

A Mounting Problem

On January 24, comely Selina Akhter was returning home from her college. Seven young men confronted her. She was kidnapped in broad daylight from main street Chakoria, a town in the Cox's Bazar zone. On May 12 she was murdered in a hotel-room in Narayanganj, her throat slit by a razor. On May 30 her body was exhumed and was identified by her father Altaf Ahmed. Selina was a brilliant student.

Repression of the weak, specially women and numerically and economically disadvantaged sections of the society, grows in measures the state and quality of governance goes down. Democracy is not a system only to ensure majority rule. Perhaps the most illustrious of women now living, Nobel Laureate Aung San Suu Kyi has said, "the true measure of the justice of a system is the amount of protection it guarantees to the weakest." Democracy aspires to an egalitarian libertarian society of universal participation based firmly on justice. At present the weakest section in our society is women and children. And of these the worst placed are young nubile girls.

There was a time in Dhaka as elsewhere in Bangladesh when people got panicky at the thought of sending the girls to school — any girl could be picked up by goons any moment and any girl could be killed or disfigured for life by acid-throwing mastans. To give the devil its due, it must be acknowledged that certain drastic measures taken towards the end of the decade of autocracy cut down the rate both of kidnapping and acid-throwing. And now, when administration by a democratically elected government is past its initial days, acid-throwing has come back with a terrible virulence. Murder-free societies have been a rare thing in all history. So should have been the case of acid-throwing which is but a variation on murder except in one respect. You must get your hands on a quantity of nitric acid before you can throw it to deface the girl you so hankered after. The Ershad regime acted wisely to make nitric acid scarce and followed it up some harsh sentencing of acid-throwers. That worked.

Kidnapping is another kind of crime. Hatched in a gang, it continues both in time and in space. The victim is here murdered every day and everywhere she is towed in bondage. Over a period stretching to the final murder of the victim or the capture of the culprits. In this case the scope of prevention and deterrence is much larger. Why is government failing to cope with the galloping kidnap rate? Kidnapped school-girl Afroza has come back to her Jessore home after 14 days, escaping from her captors who had moved her to a Jhenidah village. In Rajbari 14-year old Karimunnesa was rescued by police three months after her abduction in January. Jharna, an 18-year old, was also rescued by police from a Naogaon village, but 20 long days after she was kidnapped. This is but a random sampling from only yesterday's coverage by one newspaper.

Yes, why is government failing? It is failing because perhaps its political cadres are failing to exert a healthy influence on the youth of the nation which again owes much to political/organizational failings of the party itself. The government is miserably failing in this respect because apparently its police are letting it down. Kidnapping of girls occurs mostly in towns where police have a rather tab on recalcitrant youth. If they fail to nip the crime at the time of hatching, they can, of course, make that good by persistent and quick action to get the criminals stew in the jails for periods proving effective as a deterrent. Or in the case of kidnapping ending in murder, as in case of Chakoria's Selina, to press for and get a capital punishment award.

The prevalent insecurity of women and children in general and young girls in particular, makes a mockery of our democratic protestations. We cannot afford to have our choicest flowers to be trampled in a manner that makes of this our state a non-polity. A social movement is perhaps the true answer to this. That cannot materialise with government and its big political organizations not counting kidnapping and acid-throwing as a big problem.

Toiletopia

Although most aptly coined, the word, 'toiletopia' may cause many to raise their eyebrows. But toilet plus utopia is none of a mean joke. For people like Sachiko Azai, chief of a Japanese non-government action group, it is a serious matter and has to be treated seriously. When such people think it fit to follow up their concern about cleaner, lovable and sweet-smelling toilet by actually holding a three-day seminar to be once again followed by a full international symposium, doubt should not assail our minds about the business they mean.

The focus on toilet may not be always taken in good grace. The reason is understandable. People have reasons to think that the public gaze has been drawn to their privacy. If they become touchy about it from such a consideration, don't blame them. But given the standard of toilets and their maintenance record, there are even other more compelling reasons for becoming uneasy and itchy. Unkempt and grossly neglected, even private toilets can be a veritable hellish experience. The less said about public toilets the better.

In villages of the sub-continent, toilet habit of the more equal animal is almost no different from others of the inferior species. So the dream of a world with hygienic, well-maintained public toilets is certainly a utopia yet. But this is a dream worth pursuing like any other noble venture. But Dr Ronald Leung, chairman of Hong Kong's urban council, now hosting the seminar and nicknamed for his overt interest in quality toilet as Dr Toilet and Sachiko Azai are not the first to draw the world attention to this private and necessary facility. Decades ago Mahatma Gandhi did it in a most practical way possible.

Gandhi's was an acute sense of hygiene and during his travel he used to carry with him his portable latrine. The two people from the Far East are preoccupied with the idea of raising the standard of public toilet to a new high where the in-built apathy towards smelly and unclean toilets will be turned into a favourable attitude. Gandhi wanted the charity to begin at home. Where he left, the UNICEF seems to have taken from. Let the campaign for safe and healthy toilets be a success.

The Proposition is: Should the Next General Elections be Held under a Caretaker Government?

Mizanur Rahman Chowdhury, MP, and Acting Chairman of the Jatiya Party, argues that the next general election should be held under a caretaker government.

Interviewed by Asiuzzaman

ing the by-election. The Chief Election Commissioner left Magura several hours before the balloting started. Why he had to leave the constituency in such a way?

The returning officer accompanied the ministers during the polling. How an election can be fair if the returning

of obligation.

Moreover, convicted criminals were released from the jail several days ahead of the election. Some of them reportedly washed their guns at the house constructed for upazila chairman.

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the ruling party. The anti-social elements also take shelter of the political parties and create anarchy in different voting centres. If a caretaker government is in power all these negative possibilities diminish considerably. It is a demand of the parties who combinedly secured 69 per cent of votes, so



there is no such provision of caretaker government in the world and the opposition demand is 'absurd'. We will not go far. After 1991 election in Bangladesh, Pakistan followed the same path.

If they (ruling party) are so popular as they claimed, then why they are afraid in contesting elections under a caretaker government? Will their popularity decline under a caretaker government?

The ruling party members also raised the issue that there will be problem in choosing a neutral person. I don't think that we will face any problem in choosing a right person after every five years if the ruling party comes up with an open mind.

All the bills so far tabled by the opposition parties have been rejected by the ruling party using their simple majority. They are propagating that they are in favour of a national consensus. How they will reach a consensus opposing all the points of the opposition parties.

If a subtle rigging occurs under a caretaker government, even then it will be fairer than a election under a party government. I can assure that no party will come up with any complaint after the election if it is held under a caretaker government.

The terms how many elections would be under caretaker government, will be a negotiable point. We are ready to negotiate any point on the issue of caretaker government but our demand is that the ruling party should table the bill to ensure its passage in parliament. We will extend our support. The opposition parties will shortly announce separate but identical outline of the caretaker formula.

If a party government controls the state power, the Election Commission can usually never play its role independently and also the administration remain bent towards the ruling party. The anti-social elements also take shelter of the political parties and create anarchy in different voting centres. If a caretaker government is in power all these negative possibilities diminish considerably. It is a demand of the parties who combinedly secured 69 per cent of votes, so it is the demand of the masses.

Under the changed circumstances, the constitution needs further amendments to insert the provision of a caretaker government.

Some ruling party stalwarts have been clamouring that there is no such provision of caretaker government in the world and the opposition demand is 'absurd'. We will not go far. After 1991 election in Bangladesh, Pakistan followed the same path.

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EDITOR'S NOTE

The Daily Star has launched the interview debate on whether or not the next general elections should be held under a caretaker government. This was done with a view to informing the public about the various points and counterpoints of the proponents and the opponents of the issue. We kept the interview debate confined to the Members of the Parliament, save in two instances, and thus tried to present to our readers a replica of what would have otherwise taken place on the floor of the Parliament. Thus many leaders, not belonging to the House, were left out. Some leaders who had promised to participate had to opt out of the debate owing to unscheduled travel or other commitments. Those whom we missed on that score are Tofael Ahmed, Dr Badruddoza Chowdhury and Abdus Samad Azad.

We are now ending the first phase of our public debate. In the next phase, starting tomorrow, we will publish the contributions from our readers who have sent in their write-ups in response to our appeal. In most cases these write-ups will be published unedited, except for the language and for unparliamentary remarks, in the order as we received them. Since we will publish only what our readers will send, it may not always be possible for us to have both sides of the argument.

In the first phase, it was the politicians who spoke to our readers as to the correctness of their respective positions. Now it is the turn of our readers to tell the politicians as to what they think of the two positions. The Daily Star hopes that our politicians will carefully take note of what our readers will say in the coming days, just as they followed what the leaders said over the last two weeks.

The Financial Sector Reforms: An Unfinished Agenda

by Abdul Bayes

ONE of the crucial determinants of economic growth of any country is the vitality of its Financial Sector (FS). Since the FS is responsible for systematic and continuous funding of the country's most profitable and efficient projects to generate output and employment, the health and efficiency of FS is considered supreme to yield the dividends. Available cross country empirical analysis points to a positive correlation between the financial sector's size, private banks, interest rates and economic growth. The larger the FS, the greater is likely the monetization of the economy and more is savings mobilization to feed growing needs for investment.

Over the years, the FS in modern day world changed its courses of action to development. Instead of being a point of deposit mobilisation and its disbursement to the needy, the modern concept of FS emphasizes risk taking, monitoring performance and enforcement of financial contracts. And quite obviously, modern FS requires, inter alia, the deployment of a fleet of highly skilled and knowledgeable manpower with latest technology of financial communications, a transparent net of policy parameters and of varied financial instruments to help portfolio investment choices. The modern FS paradigm further goes to stipulate a competitive banking practice where private initiatives would silence the FS but the Central Bank would only care for a fair play.

The Bangladesh Financial Sector

Available documents tend to show that the FS of Bangladesh comprises (i) the Bangladesh Bank (BB) — the central bank

or the apex bank of the country. (ii) twentytwo commercial banks including four nationalized commercial banks (NCBs), two denationalized private banks, 10 domestic private banks and (iii) six foreign banks. Besides, the FS is also occupied by four government-owned specialized banks (to serve the targets in agriculture and other sectors), one government-owned investment company, four non-bank financial institutions, two leasing companies, two state-owned insurance companies, several private insurance companies and lastly, the Dhaka Stock Exchange. In terms of its size and developmental stage, the FS of Bangladesh could be dubbed as small and undeveloped. It contributes roughly 2% to GDP and tends to grow at a rate slower than the rate of GDP.

The existence of a number of institutions should not hide the fact that the FS is dominated by only four NCBs accounting for about two-thirds of deposits held and for a little over half of advances given. However, with the growth of other private institutions over the years, the market share of NCBs seems to have eroded marginally. For example, during 1986-93, a part of the market share appears to have flown to domestic private banks which increased their share of deposits from one-fifth to one-fourth and of advances from one-sixth to one-fourth. But despite such erosion of market share, the oligopolistic footholds of the NCBs still pervades where they can dictate the terms in the financial game. And as in other South Asian countries, the government interventions through banks in Bangladesh created distortions in FS and could hardly contribute to its

robust growth.

In terms of the parameters to serve and the perimeters to cover, our FS could hardly be considered as friendly to economic growth. This is not to deny the vital fact that the NCBs hitherto been found to have served various socio-economic objectives of the government in the areas of agriculture, cottage and small industries etc. The opening up of rural branches also helped to further the monetization process (the question of its cost-effectiveness and the reverse pull of deposits from rural to urban areas, notwithstanding). While the economy witnessed a volley of policy changes over the years (say from import substitution to export orientation, from restricted to open regime etc, the FS does not appear to have moved commensurate with the changes and thus appeal to clog the wheels of the economy. Financial sector reforms turned out to be essentially, ipso facto.

Historically, the major constraints to financial sector development in Bangladesh have been, first, the Government's ownership of banks and with that goes the influence in credit allocation and disbursements. On a number of occasions, the political merit of the applicant was more important than the merit of the project for which loan was sought. Employment objective outran the productivity objective so much so that the productivity of NCBs (i.e. deposits and loans per employee) is reported to be lower than the private ones e.g. deposit per employee Tk 5 million in private vs Tk 3 million in NCBs; advances per employee Tk 4 million in private vs Tk 2 million in NCBs. The differential

could partly be attributable to non-commercial treatment to pricing loans, the share of higher non-earning assets, lower fee income etc. second, the absence of an appropriate legal framework for the financial sector has been another hurdle. The current legal norms can hardly address the quick and transparent delivery of the cases. As such the weaknesses therein contributed to loan defaults and bankruptcy in specialized agencies. Private banks, on the other hand, are also not immune from financial vices. It is being alleged that unlawful credit disbursement is taking place for those who own the banks. Directors of banks are alleged to draw huge sums in fake names and all these are happening by-passing the apparently non-transparent rules of game of the BB. Our policy makers, most often than not, speak of the various ills in FS in public but hardly the culprits are learnt to be taken to tasks. By the large, the FS of Bangladesh turned out to be a field of unfair play with its perceptible adverse influence on the future growth of the economy.

Banking on Bank Reforms Only?

Given the maladies confronting our FS, especially of the NCBs, the Government of Bangladesh rightly embarked on a Financial Sector Reforms since the late 1980s. Some attempts at revitalising the FS have been in order. Interest rate liberalisation was the first 'candidate' and BB now specifies only the floor deposit rates for saving accounts and fixed deposits in banks and establishes interest rate bands for lending to priority sectors e.g.

agriculture, small scale and export industries. With the gradual reduction of bank rate, the real lending rates in NCBs still stay uphill only because these have high cost of funds exacerbated by high bad debt. And as said earlier, the oligopolistic structure bares the private banks to undercut the NCBs. It then goes to mean that despite the liberalisation of the interest rates, economy's wide ripples are hardly visible due to structural rigidities in the banking sector.

Another area where the FS reforms tended to poke is the attempt to commercialise the NCB operations through (i) prudential regulations governing asset classification, (ii) provisions for doubtful and bad debts, (iii) restructuring and privatisation etc. However, such a laudable attempt has already tended to unveil the weaknesses of the NCBs and more cautious as they are now, lending is not growing as fast as it could be. It should be pointed out here that the much talked excess liquidity of banks owes a little to this phenomena of check and balance. However, the long term impact of such a system should be rewarding and under this scenario, any investment in future is likely to be sustainable.

About restructuring and privatisation, two issues are pertinent. First, allowing more private banks to enter the market and compete with NCBs and second, placing the NCBs in private hands. Expensive hesitancy, on the part of policy makers, seems looming large on this score and hence very slow progress is in evidence. However, given an autonomous, well organised and technically endowed central bank in the country and supported by the existence of appropriate legal framework, the

second option could, possibly, be the first best solution. But Bangladesh neither has a central bank which is capable of effectively monitoring financial affairs, independent of political influence, nor does it have the necessary rules to whip efficiency and honesty in banking sector. Therefore, the apparent optimal option might rebound to breed social and political tension. Second, the commitment of the Government to these reforms, like other ones, have also been put to questions. New laws regarding commercial and other banks have been passed in the parliament but yet to see the light of the day probably due to lack of implementing institution. While the financial sector reform is in the agenda, a half-hearted approach to this might kill the goose. The recent offer of lifeboats to BSRS through selling bonds to NCBs by the BB is an episode depicting the fact that reforms are better in preaching than in practice.

Three Immediate Steps

First, Bangladesh needs a sound legal framework for the financial sector. The already passed laws should come into effect and if needed, new laws should be made to face the growing complications in the FS. Second, a fully autonomous and an effective central bank should emerge which, as is seen in some other countries, won't behave like a good housewife of the Ministry of Finance. The BB should be bestowed with sufficient powers and privileges. And third, the financial sector reform should proceed faster and wider to cover non-NCBs also. The brain should work well to assure a healthy journey.

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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.

Debate in English

Sir, The Daily Star's decision of holding a public debate on the issue of caretaker government was much awaited by the citizens to know the minds of the policy planners and have a chance to express their views on the country's situation. I congratulate The Daily Star for taking this initiative.

As a regular reader of The Daily Star, I have a humble suggestion. During my school and college days in Loreto, Calcutta, I witnessed numerous 'Exhibition Debates' on various political and social issues. Speakers often included university teachers, journalists, and noted social workers. I request The Daily Star to hold 'Exhibition Debates' in English

with teams for and against a given topic. Such forum will not only create an avenue to express valued opinion on burning issues, but at the same time raise the standard of public speaking in English language in the country. After all there is no law in the country prohibiting English debating! Syeda Zakia Ahsan Lalnaita, Dhaka

'An Unspeakable Crime'

Sir, Thank you for your timely editorial 'An Unspeakable Crime' (9-5-94) which has demanded the proper investigation and punishment for the culprits of Zahurul Haq Hail incidence. I like to thank Ms Neema Haq also for her

letter (11-5-94) supporting the editorial. May I add more in this connection.

Let us guess a flash-back. If I am right, a girl was raped in Jasimuddin Hall of Dhaka University in 1977 or 1978. That girl reportedly had a boy friend in that hall. She used to visit him frequently accompanied by her younger sister. One day in the afternoon, she went there alone and her friend was not available due to some reason. While she was returning, another friend of that boy invited the girl as a stop over. But she lost her everything in that room. The weekly 'Bichitra' made a cover story with the caption 'Aami kisher bichar chalo?' (What justice I'll beg?). Though I was a student of class VII or VIII that time, I can remember the red portrait of the girl on white background. Noted dramatist Salim Al Deen wrote a drama adopting that incident which was televised through a serial 'Aaina' in 1983. I think, that was a follow up of that case where we saw the culprit was well established in the society.

The boy friend was happy with his wife (not the victim). But the girl became the worst victim of the society. No one was interested for her. Every body was busy with one's business. And of course, no punishment was framed for the culprit.

Few years ago, two students of DU raped two working girls of garment industry near the Central Library of DU at night. I doubt whether the guys were punished.

Recently a college student was beaten to death in Fazlul Haq Hall in connection of theft. What a barbarian behaviour!

More than twenty students/student leaders have been killed due to political unrest, share of money, bargaining with tender box etc. Many of the well known student leaders(?) are reportedly earning a lot under the shadow of different political parties. The culprits are seldom arrested. If some time any of them is arrested, is freed within a year. Because, they say, he has a 'big brother' behind the screen. The students of Bangladesh

have a bright impression for their heroic role during different crisis periods of this nation. But now a days, the scenario is at stake, degradation is visible due to some students(?). If any student commits a crime, he is saved by his 'big brother' and political background. A group of teachers are also busy with their group politics and consultancy. So, who cares?

The incident of Zahurul Haq Hall has reopened our eyes. Is it not the worst degradation of social values? This time the criminals should not go unpunished. Since, a pre-known student took the girl, identification of the criminals is easier. If you pull the ear, head will be nearer. Four House Tutors have formed a committee to investigate the incident. But I am ashamed of the role of the common students and teachers. No protest is raised from the DUCSU. The organs of the political parties are also silent. It seems raping is not an issue (is it not?), demanding freedom of 'masthan' is perhaps a national issue in this country.

In our country, many committees are formed to investigate but the reports never see the sunlight. I think this committee will yield nothing. Please, try to investigate by a committee formed of some teachers other than DU's. House Tutors have also imposed ban on the entrance of female guests into the male hostels. This is a nonsense idea. Let us find the criminals and impose punishment so that no other can pursue such kind of activities.

My earnest request to the teachers and students — please do not let them go unpunished. Do not hold the umbrella over their heads. If your daughter or sister was the victim, would you allow the criminals to go scot free? Please ask yourself. She came to this 'Oxford' for a brighter future, but we have darkened her whole future. She is some body's daughter or sister. Try to realize her family's as well as her pains!

Tarik Tejaan, Dhaka