

The Daily Star

FOUNDER EDITOR  
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DHAKA SATURDAY JANUARY 4, 2020, POUISH 20, 1426 BS

# The 6 percent and 9 percent conundrum

## A risky decision

THE government has decided to fix a uniform interest rate for all types of deposits at (6 percent) and slash interest rate to single-digit for borrowing (at 9 percent) from April 1. There are four parties to this decision.

First the borrowers. They are jumping with joy. They have always felt that because of high interest rates they couldn't invest enough and whatever they borrowed and invested did not bring sufficient profit to repay the bank loans that made them loan defaulters. They argue that lowering of bank lending rates will bring down the overall cost of doing business and thus encourage more investment, which will lead to greater industrialisation, leading to greater employment, greater purchasing power, greater effective demand, etc. This argument belies the fact that most businesses performed well even with high bank interest and that it was always a handful of big loan takers who defaulted.

The second party are the savers. They feel betrayed as their savings will now bring in smaller returns on which they depend for their livelihood. This move will severely hurt the fixed income group and the pensioners. With *Sanchayapatra* being of limited supply and constrained by other formalities, the small savers will have nowhere to go but suffer silently.

The third party are the banks. They are really in a bind. The forced reduction of interest on loans will greatly reduce their income. Without really addressing the reasons for high lending rates imposed by the banks—caused by the high amount of non-performing loans (NPL)—the arbitrary lowering of interest rates will definitely increase the vulnerability of the banks. The fact that government has already borrowed almost the total amount of Tk 47,000 crores provided for in the budget adds to their worry. Given 6 percent inflation and service charges of the banks, 9 percent interest from loans will hardly leave much margin for the banks to make profit from. Also, not addressing the problems of NPL—the single biggest reason behind high interest—leaves the banks extremely worried about how diligent the future borrowers will be in repaying the loans.

The last party is the government. Its eagerness to boost investment and possible industrialisation and employment has made it tilt too much towards the interest of the business community at the cost of others.

We conclude with the view that the government has taken a very risky decision. The record of NPL shows that a powerful section of our bank borrowers has gotten into the habit of not repaying bank loans in spite of several opportunities for rescheduling often at easier terms. Without any measure of ensuring greater accountability for the big wilful defaulters, this decision increases the risk of jeopardising our whole financial sector and as such the economy as a whole. We hope the government is fully aware of the risks it has taken.

# Backlog of cases in courts

Despite assurances, we are yet to see significant reforms in the justice system

IT is heartening to hear from the Law Minister that the government is taking initiatives to settle the enormous number of pending cases in the courts, and that at least five to six lakh cases will be cleared from the existing backlog within the year. However, we have heard such assurances from the ministry before—assurances that, unfortunately, have not been followed by any significant reform in the justice system. Rather, the dire situation in the courts continue, with more than 34 million cases still pending and only 13 percent of the population receiving judicial services from courts across the country, according to a report of Justice Audit Bangladesh, published in 2019. In fact, the audit report projected that if the growth of pending cases continue at this pace, by 2022, chief judicial magistrates' courts, session judges' courts and the High Court Division would have 72, 82, and 89 percent of their respective cases pending.

After the report came out in August of last year, we had hoped that the ministry would take immediate steps to fast track adjudication of cases, introduce alternative dispute resolution methods (so that many cases can be resolved without going to court), increase the necessary manpower, enhance capacities of existing manpower, and ensure proper and timely management of cases. We understand that addressing such an enormous backlog requires significant overhauling of the current system and thus requires time. However, it also requires political will and urgent action. The ministry, in consultation with relevant stakeholders, must come up with a comprehensive plan of how and when this backlog will be addressed, while also ensuring fair and proper disposal of justice. The age-old practice of filing false cases, which has added to the astronomical numbers, to settle scores against rivals, must also be eliminated through diligent verification by the police.

LETTERS  
TO THE EDITOR

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America's risky move

The United States assassinated Qassem Soleimani, leader of Iran's elite Revolutionary Guard Corps (IRGC) Quds Force near the Baghdad international airport. This is a worrying move by the US, because its relations with Iran is already very precarious, especially since the US' withdrawal from the Iran Nuclear Deal after which the US started imposing harsh sanctions on the country.

The assassination of Qassem Soleimani can prove to be backfiring move for the US. The US has a considerable military presence in the Middle East and if Iran retaliates then it will make things difficult for the US forces on the ground. Qassem Soleimani was no doubt a controversial figure, who had been blamed for the death of many US soldiers. However, assassinating him in such a way was strategically a wrong move by America. It must do everything it can to salvage the situation and avoid escalation of tension in the region.

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BLOWIN' IN  
THE WIND



SHAMSAD MORTUZA

short format. For instance, if one writes just "20" at the end, after the month and date, others can easily change it to "2019" to suit their convenience. The presupposition is that there are many potential fraudsters. It is better not to leave your date open to others; any rubbing out of a tinder-dry date can set it to fire. A date, as a unit of history—related to the Spanish word *historia* implicating both history and stories—are susceptible to changes. Unless you set it right, others can set it off course.

As we are approaching a historic milestone, the idea of protecting and preserving our hi(story) has become pitthier than ever. For us, 2021 will be a momentous occasion when an institution will celebrate its Jubilee year and join in to share the Golden Jubilee of the birth of the country. The University of Dhaka will reach 100, while the People's Republic of Bangladesh its 50 years of independence. The alignment of their celebrations next year is no coincidence.

It is only befitting that this year has been named after an alumnus of the University, Bangabandhu Sheikh Mujibur Rahman. It is the university campus where "Mujib" first made his mark by standing by the university's disenfranchised fourth-class employees and eventually morphed into the Father of the Nation by leading an entire nation to independence. Bangabandhu's story is part of a larger history, and each story has its own place and pace in the grand scheme of things. Avoiding one or creating a void can make our history vulnerable.

The doubts and confusions that I share are as old as the institution and the country, if not older. Dacca University was seen as an imperial gift for the Muslims, much to the resentment of the upper- and middle-class Hindu populace who were already reaping from the benefits of the University in Calcutta; an education system that had solidified their middle class. No wonder, protests against the establishment of Dhaka University came from none less than the most emphatic figure of Indian Higher Education Sir

Ashutosh Mukherjee, the vice chancellor of Calcutta University. The story that we have been told is that the planned university in Dhaka was a device to divide a culturally and linguistically homogenous group in religious terms primarily for the sake of administrative convenience of the British so that they could defuse the nationalistic agitation and prolong their rule.

A scheme to divide Bengal and strengthen the Muslim majorities of Assam was carried out by Lord Curzon in 1905. The immediate aim was to turn Hindus into a minority in a province including the whole of Bihar and Orissa.



The Curzon Hall building in Dhaka University.

SOURCE: YOUTUBE

This was seen as an attempt to strangle nationalism, but ended up adding fuel to the fire. The Partition of Bengal was annulled in 1911; however, the Muslims who were teased with a development narrative resulting from the Partition needed some sort of compensation. On January 31, 1912, a delegation led by Nawab Sir Salimullah, Nawab Syed Nawab Ali Chowdhury and Sher-e-Bangla A K Fazlul Huq met Viceroy Lord Hardinge and petitioned for a university in Dhaka. A 13-member committee led by Sir Robert Nathaniel was formed who recommended the inception of a university. Based on which Nawab Syed Nawab Ali Chowdhury moved a bill in the Imperial Legislative Council, leading to the commencement of the university on July 1, 1921.

Dhaka University is thus an imperial gift. Ironically, it later became the site that resisted imperialism along with its

paraphernalia as it witnessed, first, the inglorious exit of the British, and, then, of the Pakistani rulers. Ever since, it has been at the pivot of all cultural practice and identity. Dhaka stood tall against the British ploy of weakening the anti-colonial spirit in the region through poking communal sentiments.

With communal tension brewing at the national boundary and the issue of Assam resurfacing once again, it is important to revisit the story of the birth of DU to detect how it shaped our intellectual, cultural and political milieu. A close look at the events may even suggest that the government of Bengal was sincere enough

in exchange of four chaired professors in Kolkata. Viceroy Lord Hardinge told him point blank, "I am going to build this university in any way. So just tell me what will stop you from objecting to the project?" (*Amader Shei Dhaka Viswabidyalyaya* p.27). Prof Mukherjee in response asked for the creation of four professorial chairs at Kolkata.

The annulment of the Partition of Bengal also left many abandoned buildings, and there was another round of muscle-flexing between the civil servants and university teachers over their occupancy. Once Provash Mitra became Education Minister, he billed Dhaka University for the buildings that were built for white officers, thereby squeezing the university's fund (Tk 55 lakh at that time) and restricting it from hiring overseas faculty members.


The University, however, maintained a heightened academic spirit and rose above petty communalism. The university was fortunate to have the stellar presence of Dr C L Wrenn (English), Dr K S Krishnan (Physics) , R C Majumadar (History), Satyendranath Bose (Physics), Buddhadev Bose (English), Dr Muhammad Shahidullah (Sanskrit), A F Rahman (History), Naresh Sengupta (Law) and many others in its teaching fold. This group of talented teachers made education the religion for students who later succeeded in their respective fields.

Today Curzon Hall has become the symbol of the colonial days of Dhaka University. But as we move towards the celebration of history, we also need to pause to look at the different narrative junctures that build up *historia*. Curzon's ploy to "divide and rule" and to make Bengal a "communal cockpit" got shadowed under the light of education. His evil schemes worked for some time and even unleashed violence (details of which I cannot put here). But that too is part of the university's glorious history, and is tied to the birth of the country. It is the duty of the academics to make sure that the missing links of history are pointed out through substantial research and academic reflection. Any partial representation of culture will make us repeat the same mistake that the university saw in its originary moments. As we begin to write our date in 2020, we may as well give it some form of completion so that our next generation is not as confused as we were in the past.

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# Lessons from Singapore



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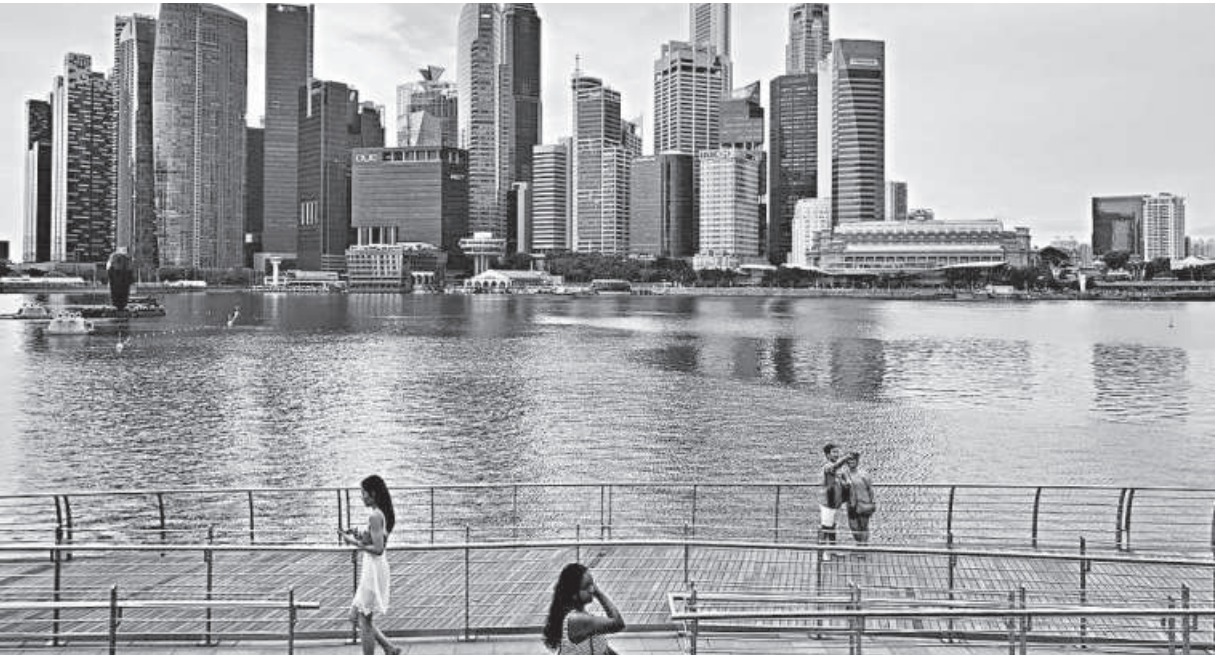
WHEN Singa-pore was expelled from Malaysia in 1965 and thrust into an unwanted independence, its overall condition—economic, social and political—were not at all conducive. The country faced a myriad of problems: a stagnant economy with little manufacturing base, poor infrastructure, severe unemployment, poverty, crime, disorder, poor public health, an acute housing shortage, and recurring conflict among the ethnic and religious groups that made up its population. It was an undeveloped country, known as a backward fishing village, with a GDP per capita of less than USD 320. Today, this tiny island-state, with a total land area of around 280 square miles and no natural resource of its own, is able to produce a GDP that exceeds USD 350 billion annually. Singapore's GDP per capita rose to USD 64,579 in 2018, making it the fourth highest in the world and is considered to be one of the best modern, industrialised societies, viewed as a role model for other governments in Asia and beyond.

So, how have they done it? Numerous experts have tried to explain this development. In my view, I would say that this has been possible because of strong leadership, starting with founding Prime Minister Lee Kuan Yew and other pioneer leaders, who worked hard with vision, honesty and genuine desire and commitment to build a multicultural, secular and meritocratic nation where justice and equality will prevail.

"United we stand, divided we fall" is a well-known saying. While many factors contribute to the overall development of a country, national unity is the most vital to bring peace, harmony, wealth and prosperity to a nation. A nation cannot prosper if the people are not united. From the very beginning, Singapore's founding fathers believed passionately in the vision of a multiracial society. On August 9, 1965, the day Singapore became independent, Prime Minister Lee Kuan Yew said: "This is not a Malay nation; this is not a Chinese nation; this is not an Indian nation. Everyone will have his place, equal: language, culture, religion. We unite regardless of race, language, religion, culture." This national identity has played an important role in politics and has shaped many major national policies, spanning education, housing and healthcare, among others.

When it became independent Singapore did not have a common school system or a common curriculum. There were schools established by different ethnic groups like Chinese, Malay, Indian that did not have a common curriculum. National unity, as advocated by sociologists, is best achieved through unified education system; faulty, divisive, discriminatory and contradictory education cannot produce good citizens, let alone take the country forward. Singapore's pioneer leaders have long recognised the importance of unified education system, and as such, one of the first things they did was that they merged the schools that had been established by different ethnic groups into a unified and neutral education system to create a sense of national identity. All schools followed a common curriculum. Although Singapore recognises and teaches four official languages—Chinese, English, Malay and Tamil—English is the language of government and the medium of instruction in schools. This has helped avoid the racial and ethnic segregation that afflicts many countries and played an important role in creating national unity as well.

For Singapore's founding father, education went



Singapore's central business district skyline. PHOTO: REUTERS/KEVIN LAM/FILE PHOTO GLOBAL BUSINESS WEEK AHEAD

beyond formal schooling. As Mr Lee put it in a speech in 1977: "My definition of an educated man is a man who never stops learning and wants to learn." Since independence, the Singaporean government has invested very heavily in developing a good quality teaching force and a good team of school leaders with strong emphasis on mathematics, technology and science education to facilitate a large and competent workforce upon graduation. It views education as a national investment and spends around 20 percent of its annual budget on education sector. Singapore's education system is relentlessly forward-looking and is considered one of the best in the world. The government is constantly working on reforms for the education system and reviews syllabi to remain flexible and guarantee the quality of education. It has been said that Singapore was blessed by its lack of natural resources because it was forced to develop its only resource: its people. Investing in its people has been a winning formula as a way of developing its economy and raising living standards.

Good government starts with "honesty", which is the most essential trait of a leader. Without honesty a leader can't lead with integrity and impartiality—a necessary element for economic development and prosperity. There is a Chinese proverb: "If the top beam is askew, the bottom beams will be crooked." Keeping a system clean must start at the very top. Prime Minister Lee Kuan Yew knew well that the best way to win people's trust is by being honest and transparent. He chose highly educated, dedicated, and honest citizens to run the country, recruited them based on their individual merit, abilities, performance and achievements. Mr Lee emphasised the importance of good leadership in his memoirs, when he wrote: "My experience of developments in Asia has led me to conclude that we need good men to have good government. However good the system of government, bad leaders will bring harm to their people. The single decisive factor that made for Singapore's development was the ability of its ministers and the high quality of the civil servants who supported them."

Singapore's leaders, cabinet ministers and senior civil servants are paid competitive salaries, so the temptation would be less to take bribes and make backend deals against public interest. They run Singapore like a CEO

runs a company—they are fully focused and always looking to bring improvements in the economic and social domains. Their main objective is people's well-being by transforming Singapore into an international economic powerhouse.

At a time where newly independent nations were implementing protectionist policies to protect native industries, Singapore went the opposite way. Like other developing countries they did not rely on foreign aid, but on trade and investment to achieve its development goals. Singapore's leaders, bureaucrats often toured the world, but not for their personal pleasure but to attract foreign investment. They invited multinational corporations (MNCs) to set up manufacturing facilities in Singapore. They made business-friendly laws, offered various tax breaks and attractive policies to new investors and multinational corporations like Shell and Esso to establish oil refineries in Singapore. This not only addressed the massive unemployment but billions of dollars also poured in, ensuring the country's success.

Another key element of Singapore's success is its corruption-free governance. The rule of law and good governance acted as a source of attraction to foreign investors to do business in Singapore. The founding leaders knew that they had to start from a clean slate. Prime Minister Lee Kuan Yew stressed the importance of good governance in his memoirs: "When we took the oath of office in June 1959, we all wore white shirts and white slacks to symbolise purity and honesty in our personal behaviour and our public life. We made sure from the day we took office in June 1959 that every dollar in revenue would be properly accounted for and would reach the beneficiaries at the grass roots as one dollar, without being siphoned off along the way. So from the very beginning we gave special attention to the areas where discretionary powers had been exploited for personal gain and sharpened the instruments that could prevent, detect or deter such practices." This symbolised their determination to keep the government clean and incorruptible, and it has set the tone for Singapore ever since.

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