

Can this be trade unionism?

The tough action against rowdy elements commended

Manifestly, it was trade unionism at one of its worst that the nation had the misfortune of witnessing on Tuesday afternoon at the Bangladesh Bank, the central bank of the country. An unwieldy body of 300 employees and promotee officers, spearheaded by their collective bargaining agents (CBAs), staged a most rowdy demonstration on the executive floor of the bank demanding elevation of their colleagues up on the ladder. They barged into Governor Fakhruddin Ahmed's chamber, laid siege on him, raised slogans and misbehaved with him in variegated other ways, including calling names.

The heckling of a governor is nothing new in Bangladesh Bank; only that it has recurred after a longish time-lag to get our hackles up. One would have thought that Bangladesh Bank's notorious reputation as the hot-bed of rabid trade unionism had been left behind with her 'essential service' status sinking in with the psyche of the employees' union. But no, the sinister flashes of the past show themselves whenever a governor is disobliging to demands of the CBAs. It is the return of the nightmare that comes through as a frightening prospect.

The pandemonium that also engulfed the offices of Deputy Governor and Executive Director following the Governor's refusal to entertain the agitators' demands owed its origin in the Bank's decision to recruit 100 assistant directors through competition. The central bank does need infusion of fresh blood from time to time. Obviously, when meritocracy has been somewhat at a discount there leading up to the authorities' resolve to bring in some quality manpower for justifiable reasons, a premium *per se* would be put on direct recruitment. Does it mean, the top-brass of the central bank would buckle under pressure? Exactly where a balance should be struck between vertical mobility and direct recruitment is for the central bank policy-makers to decide with a longer-term vision. Now, the staff and officers have made a common cause of resisting direct recruitment on the ground that an intake of a hundred assistant directors would block their chances of promotion. The authorities are saying vacancies for promotion do not exist. What the agitators are seeking amounts to *en bloc* or *en masse* promotion which is neither desirable nor practicable. Assuming that the authorities' hands have been forced by the demonstrators to give them large scale promotion, what then? Surely the governor cannot realistically promote the agitating employees and officers in a blanket fashion. Resultantly, those denied of the cake's share would invariably bear a grudge -- not only towards the bank's top-brass but also to those who would be promoted amongst them. So, what we are looking at is the prospect of perennial agitation, demonstration, polarisation and conflict at the centre of the banking system -- the Bangladesh Bank.

Political patronage and mentoring of the trade unions have been the latter's sustainer, its life-force. Basically, they are like chameleons changing colour with the change of government. This is not to say that opposition-leaning trade unionism disappears with the changing of the guard. It may not, but the point is: CBAs dare excesses when feeling emboldened by a linkage to the ruling party, perceived or tangible.

As a marked departure from the pattern, it is good to see that the government has taken a serious view of Tuesday's incidents in Bangladesh Bank. It is highly commendable that the prime minister has ordered that stringent measures be taken against employees and officers playing a havoc with discipline in the central bank under the leadership of their respective CBAs. Bangladesh Bank authorities have filed a case with the Motijheel police station accusing trade unionist high-handedness. The intelligence agencies have launched a hunt to apprehend the ring-leaders of Tuesday's rumpus. All these tough measures should start having an effect on the trade union-led belligerency at the Bangladesh Bank. Apparently undeterred at this stage though, the CBA general secretary has given an ultimatum to the government to meet their demands by Thursday or face their 'next course of action'. They have tainted the image of the central bank and that of the country, embarrassingly in presence of a team of International Monetary Fund, currently sojourning Dhaka.

We view the indiscipline syndrome in the overall context of the banking reform programme. There is no way we can make a short shrift of these or condone them.

A. K. N. AHMED

NO, it is not. Since the days of Reagan Presidency in early 80s the "magic forces" of free market have been taught by the policy planners as the panacea for all economic ailments of US economy. Not only that, this prescription has been propagated and administered through the so called Washington Consensus for all countries of the world irrespective of their different positions in the trajectory of growth in economic, political and social spheres. The poor countries in fact, have been hectorated by the donor countries and IMF and World Bank to follow the path of US capitalism.

In consequence, it has, for decades, been a political fashion in USA to denigrate the government regulations in economic and financial fields. Regulatory powers have been pared back or shifted to industry self-regulatory bodies. And although the impetus originally came from business interest, the White House, Congress, and the Supreme Court, eminent economists -- even the regulatory agencies themselves -- all eventually encouraged the retreat. Only now it is realised that this process has gone too far in this direction and private sector, taking advantage of the regulatory deficiency and indifference has gone on rampage with its animal spirit for making profit, even fictitious profit, undeterred and in complete disregard of the laws of the country. Here are some gross examples of such glaring violations of law and moral sense by the giant corporations in private sector in USA.

Example # 1: In June 2002 World Com reported accounting abuses that would become the largest case of corporate fraud in history. At the heart of World Com's fraud was a scam executed by officials who recorded billions of dollars in ordinary expenses as capital investments. The accounting trick allowed World Com to claim that it was profitable and was meeting its financial targets during a three-year period beginning in 1999 when it was actually losing money. Bernard J. Ebbers, the chief Executive of the company, was found engaged in all sorts of malpractice including fraudulent accounting involving 11 billion dollars to meet Wall Street expectations. He also borrowed more than 400 million dollars from World Com to cover his personal stock loss. The head of World Com's compensation committee in the board was a long time friend of Ebbers and he had a secret deal allowing him to lease a corporate jet from the company at the rate of one dollar a day.

Example # 2: Regulators recently ordered Freddie Mac, a semi-government agency to retrospectively fire its former Chief Executive and former Chief Financial Officer for tampering documents and committing widespread errors and

cooking up profits. While this was going on and the company was bleeding these people took fat amount of money as their so-called retirement benefits.

Example # 3: In Connecticut the Attorney General announced to indict and go against merger of Care Mark and Advance PCS, the sole purpose of which was to make profits by elevating the prices of medicines.

Example # 4: New York's Attorney General, on receipt of a tip from a whistleblower launched a big investigation of Wall Street sleaze involving cozy backroom deals between Mutual Funds and Hedge Funds for allowing late trading to select big investors to extract illegal profits in violation of New York Stock Exchange regulations. Incidentally, 95 million Americans invest their funds in Mutual Funds and the big Hedge Funds handling about 600 billion dollars are the investment

outlets for very wealthy people and which operate outside the regulation of any agency.

Example # 5: Prosecutors are also likely to file criminal charges against former Enron and Merrill Lynch executives in connection with a late 1999 sale of barges in Nigeria, a fake deal allegedly created by the companies to help Enron to improperly boost its earnings by 12 million dollars and to meet analyst's expectations.

Example # 6: Federal prosecutors charged a former Goldman Sachs and Co. official and its Vice President with criminal insider trading and perjury. The Wall Street giant agreed to pay 9.3 million dollars to the Security and Exchange Commission in settlement of allegations that its bond traders exploited embargoed information from a Treasury Department press briefing.

Example # 7: Mr. Grasso, the chairman of New York Stock Exchange with two thousand eight hundred companies listed with it drawing a salary in multi million dollars arranged a retirement pay of 187 million dollars of which 48 million dollars were concealed. He is also reported to have personally intervened with a bigboard dealer on the floor to buy shares of AIG -- a big company chairman of which was a member of Compensation Committee of NYSE Board which sanctioned the huge compensation package under scrutiny. Under pressure of Securities and Exchange Commission and big public outcry Mr. Grasso was forced

that its employees had improperly destroyed documents connected to client Smart / Talk Television Inc. with the knowledge of several top partners.

Example # 11: Criminal and administrative charges against a former Bank of America employee has been brought for allegedly helping Hedge Funds to illegally trade after office hours and Morgan Stanley was fined 2 million dollars for offering prizes to brokers for steering investors to specific mutual funds. Separately, NASD, which polices securities dealers, took Morgan Stanley to task for clear violation of 1999 rule against offering brokers non-cash incentives for selling particular mutual funds.

Example # 12: Pension benefits promised to employees, but not funded by troubled private sector companies are estimated to be very high. These deficits have ultimately to be funded by Pension Fund Guarantee Corporation -- a government entity. This means that this price tag has to be picked up by American taxpayers through budgetary provisions as it happened earlier in case of S&L scandal in the 80s.

Example # 13: The recent blackout of electricity in many states including New York City has again demonstrated what happens when the utility companies are left to coordinate and regulate their affairs while state authorities withdraw themselves.

Example # 14: There is also the wonderful example of allowing 50 state regulatory agencies to man-

age the transition to competitive local telephone and broad band services resulting in misallocation of hundreds of billions of dollars of capital and setting back the internet revolution in the United States by several years.

The above instances are merely part of many more instances of this nature where the company officials have resorted to "creative accounting", and grave ethical misconduct in connivance with world class accounting firms to inflate their profits and/or to conceal their losses. They have manipulated the Stock Exchange to increase the market value of the shares of their companies in order to cash their stock options at artificially high premium. They have inflated so called "productivity" by laying off workers, forcing larger number of employees to work overtime without additional compensation, relocating jobs overseas to take undue advan-

Example # 9: Arther Anderson LLP, one of the biggest auditing firms in USA collapsed in 2002 after it was convicted of obstructing justice by changing language in an e-mail related to work it performed for Enron Corporation. Anderson disclosed that it had destroyed documents in January 2002.

Example # 10: Early in 2003 Price Waterhouse Coopers paid one million dollars to settle SSC charges

to give up 48 million dollars -- the concealed amount, and subsequently, to resign from his post.

Example # 8: Three former employees of Ernest and Young, a well known accounting firm were charged for altering documents related to their work and for obstructing investigation by the office of the Comptroller of Currency and the Securities and Exchange Commission into how their client companies handled bad loans on their books.

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The problem is that the resolution of these issues, whose outcome will so profoundly affect the prospect of American capitalism, cannot be solved with the existing mindset of American politicians. Corporate leaders and economists who have seen for the last three decades nothing constructive in government's role except waste or inefficiency, and until very recently who were imagining that the public sector in 21st century will play a smaller role than in the previous century are coming to grief now.

Their perception will however strike any dispassionate observer as a view that flies in the face of history and that ignores the clear lessons of the present. If capitalism is to work in the long run it must make investments that are not in any particular individual's self-interest, but in the human community's long term interest. History shows us that very different bal-

Exchange has also revealed the pay of CEOs of other companies indicating difference of more than a thousand times than their ordinary employees. Most of them were drawing such enormous salaries, when they should have been prosecuted and imprisoned for committing frauds on their shareholders employees' pension funds. This oligopoly in the market is indeed the outcome not of regulation, but of deregulation.

Belatedly, American public going through the traumatic experience of 9/11, downfall of private sector giants, recent widespread power blackout and constant threat of terrorism are coming to realise that the government and public sector, after all, have a significant role to play in their collective lives. Particularly to American working people, it is becoming increasingly clear that productivity gains for the owners mean job loss for them; safe parachute landing by top executives with golden handshakes mean loss of their pension benefits, health care and life savings; jobless economic recovery means for them pink slips on Friday mornings and out on the road the same day with nowhere to go for jobs or retooling themselves.

Policy planners of USA will perhaps be well advised to give up their quest for pure free market operating all over the globe. This is a mirage. Earlier it is given up, better it is for all countries concerned. Lamentably, USA today lacks in this social capital which could keep capitalism on the rail and save it from capitalists. Where do we, in Bangladesh stand in this respect? We should pause, ponder, discover and learn.

Policy planners of USA will perhaps be well advised to give up their quest for pure free market operating all over the globe. This is a mirage. Earlier it is given up, better it is for all countries concerned. The lessons that can be drawn from the above discussion are basically three. They are:

- Regulate deregulation
- Save capitalism from capitalists
- Physician, heal thyself

Before concluding, here is an excerpt from the book of an eminent contemporary author, (*The Social Value and the Creation of Prosperity* by Francis Fukuyama, Penguin Page 286)

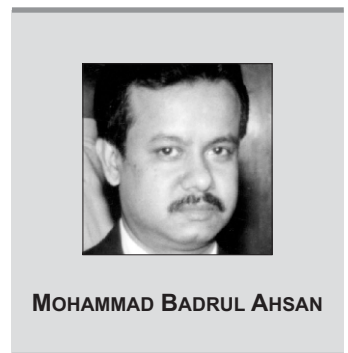
"What every economy needs for sustaining wealth creating activities is the abundance of social capital over and above material capital and intellectual capital. Social capital is the capability that arises from prevalence of trust in a society or in a certain part of it. A healthy capitalist economy is one in which there will be sufficient social capital in the underlying society to permit businesses, corporations, networks and the like to be self-propelling."

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A. K. N. Ahmed is a former Governor of Bangladesh Bank.

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The weakness of power



MOHAMMAD BADRUL AHSAN

POWER is the most coveted thing in the world, but it often overpowers those who possess it. It gives some people the reason to live, while it also makes them do funny things. Imelda Marcos collected 5400 shoes, and King Farouk of Egypt ate 600 oysters a week. Farouk's grandfather Khedive Ismail laboured through a harem of 3000 women, and he died in 1895 while doing something funny. He tried to guzzle two bottles of champagne in one draft.

That tells us that while power is exciting, it must be also boring. If you rule a country and everything including its wealth and women are at your feet, it can create distortions in your personality. One of these distortions is excess, the profligacy of the unrestricted desire to chase one's whims. Absolute power corrupts absolutely, because more power makes that chasing even more desperate and exciting.

Bertrand Russell argues that next to enjoying ourselves, the next

greatest pleasure consists in preventing others from enjoying themselves, which, more generally means acquisition of power. Power gives the mortals a smack of the divinity, the sense of control over others' lives, their freedom, choices and immunities. That explains why power has to corrupt in the end. The powerful must continuously find ways to stay ahead to keep others out of the race.

Hence, they need their inventories of what others cannot have -- the jewels, the palaces, the concubines, the armies, the shoes, the

to be thrown to the tigers (Anastasia Samosa of Nicaragua), and watch it with friends and family as if attending a Puccini or Bach concert of screaming human agonies. That is when they send the Chief of Police to pick women from the street and deliver to their secret chambers (Stalin of former USSR) That is when they send their secret police to arrest, torture and eliminate anybody, who raises voice against them (all strongmen and dictatorial Alldaddies).

If truly analysed, all autocrats

their last days searching for an exile, looking like bag ladies on the high streets of power. And take Napoleon Bonaparte, who spent his last years in St. Helena, reminding his aide-de-camp from time to time that he once ruled 83 million human beings, more than half the population of Europe! There, this one-time great conqueror killed his time discussing women (superiority of stout over thin women, for example), cows, ages of his brothers, and other trivia.

All strongmen eventually arrive at this dead end where they no

power. Here was an emperor who had unlimited power in his hand. He could take his army to the swamp and come back to claim that he had conquered another country. The senate of Rome never challenged anything he said. He slept with his sister and could reach for any other woman or man in the land. His subjects worshipped him as the descendant of god.

In his boredom, Caligula once disguised himself as an ordinary citizen and wanted to see how it worked. But everywhere he would

CROSS TALK

It's indeed weakness never to have power. But it's even worse to have and lose it. Long after the lights are gone and the stage is empty, the show must go on in the mind of the once all-powerful. Because it really needs a very strong strongman not to fall before his own eyes even after he has fallen before the rest of the world.

great stockpile of aphrodisiacs, perfumes, cars, jets, clothes, etc. The Nizam of Hyderabad used a diamond on one of his shoes that cost a whopping 21 crore rupees in those days. Louis XIV of France wore a diamond-covered coat that, at the turn of the 18th century, was worth a dazzling 14 million francs.

But then power has its law of diminishing utility. Eventually, the biggest challenge after taking power is to keep and enjoy it. That is when the powerful potentates start behaving like god and their behaviours slide from the sublime to the ridicule. That is when they ask their enemies

eventually vegetate in three major depravities: acquisition, womanising, and persecution. They want more power and wealth, they like women and they don't want opposition. Be it Fulgenico Batista of Cuba or "Baby Doc" Duvalier of Haiti or Idi Amin Dada of Uganda, power precipitated arrogance in them that turned into perversion. They had lost their sense of proportion in the indolent pride of their fleeting glories.

But then the powerful men become sad characters when they lose power, which had once made them interesting. The Shah of Iran and Marcos of the Philippines spent

longer have any power. But power turns into a cheerless affair even long before that happens. They no longer enjoy the trappings of power unless they can do something monstrous and ludicrous. According to the private physician of Mao Zedung, the great Chinese leader spent almost the entire of the last quarter of his life enjoying the companies of female and male consorts and contemplating how to crush his enemies who were his former comrades.

Caligula Caesar is the foremost example of how dictators and rulers become trapped inside the ennui of

be recognised as the emperor and he returned to the palace as a frustrated man. In the end, he put the wives of his senators and military commanders in a boat and opened it to the people of Rome. At last Caligula would be challenged in his authority and killed in a coup led by the senators and military commanders who were humiliated by the emperor's unpardonable indiscretion.

After 22 years in power, Mahathir Mohamad, the Prime Minister of Malaysia, is stepping down today. He turned a rubber-planting country into a modern nation, but wants to

leave before "people kick you out". One of the greatest weaknesses of the powerful people is that they don't realise that power, like everything else, has an expiry date. Most of them wait until they are overthrown from power by a coup or popular uprise.

But then some are even more unfortunate. After the fall of the Iraqi monarchy in 1958, Prime Minister Nuri Said tried to flee disguised as a woman. He was caught, castrated and hacked to pieces by a crowd. The same fate came to Najibullah even though he was already deposed from the power of Afghanistan. The Taliban castrated him in 1996 before they shot and hung him, still alive, from a lamp-post.

The sight of a fallen dictator has a twist of irony. It's like watching a once tough and angry father figure get wrecked by age. He looks like a pitiful relic of all his abuses, turned out to graze on nothing but memories of power he once wielded. He appears like Aladdin bereft of his magic lamp, like the archaeological site of a lost civilisation, like the stain of power after many washes.

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Fasting is no self-torture, it's noble and glorious

KAZI AULAD HOSSEN

'SIAM' is an Arabic word meaning fasting. And when we think of fasting we obviously think of the holy lunar month of Ramadan, the month in which the Holy Al-Quran was revealed by Merciful Allah unto our holy Prophet Hazrat Muhammad (peace be upon him) when he was meditating in a small cave called Hira in the mount of An Noor situated only two miles from the city of Mecca. And what was the exact time when the Lord Creator was graciously pleased to honour him with Prophethood? It was the third year of his solitude and the date was 27th Ramadan, that is, August 16, 610 AD and the holy Prophet pubh was exactly 40 years 16 months and 12

days of age.

Again Ramadan is the month in which the Muslims all over the world endeavour to restrain themselves from shameful, evil and unjust deeds for it is very much known as the month of self-purification. Unlike other lunar months of the Islamic calendar the holy month of Ramadan reminds us of breaking the fast together in the evening after observing fast during the day for one full month. It also reminds us of offering of extended special prayers called "Tarawih" immediately after "Isha" (night) prayers in which the whole Holy Quran is recited by the "Isha" (night) (the persons who know the whole Holy Quran by heart) in course of the 30 days of this month.

Now we may turn our attention to what Almighty Allah declares in two

very important Quranic Ayats about significance and importance of "Siam" or fasting during the holy month of Ramadan. In Ayats 183 and 184 of Sura Baqara He declares in clear and unambiguous terms:

"O ye who believe! Fasting is prescribed as it was prescribed to those before you, that you (learn) self-restraint, (Ayat 183). Fasting for a fixed number of days, but if any one of you is ill or on a journey, the prescribed number (should be made up) from days later. For those who can do it (with hardship), is a ransom, the feeding of one that is indigent. But he that will give more of his free will, it is better for him. And it is better for you that ye fast, if ye only knew." (Ayat 184).

In this context it may, however, be pointed out that journey and

illness as indicated in the Quranic Ayats should not be interpreted in an elastic sense: they must be such as to cause real pain or suffering if the fast were observed "... Ajourney of 8 or 9 miles on foot is more tiring than a similar one by a bullock cart." Now people of course travel by motor car, ship or plane.

There are have and have-nots in our midst. Again, there are people who can hardly afford two square meals a day and to them balanced diet is a luxury, whereas side by side, there are people who enjoy their holidays abroad. Ramadan certainly teaches them to restrain themselves from spending their money on items which are absolutely unnecessary and superfluous and divert at least a small portion of their huge bank balance to bring

smile on the melancholy faces of the poor and indigent who often experience the sharp pinch of hunger for want of food. These resourceful and wealthy persons should not be oblivious of the needs of their helpless neighbours. Benign and Almighty Allah has cautioned these wealthy and well to do persons to be careful about the needs of their neighbours in Ayat verse 7 of Sura Maun neighbourly needs of the Holy Quran. Ramadan not only teaches a Muslim to abstain himself from food, drink and sex for certain fixed hours every day during this month, it simultaneously teaches him to abstain or refrain himself from unjust deeds also. It teaches us to learn and unlearn many things through fasting (Siam) so that we can do something positive for the

teeming millions living below the poverty line.

Islam does not sanction accumulation of money for self-aggrandisement. If any body thinks that he is the real owner of the money and wealth he has earned by the sweat of his brow then he is sadly mistaken. And what emboldens him to say so? He says so because he knows that the law of the land is very much in his favour. He will at once run to a court of law to safeguard his interest. He is fully aware that no body will be able to deprive him of his huge bank balance and vast property. But should he not think for a moment that he is also a Muslim. Can he totally ignore or forget the very important Quranic Ayat relating to accumulation of money and wealth? In this connec-

tion it would be worthwhile to refer to Ayat 7 of Sura Hadid iron of the Holy Quran. In this Ayat Almighty Allah says:

"Believe in Allah and His Messenger, and spend of that whereof He has made you trustees, and such of you as believe and spend (aright) their will be a good reward."

It transpires from the aforesaid Ayat that a Muslim cannot claim that he is the real owner of his money, wealth and property. He is merely a trustee on behalf of his Benign Creator Allah Rabbul Alameen. He simply plays the role of a custodian of the resources bestowed on him by Almighty Allah and the have-nots have definitely a right to share them as clearly indicated in the said Quranic Ayat. It is, therefore, highly

desirable that the moneyed men should not close their fists and string their purses to deprive the needy and the indigent including their neighbours. Ramadan teaches them to be cautious and careful.

It may be stated here that the Holy Quran in its entirety was carefully preserved at a place, far away from this mundane world of ours, known as "Low-e-Mahfuz" and from there, as and when commanded by Almighty Allah it started revealing unto our holy Prophet (pbuh) with effect from 27th night of the holy month of Ramadan, that is, from Night of Honour or popularly known Shab-e-Qadr.