

## Open and distance learning

The Private University Act 2009, which has a provision to allow private universities also to run open and distance learning under strict conditions, should be passed by the Parliament without further delay.

MANZURUL ISLAM

THE new National Education Policy 2009 (NEP '09) includes many good features. The earlier these are implemented, and not just passed, the better. The vision of the new education policy is great and will be a means to cope up with today's fast progressing world.

However, a few issues are addressed here:

- It is logical that the education policy emphasises ICT education in every field of study to achieve a Digital Bangladesh.
- In addition, the inclusion of distance education by private universities under strict conditions is also a timely step in the Private University Act 2009 (draft). It will help build up skilled manpower with higher educated people from outside the conventional universities within a short time and in a larger scale to meet the immediate need of the country.

What is needed now is a full review meeting with participation of maximum number of stakeholders and experts beyond the National Committee, which should be organised before action is taken.

Such reviews could be held with the aid of modern technology, like video conferencing, audio-conferencing, e-conferencing, and newspaper writings including opinions from all concerned.

### Open and distance mode of delivery

Among other steps, one effective supplement could be the introduction of open,

distance and virtual learning. This will not be considered as an alternative or a substitute mode. Bangladesh Open University (BOU), established in 1992, has achieved much but could not yet fulfill the expectations, especially in the application of technology-enabled learning support.

Many could not take advantage of the limited facilities. Especially at graduate and undergraduate levels, BOU could not attain its goal; enrolment has been anything but satisfactory.

The number of universities has grown to over 30 in the public sector and over 50 in the private sector (although not all of them really fulfill what they should). But the fact is, because of the need for acceptably good institutions of higher education, increase of public sector universities did not prevent the growth of private universities.

Unfortunately in the very useful and appropriate sector of open and distance learning, when the growth of other universities in both public and private sectors has rightly taken place in the last 17 years, not a single more public open university was established.

This has deprived the multitude of disadvantaged or less privileged working people from receiving higher education and obtaining degrees at their own pace. A few more universities in the private sector as well as one or two more in the public sector, offering courses in dual mode, are needed.

More research in open and distance learning (ODL) is required for further

development in this mode, for greater benefit to more citizens. This will pave the way for another university for all, for education for all, and for higher education for the maximum number of interested people.

Countries like India, Thailand, Malaysia and China have more than one open university. Till recently, there were four or five private universities in Bangladesh that used to offer programs in distance education mode. But the main problem in general was their failure to maintain quality.

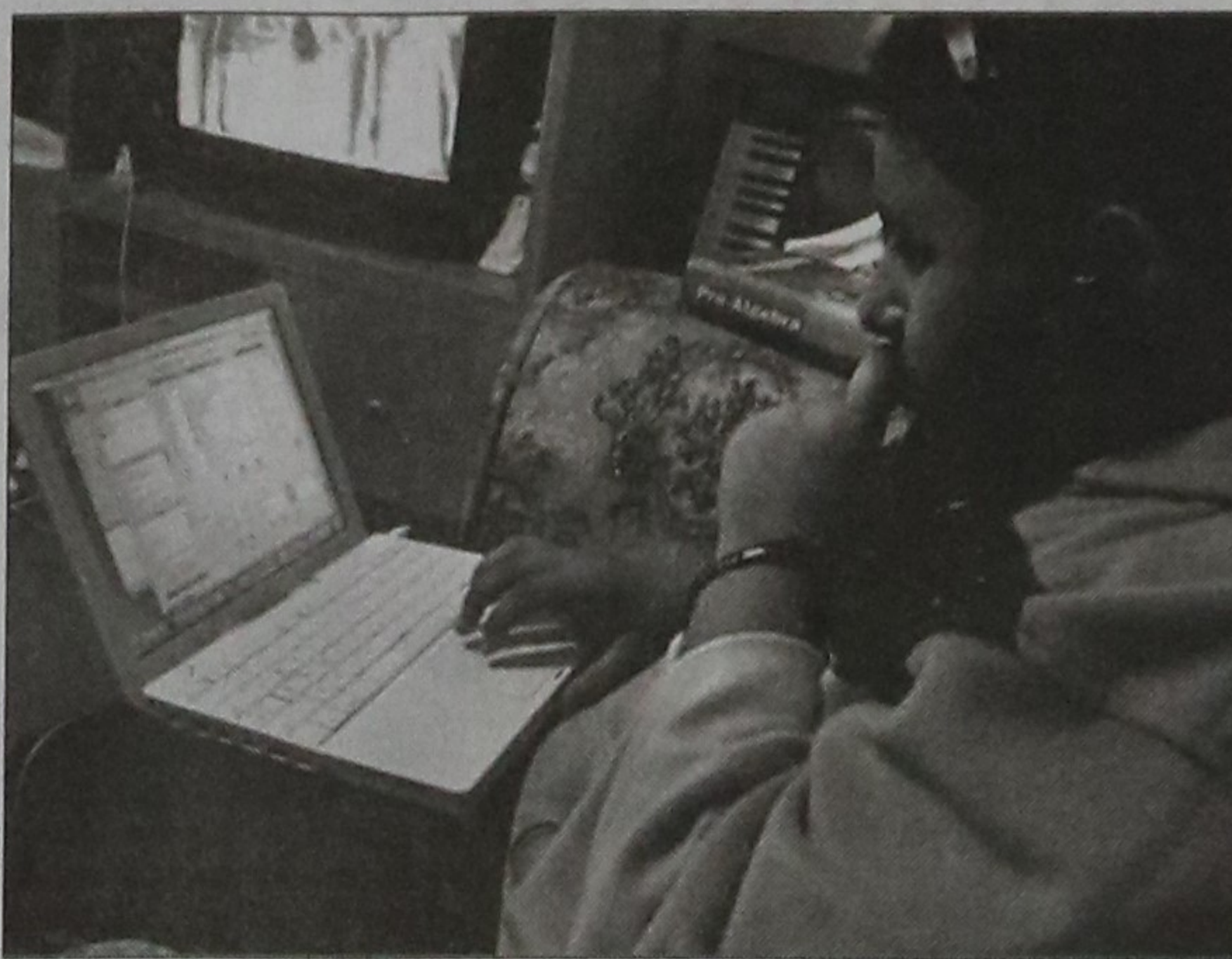
That has resulted in the closure of this system by the government. Instead of closing down all such institutions at a time, affecting over 10,000 learners in the system, the government should have allowed the universities which followed maximum possible standard with all needed ICT-based or technology-based support and quality.

Reaching the thousands of intending learners, particularly in the remote areas where university education is missing, would be needed to implement and attain the various targets of the education policy. The Private University Act 2009, which has a provision to allow private universities also to run open and distance learning under strict conditions, should be passed by the Parliament without further delay.

### Practice of ODL in other countries

In UK, US, Canada, Australia and many other developed and developing countries, a large number of universities are practising open and distance learning.

It may be mentioned that a fast-developing country like Malaysia in our neighbourhood had set up one private open university, some eight years ago, in consortium with 11 public universities. The sponsors are running it very success-



Distance is no barrier to learning.

fully, catering to over 80,000 students (most of whom are mature and working people) in a much less populated country.

### Recommendations

- Along with expansion of education in the fastest and most effective way, improvement of standard or quality of education at all levels and in all areas, including the far-flung locations, should be one of the focal points in the policy.
- To achieve the above goal, regular courses and programs by universities and other institutions should continue as usual in the conventional mode. But experience has it that not even a third of the intending citizens could opt for regular full-time education, specially in the higher education sector, for various reasons like funds, age, location, time, and the like.

- On the other hand, more and more higher educated people and better-trained manpower are needed for development of the country at a greater speed to attain self-sufficiency and progress in real terms.
- A quick expansion of higher education or training in the country, along with other measures, is possible through a carefully drawn out plan for qualitative open, distance and virtual learning.
- This has to be technology-based, ICT-based, digital etc. in the most modern way. Very rightly, the present government has made a commitment for a Digital Bangladesh. This will be further facilitated by the introduction of ODL in ICT or technology-enabled mode in both the private and the public sectors.
- This mode is mainly for working people and for disadvantaged or less privi-

leged people who cannot compete with regular, fresh young university graduates, particularly because of age. Hence, the mode of delivery may be different here, but the curriculum and the courses should remain more or less the same as in the conventional system.

- Here the teachers reach out to the learners, through technology-driven methods (like web support, audio-video Lecture CDs, audio-video conferencing, interactive communications via Internet, etc) instead of confining themselves only within the classrooms with face-to-face lectures.
- To help the government create more and more qualified and trained teachers for the ever expanding number of secondary schools, colleges and universities, within a short time, say, by 2021, some selected private universities should be allowed to run well-monitored higher education and professional courses like B Ed through distance mode or ICT-based or virtual learning mode also.
- This could be done either through a new public-private partnership university exclusively designed for open, distance and virtual learning as in Malaysia, or by establishing a second, new public university, in addition to Bangladesh Open University, or by encouraging some selected private universities to run dual mode education. Any of the above three steps, or all together simultaneously, will cater to the new needs nationwide, particularly beyond the metropolitan or big cities.

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## Is uniform face value investor-friendly?

The decision to introduce uniform face value demonstrates that regulatory bodies hardly care about small investors. Wasn't SEC created to preserve the interest of the investors rather than brokerage houses?

A.F.M. MAINUL AHSAN

AS different face values "only mislead" investors, last month the consultative committee of the Securities and Exchange Commission (SEC) recommended the market regulator to set a uniform face value of stocks at Tk.10. The committee claimed that the investors often compared the prices of one stock with another although they did not have the same face value. For this, share prices, even of weak companies, often go up abnormally, ultimately upsetting the market, officials explained.

The committee recommended that the listed companies, whose annual general meetings (AGM) are closed, should split their share prices in upcoming AGMs. The committee, however, made a proposal not to split the per unit price of AIMS First Mutual Fund, the lone security with Tk.1 face value. How many people really get confused about the different face value "puzzle"? Before taking its decision, the committee didn't do any feasibility study on the impact of uniform face value on the Bangladesh stock market. How does the decision of uniform face value affect the market participants?

A stock split does not change the revenue or assets of a company. So, stock-split should cause no change in price other than the adjustment warranted by the split factor. There should also be no change in distribution of stock returns around ex-dates of stock splits.

Ex-date refers to the date on or after which a security is traded without a previously declared dividend or distribution.

However, in different developed markets, for instance, Canada, Hong Kong, Sweden, Germany, and South-Africa, significant positive abnormal returns and increase in variance and volumes of trade have been documented around stock split announcements as well as ex-dates. Studies of US stock splits also reported the same. In the U.S., studies show that splitting firms experience about 7.8% excess returns during one year after the announcement of the stock splits. Professor Maloney and Mulherin shows that the ex-date positive price reaction is due to a temporary order imbalance caused by a surge of buy orders as new investors are attracted to the splitting stock.

Furthermore, share price volatility, as a measure of liquidity, has been shown to increase following a stock split. Researcher Ohlson and Penman find a change in volatility of around 28% subsequent to the ex-dates of stock split. The number of trades per day has also been found to increase following stock splits. Split also increase the bid-ask spread. Even if the spread remains the same after a stock split, shareholders will lose twice as much to the spread than before the split.

In practice, these spreads most likely would not double after the split, but they might increase by 20% or more. You could end up paying more to trade the



Will the new directive work?

stock. Besides, stock split could also negatively effect the composition of the ownership structure as the number of small shareholders increases after the split. Different researches find clear evidence that after a split institutional ownership increases rather than decreases. That means in the long-run, given Bangladesh's perspective, small investors' interest in the firm will be under threat due to the split. For the same reason, divergence in face value "only misleads" investors.

In February 1981, the Indian ministry of finance issued a guideline that denomination of equity shares be fixed uniformly at Rs.10, and that the denomination of the then existing shares other than Rs.10 be converted into denomination of Rs.10. In another guideline in January 1983, the Indian government clarified that denomination of shares of

Rs.100 need not be changed to denomination of Rs.10, i.e. shares of all companies were required to be in denominations of

Rs.10 or Rs.100 only. Ever so, several companies converted the denomination of shares of

Rs.100 into that of Rs.10 on the grounds that it generated better liquidity, as also a higher value for the shares.

However, in March 1999, the Securities and Exchange Board of India (SEBI) decided, "with the objective of broadening the investors' base," to dispense with the requirement of standard denomination of Rs.100 or Rs.10 and gave freedom to companies to issue shares of any denomination -- but not below Re.1. Companies that had issued shares of the face value of Rs.10 or Rs.100 were also permitted to avail of this facility by consolidation or by splitting their existing

shares. To reap benefits of splitting, a number of existing listed companies having denomination of Rs.100 or Rs.10 have split their stocks into different denominations, e.g., Re.1, Rs.2 or Rs.5, etc.

What was result of uniform face value in the Indian market? India has faced totally a different fate comparing to the split results found in different academic researches. The empirical evidence from the neighboring Indian share markets indicates that price and returns decreased significantly after the split. The volatility of the stocks increased after the split. Further, the split has led to a greater liquidity, which is measured by an increase in daily number and value of shares traded. The stock split has also increased the cost of trading the shares. At the end of the day, in India, the shareholder's wealth has declined after the splits. Though, in last decade, Indian stock markets have changed tremendously, in terms of market micro-structure, it still has similarities to our market to a large extent. So, Bangladesh could also face the similar consequence like India, i.e., our shareholders could also lose money because of the split through uniform face value.

Splits do, however, achieve the managerial objective of increasing the number of shareholders in the marketplace. Though stockholders' wealth had declined in the Indian market, stock split ensured substantial profit to all other players in the stock market, i.e. brokerage houses to government, except investors. Due to the increased number of share trading and higher bid-ask spread, brokerage firms will be able to make tons of money whenever their customers make buy or sell orders. Hence, to make tons of money, brokerage firms and interest groups recommend uniform face value in Bangladesh to attain stock split.

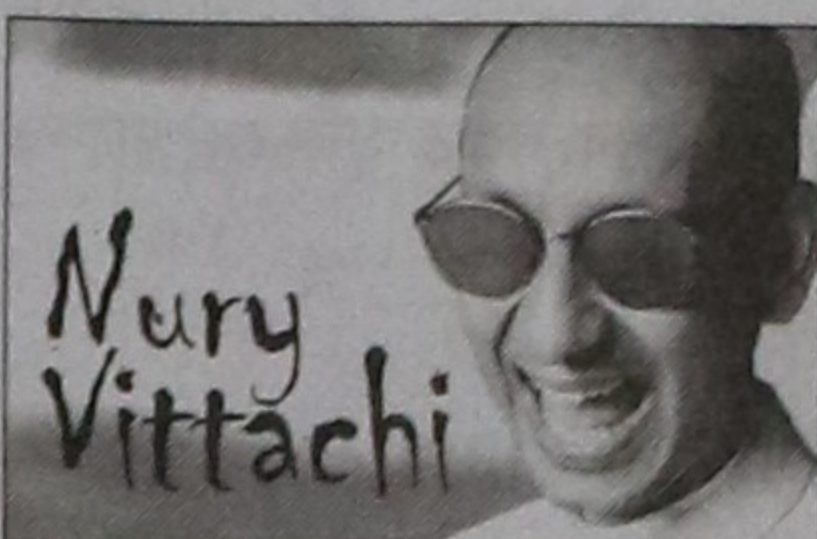
If stock split is still necessary, the SEC should recommend Tk.1 as the uniform face value instead of Tk.10 since fractionalisation beyond Tk.1 is not possible. If uniform face value is set at Tk.1, companies will not be able to play around by splitting the face value at regular intervals to increase price of their stocks. Moreover, SEC also needs to ensure that, like India, it won't play with the face value in the future. SEC also needs to assure the market that it won't go back to the past culture of different face value, i.e. consistency in decision is required.

SEC says that most of the investors are not savvy enough to compare stocks with different face values, and make wrong choices. Investment is an art. Small investors should seek investment advice from professional investment advisors, access to whom should be ensured by SEC. Meanwhile, SEC should focus on ensuring smooth flow of information to make the market friendlier to the small investors rather than imposing a uniform face value without feasibility study.

Whatever happens to the stockholders, brokerage houses in Bangladesh make a hefty profit. If SEC really cares about investors, it needs to do a study to find the impact of split in the stock market in Bangladesh. Otherwise, our shareholders could also lose money. The decision to introduce uniform face value demonstrates that regulatory bodies hardly care about small investors. Wasn't SEC created to preserve the interest of the investors rather than brokerage houses? Without any discussion with the respective interest groups, SEC's decision to ask listed firms to make a uniform face value of Tk.10 surely raises questions.

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## Tech-heads bypass phone bans



LUNCHING at the Hong Kong Country Club, I saw a man talking to his laptop. Nothing unusual about that. I talk to all sorts of lifeless, inanimate objects, ranging from pieces of furniture to slices of toast to university students.

But what was a bit weird was that his laptop was responding to him.

"Oh come on," the computer sneered in an exasperated tone. "You don't believe that for a moment."

My eyebrows rose. It's not that I was surprised to encounter a talking machine. I know many. My brother's car tells you which way to turn the steering wheel, my elevator tells me which floor we are approaching, and my alarm clock wakes me by shrieking, "Wake up, you useless lump of lard," in my ear. No, wait, that's my wife.

But machines are unfailingly polite. They never say things like, "Oh come on, you don't believe that for a moment." (Although my dog does, in a non-verbal way). The man continued to talk quietly to his laptop, which responded with increasing irritation.

After he'd finished his conversation, he confided in me: "This stupid club strictly forbids the use of mobile phones, despite the fact that these days they are quiet, discreet tools."

The reasons are archaic and muddled-headed. The fuddy-duddies on the committee are too decrepit to realise that computers, PDAs and even Nintendo game machines work as phones these days."

Two cappuccinos later, who should enter the room but one of the most ancient and conservative members. I called him over and asked: "Why are phones banned from this club? Is it for reasons which are archaic and muddled-headed?"

"Not at all," said Mr. Fuddy-Duddy. "We're not against phones. I have one

myself, see? But they are basically status objects for posers. People have them to show off." Laptop-man shook his head. "Do your children have phones? Are you saying that every adult who uses a mobile phone is aspiring to be like your children?"

Mr. Fuddy-Duddy switched tack. "Well, the real reason is that mobile phones are noisy and intrusive and people have to shout to make themselves heard on them." Laptopman shot that down, too: "Today's phone mikes are so sensitive, you don't shout, you whisper."

Mr. Fuddy-Duddy soldiered on: "Well, actually, the most important reason we don't allow mobile phones is because they are work tools. Work

should be left outside the club."

Quick as a flash, Laptopman grabbed Mr. Fuddy-Duddy's mobile and pressed the "call history" button. Up popped a list of names, all female. Laptopman asked: "Work or social?" Mr. Fuddy-Duddy took the phone back, his face reddening. Clearly "Gloria the Tireless" was a social contact.

Laptop-man explained that smart people could bypass the ban by setting aside their phones and using a wide variety of objects for voice and text-transmissions. "From next year, people will be able to make calls on earrings," he said.

The following morning, I was sitting on the veranda of the club practicing a speech, using a basket of pastries in

place of an audience. I noticed Mr. Fuddy-Duddy staring at me. I think he thought I was using some sort of internet-linked cinnamon buns as communications devices.

"Join me," I said. "Don't worry. My breakfast buns are on flight mode."

For more revelations on alternate work tools and evading bans on electronic devices, visit our columnist at [www.vittachi.com](http://www.vittachi.com)

### CORRECTION

The photo used for the article "Unsung heroes of our independence: Gazaria freedom fighters" published on December 13, 2009, was taken by Naib Uddin Ahmed. We regret the error.