

BB pins Jubok down

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to carry out any transaction with such organisations, which are operating banking like activities.

The show cause notices were issued following an investigation conducted by the central bank. The central bank submitted the investigation report to the finance ministry and commerce ministry requesting necessary steps against Jubok as it is operating activities like conventional banks, ministry sources said.

The central bank's investigation found that Jubo Karmasangsthan Society (Jubok) and its sister concern Jubo Karmasangsthan Udyog have been collecting deposits through deposit books from its members and the common people and also have been disbursing loans to them. But, receiving money from the common people through deposit books is

tantamount to collecting deposits by banks.

Besides, Jubo Karmasangsthan Udyog has been receiving loans from the common people in exchange of a very high interest rate through agreements on non-judicial stamps.

According to the Societies Registration Act, 1860 the activities of the two organisations are like banking activities and not in compliance with its section 20 sub-clause, the report said.

The report also said such banking like activities are not only unethical but also risky for the members and clients of Jubok. If Jubok's banking like activities could not be stopped, its members and clients might face financial disasters, the report warned.

The central bank's investigation report on Jubok's activities in Khulna, Barisal and Patuakhali districts also

mentioned that the people should not make any deposit with Jubok while the others, who have already deposited money or gave loan to Jubok, should withdraw their money.

However when contacted, Hossain Al Masum, executive director of Jubok, said he has yet to receive any show cause notice either from the Bangladesh Bank or the Joint Stock Companies. "When we get the notice we will respond to it," he said.

He also said they stopped collecting deposits or loans from the general people since September last year. "We are now concentrating on housing and real estate development, pisciculture, rubber and share business," he said.

"We are doing a very transparent business, there is nothing wrong in our business. If however there is any irregularity, that is unintentional and must be due to our ignorance," he said.

Sources however said Jubok is still operating its deposit scheme in some of its operating areas while many were shut down. "A month and a half ago Jubok officials told us that except small savings scheme the others are closed," said a member of Jubok in the capital's Jatrabari area.

"From Jubok office we are also advised not to disclose any information about its deposit scheme to any unknown person," she added.

Although Jubok officials denied allegations of illegal activities, various allegations were raised against the organisation at different times. Many complainants said Jubok carried out the illegal activities in a bid to raise capital to expand their business.

Sources said although Jubok started its operation in 1994 with only providing micro credits to its members, it was registered with the Joint Stock Companies in 1997, and since

then it set up more than 20 business organisations.

It is now involved with businesses in telecommunications, housing and real estate development, tourism, health, ceramics, seafood, IT, pisciculture, nursery, agro-biotech industry, and capital management. The once small NGO has become a big organisation with more than a thousand crore taka as capital.

Early this month, two representatives from Jubok -- Hossain Al Masum, chairman of Jubok Housing & Real Estate Development Ltd, and Sabih Ul Alam, director of Jubok Ceramic Industries Ltd -- joined IFIC Bank as its directors after the two had purchased a significant chunk of shares of the bank.

Garment worker killed in road accident

STAFF CORRESPONDENT

A garments worker was killed while crossing road at Gulshan area in the city yesterday afternoon.

A speedy vehicle pushed Rikta Khatun, 22, when she was crossing road near Rasulbagh Royal Petrol pump.

Locals rushed her to the Dhaka Medical College Hospital (DMCH) where on doctors declared her dead.

A wake up call for RMG sector

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tarnishing the image of this sector through some local help.

Drawing attention to the enviable 28 per cent growth in knitwear exports this fiscal, they claimed that Bangladesh garment has not only survived in the quota-free regime since last year but also made an ominous progress for rival countries.

Acting BGMEA President Salam Murshedi refused to accept the popular theory that garment workers went on a rampage for better wages and benefits as most of the industries that came under attack were socially compliant, a worker welfare criteria made mandatory by reputed buyers.

"These factories are in full compliance with labour laws," said BGMEA Vice President Sahadat Hossain Chowdhury. "As wages and benefits for the workers in those factories are always up-to-date and monitored by the buyers, there is little scope for workers' commotion in the lead-up to such mindless devastation."

But observers and economists are sceptic about the BGMEA claim of foreign conspiracy. Many felt that the mostly negative image of garment owners about workers' welfare might have led to this unfortunate situation.

"I don't believe in this conspiracy theory but I'm also not sure why the workers suddenly flew off the handle," said an official of a non-government organisation working with garment workers. "I have talked with many workers for the last three days but they failed to say why they are so very enraged."

But he said the low-pay or irregular-pay in sick garment industries might have a chain reaction in the present situation.

"We read news about garment workers agitating for arrears and benefits when their employers drive luxury cars and live beyond their means," he said, preferring anonym-

ity. "The workers in sick industries could be taking out their pent-up wrath on the better-managed factories."

BGMEA leaders, however, said hardly any sick factories were attacked in the last two days and the agitators operated in a very organised fashion, which suggested hints of instigation and conspiracy.

"Eighty per cent garment workers are women. Did you see any female workers on the streets during this agitation?" asked Sahadat Hossain, adding that a "vested group" riding on trucks raided different factories and spread rumours of workers getting killed in places.

They did it only to drive the mob further wild, said the BGMEA boss.

A leading sweater exporter, Rezaul Ahsan Arif, also played down the low-pay issue. "Unlike weaving factories, a low level worker in a sweater factory earns Tk 5,000-10,000 a month. Compared to wages in any other sector, I think the earning is reasonable enough for workers not to go on agitating for pay-hike," he said. "Instead of putting blame on the low-pay issue, the government should try to probe the source of instigation and conspiracy."

But his view of reasonable salary was sharply contradicted by some observers. "An outburst like that was written on the wall. I knew it was coming, especially when I recently visited a top-notch garment industry inside the EPZ area," said economic analyst Inam Ahmed.

"I came to know that a worker could earn around Tk 3,500 a month and that too by working extra hours. And if this is the story at the EPZ, then I could very well guess about the salary story outside EPZ."

"Besides, against the backdrop of spiralling prices of essentials, workers may not find the present

pay structure reasonable anymore," he pointed out.

Interestingly, some representatives of foreign buyers in Bangladesh did not rule out the possibility of foreign conspiracy in the workers' unrest.

"Recently, huge volume of knit orders [sweater and jersey] has been shifted from China and other countries to Bangladesh for competitive labour market," AK Kamrul Alam, country representative of a prominent German buyer, told The Daily Star. "I won't be surprised if any foreign syndicate tries to divert the flow of orders to some other destinations through sabotage."

It is not hard to influence happenings in our country when we have very vulnerable political infrastructure, he observed.

Meanwhile, the world media, especially in rival countries, blew the news on labour unrest out of proportion, triggering off a panic button among the buyers of Bangladeshi products.

Concerned buyers flooded manufacturers and their local offices with emails and phone calls to get an update on the event.

"One of my buyers in Europe woke me up at 2:30am yesterday after reading the Internet edition of a Bangladeshi newspaper. I received dozens of emails from other buyers. All are very worried about their products," said Azharul Haque, managing director of a knit factory in Mirpur.

"I failed to come up with a satisfactory answer today and I don't know what I would have to say in future."

The government's failure in managing the workers' unrest and protecting the investment also came under severe criticism.

"We sought in vain the government protection on Monday. The

violence and destruction spree could have been contained had the government beefed up security measures," groaned another BGMEA leader in frustration.

Even, Board of Investment (BoI) Executive Chairman Mahmudur Rahman on Tuesday blamed the intelligence agencies for their failure to ensure national security.

If this sort of activities continued, investment climate in the country and overall economy would be affected, he said.

Leading economist Dr Debapriya Bhattacharya, however, observed that the government should take immediate steps to bring the situation under control and the garment owners should then sincerely review their labour management under the present context.

"It is also time for the owners of the sector to rethink whether there are any internal causes for the anger amongst the workers," Debapriya, also the executive director of the Centre for Policy Dialogue, told a satellite TV channel.

He was also critical of the fact that many garment owners do not encourage trade unionism at their factories. "The owners should rethink whether they have taken necessary steps to develop the sector as a modern one compatible with the present world."

Arguments apart, it is the common view of all that if the garment sector is the lifeline of our economy, then workforce is the lifeline of the apparel industry. So, the issue of workers' welfare should be any garment owner's priority number one.



Dr Saleh Ahmed Bhuiyan, president of The Institute of Accounting Technicians of Bangladesh, speaks at a press conference at the National Press Club in the city yesterday. The press conference was organised in observance of the fifth founding anniversary of the Institute. The main programme will be held at the Bangladesh-China Friendship Conference Centre at 6:00pm today.

