

The Biggest Banking Scandal of the Century: One Year on

Sagar Chaudhury, Star Special Correspondent, writes from London

The Educational Mega-drama

With Rajshahi Board results out yesterday, the secondary-level education mega-drama comes to a close for the year. Together the SSC and HSC examinations, involving three quarters of a million boys and girls — 7,59,811 this year to be precise — is decidedly one of the biggest national events occurring annually without fail. This gains in momentum and importance when the educational administrators and teachers' participation together with that of the local administration's are taken into account and the position these examinations occupy in the national education scheme of things is properly grasped. Although all this taken together doesn't amount to more than even three-quarter of one per cent of our population, the examinations have in them much more than meets the eye — close on to three lakh teachers up to the higher secondary level and at least ten million parents always worrying their heads off over those that go to school.

Now for a change let us worry a wee bit over where the 4,79,793 that crossed the hurdles this year would go and for what and what will happen to the 2,79,081 that tarry behind. The government or for that matter its pertinent apparatus, the Education Ministry, with its unveiling corridors, is not overly taken with this problem — very transparently. Neither do the colleges and schools feel enthusiastically about taking on such unsolicited burdens. Soon enough a mad rush for the gates of universities and colleges will begin. The majority will have to back away, retire or resign — all of them with pass marks in the pocket and many of them with brilliant results. The cause of education will take a serious beating even in the case of who the Boards have recognised as scholars of worth.

The Boards have undoubtedly done a good job of a difficult task — difficult because things were abysmally bad at this level of educational evaluation. Copying is decidedly down as is possibly invigilator-support in the halls too. Corruption at other stages is also evidently on the wane and there hasn't been any leaks this time. Unlike the universities, the boards are turning in their result within about four months of the examinations — thank you Comilla for showing the path. This all signifies a very welcome increase in efficiency. But the farce called the objective-question oriented SSC exams has largely taken out any meaning this achievement could have in the nation's life. The Boards must come out of that farce.

Two very simple things keep plaguing the mind amidst all such good signs. Why the Sciences should be called the General Sciences and the Humanities the Social Sciences? The asinine practice continues proving the predominance in education of minds and perceptions hardened beyond taking in any more. The second silly thing that the educators are persisting in is the publication of the combined merit list. Is there a foolish enough person on the Boards or in the departments and ministries related to education who would compare the best scholars of the Humanities with that of the Sciences and come up declaring the sciences children are more meritorious — all the time? The whole idea is sickening. There cannot be any so-called combined merit list for very obvious reasons.

Results of Rajshahi Board were on sale in the streets three hours before they were out. Although it doesn't have any bearing on the results, the Board should take care in future. If not plugged in time things may worsen there.

These exams are largely meaningless if discussed without reference to what they evaluate — the quantum and quality of what has been imparted to the students in the class room. It is there that we have one soft belly more than in the exams however inept they continue to be.

Death of a Green

The death of Petra Kelly, 45, founder of the German Green party, in a mysterious shooting incident on Tuesday, has come as another reminder that the good always seems to depart early, often before his or her true potential has been fulfilled. She did not turn her party, Die Grunes, into a major political institution remotely capable of threatening to take power. She would not have figured in the top ten of German politicians of consequence if one were to make such a list. And yet, her impact on the German and indeed European, political landscape went far beyond the success of Die Grunes as a political party.

What the Greens did was to raise European awareness about the threats posed to the environment by uncontrolled industrialisation and militarisation of the planet, to a level where it became a major political issue. Until the advent of Kelly and the Greens, ecology was something with which only hippies and ultra-left communists seemed to be worried, and mainstream parties regarded the question as little more than a fruitless idealistic pursuit. Kelly, however, proved them wrong. The massive Europe-wide movement in the early 1980s, to protest the deployment of United States nuclear-armed Cruise missiles in NATO countries including Germany and Britain, owed much of its success to Kelly's Greens. Perhaps an even greater achievement of Kelly was that the Greens presented, from the late '70s onwards, what could justifiably be called the most credible critique of capitalism since Marxism. The Greens' political platform offered a vision of society which was radically different from the capitalist and quasi-socialist versions that most Europeans had come to accept as their lot. Their limited success at the ballot box proved that, like many other radical alternatives, theirs too was a little too radical for the conservative and materialistic population of Europe. The real impact of the Greens has been to force the issue of the environment and disarmament to the top of the political agenda, and the mainstream parties have been compelled to incorporate those concerns into their own programmes.

MORE than fourteen months ago, in July 1991, the Bank of Credit and Commerce International — or BCCI — was closed worldwide. Following reports of widespread fraud, corruption and questionable manipulations of funds, the Bank of England decided to take action against BCCI in over seventy countries. In some countries, such as Pakistan and Bangladesh, the bank has been re-started. In Bangladesh, however, BCCI is no longer an entirely private enterprise — it is now operating under Government patronage and is called Eastern Banking Corporation. The Bangladesh Government has taken over the assets of BCCI and has pledged to reimburse those who lost their money following the collapse of the bank. But in most other countries, depositors still have not received any compensation whatsoever and they cannot even be comforted by the thought that those responsible for misappropriating their money have been punished. Since the scandal came to light, only a few people — mostly small fry — have been charged, but none has been found guilty. The scores of investigations into the activities of BCCI have failed to unearth to any significant extent what really went on in the bank.

There are many people, both inside and outside international banking circles, who feel that there is no end to the twists and turns in the incredible scenario of what may well be described as the world's biggest banking scandal of this century. More than a year after the collapse of BCCI, and in spite of all the probes, we are not any closer to knowing whether or not the bank was involved, as alleged, in anything from drug-laundering to prostitution, from gun running to nuclear espionage. Top-notch financial journalists of leading international media traced — or claimed to have traced — the bank's links to the CIA, Iran-Contra and supply of arms to Afghan rebel forces. Were they right? On particular story that surfaced at one stage was that BCCI was bankrolling in an attempt to procure nuclear weapons for Pakistan, Libya and Argentina. That story seemed a little sketchy and indeed somewhat fantastical to start with, but the Canadian authorities did carry out some raids in the later part of 1991 which show that various individuals using BCCI-supplied funds had been cruising around north

are all part of the establishment. BCCI was not an establishment bank, which of course made it much easier for the Press to start picking on. Besides, it was a bank that conducted its dealings in a somewhat unusual or unconventional way, while being phenomenally successful over a very short period of time. Even that very success of the bank, however, is now disputed by western journalists. According to Dan Atkinson, who has been covering the BCCI scandal for The Guardian newspaper in London, one interesting fact that has just recently emerged is that the bank never made a profit, so to speak. As far as anyone can now tell from looking over the bank's books from Cayman Islands and from Luxembourg, the bank's funds were all spent by 1975 and it was losing money from 1977 onwards. From then on, the bank had become just a huge cash-shuffling machine — it was no longer a bank in any meaningful sense at all. It is true that the more BCCI is investigated in different parts of the world, the more revelations do continue to emerge. In New York, for example, Robert Morgenthau — the District Attorney for Manhattan — has been in charge of the State investiga-

America, trying to buy components with which to build an atomic device. These people were ultimately apprehended and tried.

But some believe that many journalists have gone out of their way to attack a Third World bank and one which was very successful. Keith Vaz, the British opposition MP, is one of them. He has been diligently campaigning on behalf of the erstwhile depositors of BCCI and feels that the main reason why these journalists have gone so far is partly to do with the fact that BCCI was a bank funded with Arab money and run largely by people in South Asia, and, therefore, it was a soft target which could easily be made into a scapegoat. The other reason, according to Vaz, was that practically nobody was prepared to stand up in defence of what BCCI did. It is not at all easy to take on banks like National Westminster or Midland or Barclays or the First American, because they

Some believe that many journalists have gone out of their way to attack a Third World bank and one which was very successful.

the World Bank in 1979 by giving a large loan to boost artificially the country's dwindling dollar reserves. But Abdul Baseer, the General Manager of the Karachi branch of the bank, maintains that the story has been grossly misinterpreted. According to Baseer, the loan of 100 million dollars was actually a commercial transaction which took place with the Government of Pakistan against rice exports, and so it was a proper commercially viable proposition conducted by the BCCI financial advisor in accordance with a proper contract signed by the Government of Pakistan.

Baseer believes that the attempts to implicate different branches of BCCI in a huge, organised network of international fraud will ultimately come to nothing. It is his opinion that there is a certain amount of prejudice against BCCI, in the sense that the small irregularities in the bank's activities have been highlighted to such an extent as if this was the only bank in

the world guilty of such irregularities. However, Manhattan District Attorney Robert Morgenthau thinks that there is no question of prejudice against BCCI simply because it is a Third World banking organisation. He believes that in fact the Third World countries were victimised by BCCI, which misappropriated the funds of the central banks of those countries to the tune of millions of dollars. The money they had on deposit with BCCI were obtained in many cases by bribing Government officials. In Peru, for instance, BCCI paid more than three million dollars to central bank

officials in order to procure their deposits. Despite all the investigations and the stream of allegations, hardly anyone has actually been charged yet with mismanagement and criminal manipulation of funds. In Britain, for instance, only one former bank employee is about to face prosecution, although a big team of investigators from the Serious Fraud Office in the City of London have been probing into the doings of BCCI for more than a year. This is probably because the Serious Fraud Office and its sister agencies have found it difficult to put together the sort of evidence that would be damaging enough to ensure a really water-tight indictment. There have also been suggestions that the British Government has been slow to pursue prosecutions for fear of antagonising the Government of Abu Dhabi, which was the majority shareholder in BCCI. On the other hand, it is also likely that the British Government was reluctant to

take little comfort from seeing officials of the bank being put on trial. Although one person in Britain and four in the United States have been charged so far, and fourteen senior managers of the bank are under house arrest in Abu Dhabi at present, this is no more than the tip of the iceberg. Those who managed to escape to Pakistan are probably safe in the knowledge that they are unlikely to be extradited. The founder of BCCI, Aga Hassan Abedi, who is reportedly physically unfit to stand trial, has already applied to start a new bank in Pakistan. British MP Mr Keith Vaz, who represents a Labour Party con-

stituency in Leicester — a city with a large Asian population that was very badly hit by the collapse of BCCI — feels that the people who lost their money will not be ultimately helped by seeing people put behind bars. Vaz does not spare any words in his criticism of the way the BCCI affair — and the interest of the unfortunate depositors — is being handled. To quote from an interview recently given by Vaz to BBC: "A year and two months after the liquidation of BCCI, not a single depositor, not a single creditor has got anything from a bank that originally was worth about 23 billion. The only people who have done well so far out of the liquidation, have been the liquidators themselves who are currently earning about two million pounds a week in fees, and of course, the lawyers and everyone else who appears to be advising people about what should happen. And therefore, it is something that is causing even more distress, that so long after the closure, at least as far as Britain is concerned, there has been no progress. In other countries — in Bangladesh and Pakistan, for example — the Government has moved forward to allow the take-over of the old BCCI enterprises, thus ensuring that the depositors and creditors there receive their money if they so wish it."

It is true that the more BCCI is investigated in different parts of the world, the more revelations do continue to emerge.

There is currently a plan for compensation, organised by the Government of Abu Dhabi, on which depositors in Britain are voting by mail. According to this plan, the Sheikh of Abu Dhabi will write off his own claims against the bank, worth

several million dollars, and then inject 1.7 billion dollar into a fund. This fund, together with the money retrieved by the liquidators, money collected by them by selling the assets of the bank and money from individual national compensation schemes, will be divided among the depositors and the creditors so that they get back between thirty and forty per cent of their money back. But Mr Keith Vaz says that the depositors have sought legal advice on this plan and have discovered that this may not be such a good deal — instead of thirty to forty per cent, they will in reality be lucky if they can take home as little as seventeen per cent. But the liquidators say that if this deal does not come through, no one is likely to get any money until the end of the century.

Meanwhile, on the 1st of October, the US Senate accused the British Government and the Bank of England of conducting what amounted to a cover-up of BCCI scandal. In an eight hundred-page report, the Senate investigators headed by Democratic Party committee chairman Senator John Kerry said: "The Bank of England's regulation of BCCI was wholly inadequate and it withheld information about BCCI's frauds from public knowledge for fifteen months before closing the bank." The investigators even went as far as to comment in the report that "the British government has withheld documents from US investigators", thus hindering inquiries into the \$10 billion fraud. This report is sure to cause no small embarrassment to the British Government as the Prime Minister John Major was the Chancellor of Exchequer when the Bank of England closed BCCI in July 1991. After the report came to light, MP Keith Vaz called for the resignation of the Governor of the Bank of England, Robin Leigh-Pemberton. A Bank spokesman, however, said that "many of the conclusions reached seem bizarre" at first reading. All this is no doubt going to open up an almost unending series of dispute and controversy, with both sides engaged in accusations and counter-accusations. But that will provide the hapless depositors and creditors of BCCI with less than scant consolation.

Sagar Chaudhury is a freelance writer and staff member of BBC External Service based in London.

ON September 11, 1990, US President George Bush for the first time used a phrase he would repeat over and over again in the months following the defeat of the forces of Iraqi President Saddam Hussein.

The phrase — 'New World Order' — just turned two years old. But Bush has little to celebrate. Despite the demise of the Soviet Union, much remains the same and there is an orgy of disorder from Bosnia to the Ciskei.

Bush dreamt in a 1990 speech "that a new world order emerge, a new era, freer from the threat of terror... an era in which the nations of the world, East and West, North and South can prosper and live in harmony." It remains just a dream, despite some advances in the real world.

The defeat of the Soviet Union in the Cold War has removed the immediate threat of a nuclear holocaust. Some proxy wars have cooled down but other local conflicts, based on nationalism and tribalism have sprung up.

"We have entered a new international system. We have moved from bipolarity to mono-polarity," said Afiz Safieh of the Palestine Liberation Organisation (PLO) in London. "Bi-polarity tended to

freeze regional conflicts."

During the Cold War years, superpower rivalry meant Israel could present itself as a bulwark against communism. Now, said Safieh, "the new international system allows the conflict in the Middle East to be examined on its merits."

Charles Harvey, fellow of the Institute of Development Studies in Britain, agrees there has been change. But the change was brought about not so much by the end of the Cold War as by the International Monetary Fund (IMF).

"The new philosophy is that everyone's got to bow down to the market and government must do nothing," he said. "This new emphasis on the market began before the fall of the Berlin wall or talk of a new order."

Harvey noted that "the ANC (African National Congress) in South Africa and SWAPO (South West Africa Peoples' Organisation) in Namibia for twenty years have been solidly socialist."

"If change had come five years earlier in Africa," he said, "they would be implementing very different policies."

African leaders are being

Despite all the investigations and the stream of allegations, hardly anyone has actually been charged yet with mismanagement and criminal manipulation of funds.

persuaded by the IMF and the World Bank to go along with free market economic reforms. But ordinary people in Africa are far from convinced and the ANC economic policy is still "up for grabs," he said. The IMF for ten years has been encouraging debt-strapped countries around the globe to make economic reforms. From Brazil to Byelorussia and from Uganda to Uzbekistan, economies are being opened up to international competition under this pressure. But Gary Lefley of Britain's Campaign for Nuclear Disarmament (CND) is not convinced that the world has changed for the better. "The new world order looks like the old world order, but without the Soviet Union," he said. "The principle of non-interference has gone out of the

show their hand to Abu Dhabi by telling them that they were going to pounce on BCCI before they had done so. The British Government would surely be more interested in keeping the City of London clean than they would be in keeping their Gulf allies happy. But the thousands who have lost their savings in BCCI can

The New World Chaos

The 'New World Order' turns two years old as disintegrating countries, bloody wars and economic realignments plunge the world into chaos. John Tanner of IPS reports from London.

window, 40 million face starvation in Africa and Third World debt is still increasing," said Lefley. "It doesn't sound much like a world full of promise."

What is certain is that the new world order is dominated by a single superpower: the United States. The old certainties of the balance of terror between East and West have been exchanged for new uncertainties about the future.

"My feeling is the United States is not prepared to go in, unless it wraps itself around with the United Nations," he added. "The Pandora's box has been opened in Yugoslavia and nobody has the foggiest idea what to do."

Michael Meacher, a leading member of parliament in the British opposition labour party is one of those who has called for greater UN involvement.

"The UN should maintain a standing army with contingents in different countries," he wrote recently.

But the Gulf War operation to liberate Kuwait, although backed by the United Nations, was very much led by the United States. Lefley argues the rules for intervention by the UN should be more clearly defined.

Where there was evidence of genocide, the full general assembly should debate the matter, argues Meacher. If the offending nation failed to mend its ways, the UN standing army would invade.

"If the UN is to control the Azerbaijanis and the Serbs, it is all going to be very expensive," warned Harvey. "The peace dividend is being off-set by the cost of conventional forces and peace keeping actions."

In future other powers, such as the European Community (EC) or Japan may challenge the United States for the job of international police officer. But for now, the EC remains divided and Japan prefers to win influence with economic power, he said.

George Bush was riding high in opinion polls at home after the success of Operation Desert Storm and the military defeat of Iraq.

From this strong position the United States was able to pressure Israel to the negotiation table with Palestinian representatives.

Safieh believes a weak US president is not in the PLO's interest, because the pro-Israeli lobby then has more impact on the White House.

But Lefley maintains the new world order has not even brought a breakthrough in the field of nuclear disarmament. "We welcome the bilateral agreement between the US and Russia, but Gorbachev was wanting to disarm from the mid 1980s..."

"The issues of nuclear proliferation is not to be solved by powerful countries zapping nuclear weapons and reactors," he said. Lefley wants more money for inspection and more disarmament by the United States and Britain.

The world has changed with the end of the Cold War, the emphasis on the market and the growing role of the United Nations. But chaos, not order, seems a better description of the changes Bush highlighted two years ago.

To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Zigatala Katcha Bazar

Sir, The market is a place where people do not usually go for fun. They purchase commodities necessary for survival. How difficult it is to procure things in absence of a permanent market, only suffers alone can feel.

One such place is Zigatala Katcha Bazar — not too far from Dhanmondi, a posh area in the city. Everyday, sellers are seen sitting with commodities on the pavement, of course, causing a great deal of traffic congestion. Innumerable number of buyers converge on the street for buying things. The entire Katcha Bazar area turns into an ocean of people

in the morning. Sometimes, filths and dirt are left indiscriminately on the highway adjoining the Katcha Bazar, perhaps to satiate the hunger of dogs and crows. Nevermind, whatever be the condition of the street, the market serves the purpose of office-goers in the morning everyday — that's all. Besides, who cares to go shopping either at New Market or Kanthalabagan market leaving one so close?

But to the utter dismay of the dwellers, the Zigatala Katcha Bazar has already been razed to the ground by the members of law-enforcing agencies called "Mobile Court." What strikes the sentiment of the people is that there is no justification of demolishing the

Katcha Bazar at Zigatala in absence of a permanent one. Attention of the concerned authorities is hereby drawn.

Md Atiqul Karim
41/14-A, Zigatala, Dhaka

UNDP for environment

Sir, Recently while speaking at the general discussion on environment with regard to industry at the Dhaka Chamber of Commerce and Industry (DCCI), Mr Winston Temple, Resident Representative (AI), UNDP, Dhaka expressed UNDP's willingness to extend financial assistance to stop environmental degradations and creation of better living condition. Mr Temple however observed that not enough projects were being forwarded.

We greatly appreciate the UNDP's eagerness to fund environmental conservation projects in Bangladesh. We sincerely hope that the Government of Bangladesh will prepare PPs on environmental development and forward those

to UNDP. In preparing these PPs, help and suggestions from the local environmental societies may be taken.

M Zahidul Haque
Assistant Professor
Bangladesh Agricultural Institute, Dhaka.

'Drama in Bangladesh'

Sir, On the 12th of September, I was reading an article entitled 'Drama in Bangladesh' in your newspaper. There was a lot to read about the tradition of drama in Bangladesh. At the end of part I of the article, Bertolt Brecht was mentioned as being the most favourite dramatist in Bangladesh. At that very moment I began to search for a particular book on Brecht. Yes, I found the book I wanted. It was a book in German Language on Brecht in Africa, Asia and Latin America. This book was published in Berlin of the former German

Democratic Republic. A huge number of Brecht-experts were invited from three continents — Asia, Africa and Latin America. The year was 1980 and in this particular conference at Berlin, Bangladesh was represented by Ataur Rahman of 'Nagorik'. I have read his speech delivered in Berlin as a participant. He called his group 'Nagorik Natya Sampradaya'. He proudly spoke about how Nagorik staged 'Sat Manusher Khoje' way back in December 1975. This was the beginning of Brecht-drama in Bangladesh. Ataur Rahman tells us in his speech of 1980 how this particular drama of Brecht was adjusted to our local situation. According to him, our audience is different from that in the west. Rahman speaks of social change through the message of Bertolt Brecht. He also adds that the message of Brecht is for the common man, and not for the elite-class who go to the theater-house after a full meal. The book I possess also has pictures of stage performances of Nagorik

like 'Dewan Gazir Kissa' (1977).

I feel happy to see that the popularity of Brecht in Bangladesh was already known to the Germans in the 80s. Not only 'Nagorik', but also 'Arindam' a theater-group of Chittagong staged a play of Brecht in 1977 and 1978.

Theater is a social weapon — that is what Ataur Rahman said in his speech in 1980 in Berlin. For him Brecht was a source of inspiration and strength. Brecht is still an attractive magnet to the audience of Dhaka. Recently I failed to buy a ticket to watch the play 'Galleit' at German Cultural Institute, Dhaka. All the tickets were sold out long ago.

Hope Bertolt Brecht will live on in Bangladesh, and in this process cultural contact between Germany and Bangladesh would certainly increase.

Mamun Haq,
German Teacher,
Dhaka University.