hindering the establishment of college students' credit files. For instance, it is stipulated in Commercial Banking Law that banks are prohibited from releasing any client's material to other departments and that they have to gain their clients' permission before accumulating data, which holds back accumulating and utilizing college students' credit files. Student's basic information at college, credit information at bank as well as their rewards and punishments at school are to be recorded in document when establishing credit files. As a result, both banks as the information provider and colleges as the information demander are taking the risk of violating the law.

Similarly, including college students' information in other aspects at school in credit checking has no legal basis since it involves personal secrecy's definition and protection. Although it is laid down in Supreme People's Court's Solutions to Problems on the Use of Law in the Trial of Cases Concerning the Right of Reputation that it is a tort action to expose or release people's privacy without permission, there is no detailed explanation about the definition of personal privacy, how to protect and release it. For example, it is still difficult to define whether students' cheating in exams, fighting with others should be regarded as privacy and be recorded in document. Having not been authorized by law, colleges' credit checking seems blind and tends to arouse tort disputes.

1.2 *Doubtable Fairness of credit Files*

Currently, there is no universal standard concerning what information should be included in college students' credit files. Due to different information for evaluation and completion degree, different conditions among students, no mature and universal system for objective evaluation, the justice and fairness of credit evaluation results are quite doubtful. In spite of a majority of students who hold a positive attitude toward credit files, some show their doubt or even negative opinion due to their worries in three aspects: first, they worry that their family information, economic condition or even daily life information may be released; second, they worry that

those recorded errors may influence their future life or work; third, with only a few colleges providing students' credit files, those students who have some negative records in their files may suffer from unfairness compared with those in other colleges and may therefore have weaker competitiveness in employment. On the other hand, employing units are also doubtful about the role of college students' credit files. Although they attach much attention to graduates' credit during recruitment, most of them are not familiar with the content of college students' credit files or still have reservations about their function even though they have got some idea about that. For most enterprises, current college students' credit files have become a mere formality failing to reveal students' credit reality due to imperfect credit management and evaluation system.

1.3 No Material Support for the Establishment of Credit Files

Certain economic and technological conditions are relied on to establish college students' credit files because considerable manpower, material and financial resources have to be spent and telecommunication and computer technologies are indispensable during the whole process including information accumulation, dynamic management after file establishment and forming final credit evaluation report. There are disputes over whether local credit files should be transferred. If not, credit files' function will be lessened greatly due to regional and temporal restrictions; if they are transferred, it is difficult to find proper units to take them over. Besides, there are differences in the content and evaluation standard of college students' credit files and it is also a problem for a student's credit file gets admitted by an employing unit in another region. Accordingly, when constructing and managing college students' credit files, we cannot advance hastily but have a general plan first and then have systematic research with a scientific and truth-seeking attitude in order to establish a national college student credit file management system and realize information sharing.

2. Major Countermeasures

2.1 A Complete Personal Credit Law System as the Basis for Credit System Construction

A complete credit management law system is a basis and necessary demand for sound and standardized development of credit industry. China is expected to issue and put into practice laws and regulations related to personal credit management to have definite stipulations on recording and collecting personal credit information, managing personal credit files, evaluating, disclosing and using personal credit grades as well as the rights, obligations and behavior rules of personal credit subjects and objects, hence offering laws to go by. According to the experience in developed countries, credit legislation is a long-term process which should go through constant revision and perfection instead of being completed at one attempt. Therefore, personal credit legislation may begin with department regulations or local legislation, which will accumulate experience for later formal laws.

2.2 Perfect Credit Database as an Indispensable Basic Facility for Credit System Construction

Since credit evaluation is mainly based on historical credit records, credit grade evaluation and credit report compilation cannot be conducted and credit information cannot be deep processed without a complete credit checking database. Therefore, credit file database with perfect function is an indispensable basic facility for establishing a personal credit system. Up to now, China Central Bank's personal credit information database and the inquiry system for the information of students with student loans on Student Information Web have laid favorable basis and beginning for the establishment of Chinese college students' credit file system.

2.3 Favorable Personal Credit Consciousness as a Support for the Operation of Credit System

In addition to law system and institutional arrangement, the establishment of credit system relies on trust among subjects and trustworthiness to a large degree. In developed countries with highly developed credit transaction, consumption credit nearly goes along with one's whole life, therefore, people attach much attention to their credit records. Any unfavorable credit record may have negative influences on every possible aspect of life, including applying for credit cards, insurance, education loans, auto loans, housing loans and even looking for jobs. As a result, people try to avoid leaving any unfavorable record in credit agencies' data by inquiring about their own credit reports regularly. As far as Chinese citizens' poor credit sense and credit absence, government should encourage the whole society to have credit awareness, strengthen credit sense, establish an idea that keeping faith is glorious while failing in it is shameful according to The Program for Improving Civic Morality. Through a system to punish breaking faith and reward keeping faith, an idea that good credit is a wealth will promote the construction of credit system.

2.4 Government's Support and propulsion as a Strong force for the Construction of Credit System

Currently, there is no complete credit law system, no standardized credit standard or perfect market environment in China. Only with government departments' propulsion can Central Bank's credit checking system and Student Information Web's inquiry system for the information of students with student loans be conducted smoothly.

Moreover, during the cultivation of credit sense, it is more beneficial for the introduction of credit products and improvement of national credit sense for public management departments to be responsible for the integrated management of credit files free of charge. Therefore, the establishment of college student's credit file system cannot do without government's policy support and organizational guidance. With a public management pattern, the sharing and free use of credit file information can be achieved.

2.5 College Environment as the Favorable Condition for Establishing Credit System

As a cultivation base for new ideas or culture, colleges have a lot of advantages in establishing college student's credit files. First, college students are of strong plasticity and open to new things, hence making it more convenient to cultivate credit sense and operate credit files. College life is a key period for personality to get mature and perfect, a critical stage to cultivate and establish right philosophy of world, life and values as well as a period with strong plasticity. So it is quite necessary to establish credit files. Second, colleges have desirable software and hardware environment. In the aspect of hardware, most colleges are equipped with advanced college automation system and good campus network system due to the rapid development of computer technologies, realizing the transfer from manual management to information management in teaching, research and administration and making it more convenient to introduce credit file management system and to share information data. In the aspect of software, colleges own computer and software professionals and staff with high culture, high comprehensive quality, strong sense of responsibility, strong abilities in organization, coordination, management and innovation as well as practical spirit, benefiting for the operation of credit files throughout the whole school.

To sum up, according to the principle of unified leadership, overall planning, step-by-step implementation and joint establishment and sharing, the establishment of college students' credit file system should be propelled by government departments to realize the sharing of credit file information with the pattern of public management. In addition, legal environment and management institution should be gradually completed and perfected and people's credit sense should be cultivated and improved as well.

References

- Bu, Jianmin. (2002). On the Management of Credit Files. *File and Construction*, (9).
- Du, Yue. (2009). A Research on College Students' Credit Files and Construction of Its System. Master's Thesis of Shandong University.
- Jiao, Qing. (2006). On the Establishment of College Students' Credit Files from the Perspective of College Candidates' Electronic Files. *Lantai World*, (2).
- Liu, Yuwei. (2008). A Research on College Students' Credit Files. Master's Thesis of Shandong University.
- Qie, Yanhai. An Overview of Credit File and Its Management. *Document, Information and Knowledge*, (12).
- Sun, Ying. (2007). The Establishment of College Students' Credit Files is an Urgent Demand by Development. *Yunnan Archives (Theory)*, (7)
- Wang, Linghua. (2007). Problems and Countermeasures in College Students' File Management. *Industrial and Science Tribune*, (12).
- Wang, Yingwei. (2004). *Specialized File Management*. Beijing: China Renmin University Press. (8).
- Wu, Bo. (2007). An Investigation on College Students' Credit Reality and Countermeasures for College Educational Management. *China Water Transport (Theory)*, (11).
- Xu, Jing. (2008). Establishing College Students' Credit Files in 10 Colleges in Guangdong. *Guangzhou Daily*, Dec. 8th.
- Zhang, Lihua & Jiang, Nan, (2007). On College Students' Employment Credit. *Journal of Liaoning Educational Administration College*, (9).

Call for Manuscripts

Asian Social Science is a peer-reviewed journal, published by Canadian Center of Science and Education. The journal publishes research papers in the fields of arts, sociology, politics, culture, history, philosophy, economics, management, education, statistics, laws, linguistics and psychology. The journal is published in both printed and online versions, and the online version is free access and download.

We are seeking submissions for forthcoming issues. The paper should be written in professional English. The length of 3000-8000 words is preferred. All manuscripts should be prepared in MS-Word format, and submitted online, or sent to: ass@ccsenet.org

Paper Selection and Publication Process

- a). Upon receipt of paper submission, the Editor sends an E-mail of confirmation to the corresponding author within 1-3 working days. If you fail to receive this confirmation, your submission/e-mail may be missed. Please contact the Editor in time for that.
- b). Peer review. We use single-blind system for peer-review; the reviewers' identities remain anonymous to authors. The paper will be peer-reviewed by three experts; one is an editorial staff and the other two are external reviewers. The review process may take 2-3 weeks.
- c). Notification of the result of review by E-mail.
- d). The authors revise paper and pay publication fee.
- e). After publication, the corresponding author will receive two copies of printed journals, free of charge.
- f). E-journal in PDF is available on the journal's webpage, free of charge for download.

Requirements and Copyrights

Submission of an article implies that the work described has not been published previously (except in the form of an abstract or as part of a published lecture or academic thesis), that it is not under consideration for publication elsewhere, that its publication is approved by all authors and tacitly or explicitly by the responsible authorities where the work was carried out, and that, if accepted, it will not be published elsewhere in the same form, in English or in any other languages, without the written consent of the Publisher. The Editors reserve the right to edit or otherwise alter all contributions, but authors will receive proofs for approval before publication.

Copyrights for articles published in CCSE journals are retained by the authors, with first publication rights granted to the journal. The journal/publisher is not responsible for subsequent uses of the work. It is the author's responsibility to bring an infringement action if so desired by the author.

More Information

E-mail: ass@ccsenet.org

Website: www.ccsenet.org/ass

Paper Submission Guide: www.ccsenet.org/submission

Recruitment for Reviewers: www.ccsenet.org/reviewer.html

The journal is peer-reviewed

The journal is open-access to the full text

The journal is included in:

AMICUS

Canadiana

DOAJ

EBSCOhost

Google Scholar

Library and Archives Canada

Lockss

Open J-Gate

PKP Open Archives Harvester

Ulrich's

Universe Digital Library

Wanfang Data

Asian Social Science

Monthly

Publisher Canadian Center of Science and Education

Address 4915 Bathurst St. Unit 209-309, Toronto, ON. M2R 1X9

Telephone 1-416-642-2606

Fax 1-416-642-2608

E-mail ass@ccsenet.org

Website www.ccsenet.org

Printer Paintsky Printing Inc.

Price CAD.\$ 20.00

ISSN 1911-2017

