


SANYO
Refrigerators & Freezer
Sole Distributor in Bangladesh
Transfin Trading Limited
100, Kazi Nazrul Islam Avenue, Dhaka-1215
Telephone 815306-09, 819625-29, Fax: 813062



HYUNDAI
CARS THAT MAKE SENSE

DHAKA TUESDAY, NOVEMBER 14, 1995

Bangla-Dutch joint venture prospects discussed

Bangladesh and the Netherlands yesterday discussed the prospects of setting up joint-venture projects particularly in the field of small and cottage industries with private sector initiative, reports BSS.

The matter came up when ambassador of the Netherlands to Bangladesh Robert A-Vornis called on State Minister for Industries Lutfor Rahman Khan at the latter's office.

They also discussed ways and means for increasing economic and commercial ties between the two countries.

Branch managers' confce of Rupali Bank held in Ctg

Rafiqul Karim Chowdhury, Managing Director, Rupali Bank Ltd, advised the branch managers of the bank to put their whole-hearted efforts for elevating the bank into a profitable organisation.

He was addressing the branch managers' conference in Chittagong on Wednesday, says a press release.

Chowdhury said that low cost deposits could ensure profit in the present context. He indicated that bank is heading towards profit after incurring losses for seven consecutive years.

ASM Imdadul Haque, General Manager of the bank, Faridul Alam, Deputy General Manager of the Chittagong East Zone, Khaja Omar Farooq, Deputy General Manager of Chittagong West Zone, and Kazi Ziauddin Ahmed, AGM Cox's Bazar Zone, also spoke on the occasion.

Dhaka takes part in Islamabad trade fair

Bangladesh participated in an exhibition held in Islamabad Friday, a message from Pakistan capital said here yesterday, reports BSS.

Bangladesh High Commission set up a stall in the exhibition in cooperation with Export Promotion Bureau. A large number of people visited the Bangladesh stall which displayed goods that included zamiani saree and handicrafts.

The exhibition organised by All Pakistan Women's Association was participated by other diplomatic missions based in Pakistan capital.

Bangladesh High Commission participated in another exhibition held in Pakistan capital last month under the auspices of Islamabad Foreign Women's Association.

Women Ministry undertakes Tk 29 cr uplift projects

Ministry of Women and Children Affairs has undertaken 19 development projects for implementation in the current fiscal year at a cost of taka 29 crore and 21 lakh, an official handout said yesterday, reports BSS.

The government will provide Taka 16 crore from domestic source and Taka 13 crore 21 lakh will be provided as project aid for implementation of these projects.

The ministry has implemented 17 development projects at a cost of taka 26 crore 25 lakh during the last fiscal year.

Out of 19 development projects, two projects will be implemented by Ministry of Women and Children Affairs, 14 by Women's Affairs Department, two by Jatiya Mohila Sangatha and one by Bangladesh Shishu Academy.

The objectives of the projects are to create self-employment for poor and destitute women of rural areas, raise awareness of men and women towards women's development, impart self-employment training to women, develop the condition of assetless women, render day-care services to the children of low paid working women, provide accommodation to the working women, empower the women, take up extension work of Bangladesh Shishu Academy, strengthen the planning and management capabilities of the ministry and the department, and to accomplish institutional review on women development programmes of the government.



Rafiqul Karim Chowdhury, Managing Director of Rupali Bank Ltd, addressing the branch managers' conference in Chittagong on Wednesday.

Market opening issue 'KL won't be held to APEC deadlines'

AUCKLAND, Nov 13: Malaysian Prime Minister Mahathir Mohamad said today his country would not be held to APEC deadlines for opening up its markets but he expected progress on a farm trade row at this week's summit, reports Reuter.

"We cannot be held down for any particular date, we must be allowed to consider whether we are ready or not ready to open up our markets," Mahathir told a news conference at the Commonwealth summit in New Zealand.

We are very concerned about our financial markets. If we open our financial markets to the banks and financial institutions of such countries as the United States our own banks would just be quite unable to compete. They may be swallowed up. So countries must be given time."

Mahathir said he was not surprised at the emergence of sharp differences over farm trade. Japan, China, Taiwan and South Korea want to go slow on opening mar-

Japan's graduates face bleak job future

TOKYO, Nov 13: Almost one in three Japanese students about to graduate has still not found a job, the highest level since the end of World War II and a result of the depressed economic climate, according to education ministry figures published here, reports AFP.

A total of 230,000 students due to receive their diplomas in March next year are still looking for work in a country where it is customary for future graduates to have secured the promise of a job in the preceding summer, or autumn at the latest.

The ministry said 69.8 per cent of university students had found a job by October 1, a drop of 3.2 per cent compared with last year's figures.

Malaysian move to tackle cement shortage

KUALA LUMPUR, Nov 13: Malaysia, facing a nationwide cement shortage, has fixed a meeting of officials and cement producers on Monday to tackle the problem, the national Bernama news agency reported yesterday, says Reuter.

Works Minister S Samy Vellu, who will chair the meeting, said the cement shortage had badly hit contractors of public infrastructure projects and other private building ventures.

It has also led to prices of the building material being sold above the government-controlled rate of 9.90 ringgit (3.90 dollars) per bag.

Samy Vellu said the current supply of cement by local producers was not adequate to meet the nation's demand.

Officials said rapid development of the country has resulted in a shortage of 220,000 tonnes of cement this year.

The government recently approved a 10 per cent increase in the price of cement to encourage local producers to boost production capacity.

Delhi cancels US fast-food vendor's licence

NEW DELHI, Nov 13: American fast-food vendor Kentucky Fried Chicken (KFC) shut its only outlet in Delhi for a day yesterday after municipal officials cancelled its licence on sanitation grounds, KFC officials said.

"We are closed," KFC India's Managing Director Sandeep Kohli told Reuters.

Kohli, who said KFC had received the cancellation order, said KFC would go to court on Monday to challenge the order by local officials. The KFC restaurant chain is owned by Pepsi Co Inc of the United States.

"They carried out an inspection and found two flies (in the kitchen)," a KFC spokesman said earlier.

The Delhi municipal government of the Hindu nationalist Bharatiya Janata Party (BJP) last week ordered its officials to take action against KFC, saying its inspectors found KFC using sodium aluminium sulphate, which is not permitted under local laws.

KFC says the chemical is an ingredient in commonly-used baking powder.

KFC centered India this year under Prime Minister PV Narasimha Rao's open door economic policies.

Pak move to prevent fake export contracts

ISLAMABAD, Nov 13: The Pakistan government yesterday decided to take immediate steps to prevent registration of fake cotton export contracts with the country's Export Promotion Bureau (EPB), officials said, reports AFP.

The measures call for letters of credit to be opened within 21 days after registration of a contract and exporters will have to arrange shipments to buyer within six months thereafter, they said.

The move followed reports of registration of fake contracts as exporters anticipated the EPB might stop further registration after enlisting contracts for targeted export of 1.5 million bales.

Reports said contracts for export of 1.8 million bales have been registered with the government bureau so far, which is more than the target.

Pakistan's cotton crop this year is estimated at 10 million bales while domestic demand is put at 8.5 million bales. One bale consists of 170.2 kilograms (375 pounds).

Official said registration of bogus contracts affected the local market and led to increases in domestic prices.

Lankan commuters can soon get joys of travelling in comfort

COLOMBO, Nov 13: Sri Lankan commuters, used to hair-raising rides on old, dirty and dangerous public buses, can soon discover the joys of travelling in comfort, thanks to a Garman-Sri Lanka joint venture, reports Reuter.

Recognising a growing demand for more comfortable public transport in the fast-growing South Asian economies, Sri Lanka's DIMO International is manufacturing a bus it says is miles ahead of the heavy Indian-made Tatas that usually ply the roads of this region.

"The days of the ugly, wobbly buses are fast drawing to a close in many Asian countries," said Klaus Dames-Willers, a German expert on bus bodies, who recently set up a prototyping and body-building plant in Colombo.

"They are being replaced by safe, elegant and more comfortable buses, which are pretty to look at and fun to ride."

Dames-Willers is chairman of DIMO International, a joint venture between Dames-Willers GMBH of Germany and DIMO (Diesel and Motor Engineering Company), a local firm.

Clinton facing touchy issues on 5-day visit to Japan

WASHINGTON, Nov 13: A series of embarrassments currently burdens US-Japan relations, creating an uncomfortable climate during President Bill Clinton's scheduled five-day visit to Japan starting on Friday, reports Reuter.

Chief among these is the admitted involvement of three US servicemen in the rape of a 12-year-old schoolgirl on the Okinawa island. The case has stirred debate in Japan whether the 47,000 US troops based there are still needed.

A raw nerve for the US side is Tokyo's protective treatment of massive losses by Japan's Daiwa Bank, which has been banned from operating in the United States because of its apparent disdain for US financial regulations.

Another thorn in the relationship is alleged CIA spying on Japanese negotiators during recent talks on automobile trade, which the White House will neither confirm nor deny.

"Sure we'll have lots to talk about. But despite all these things, the strength of our



Clinton is scheduled to arrive in Osaka on Nov 17 for the annual Asian Trade Summit, where he and 17 other Pacific rim leaders are to forge a blueprint for implementing last year's agreement to create a free

trade zone by the year 2020.

During his stay in the Japanese commercial and industrial centre, Clinton will also hold a set of one-on-one meetings, including a session with Chinese President Jiang Zemin.

The two last met in late September on the fringes of the UN General Assembly 50th anniversary celebration in New York in a bid to patch up badly strained US-Chinese relations.

While they failed to reach any agreements, the White House and Chinese officials said the meeting had been positive.

"We've begun a process that will lead to a series of dialogues that can help improve the opportunity for comprehensive engagement with China," White House spokesman Mike McCurry told Reuters.

After the Asian Trade Summit, Clinton is scheduled to go to Tokyo for a two-day state visit that includes ceremonial talks with emperor Akihito and two working meetings with Japanese Prime Minister Tomichi Murayama.

Ramos orders seizure of rice hoarded by traders

MANILA, Nov 13: President Fidel Ramos said yesterday he had ordered government agents to start seizing rice hoarded by traders defying his order to lower the price of the Philippines staple food, reports Reuter.

Ramos issued the order after expressing dismay at the continued high price of the commodity in public markets, the presidential palace said.

"The idea is to make sure that rice hoarders and profiteers are made to answer for their activities," Ramos said.

Poor third quarter production has caused a market shortage specially of varieties poor families buy, triggering a surge in prices.

The shortage forced the government to import 325,000 tonnes in the third quarter. On Friday, Ramos ordered the import of an additional 500,000 tonnes which traders said would likely come from Thailand, Vietnam and the United States.

Prices per kilo have reached as high as 27 pesos (1.04 dollars) compared with 14-15 months ago.

Social Investment Bank: A concept of 21st century participatory banking

Social Investment Bank Ltd. is a concept of 21st century participatory three sector banking model in one in the formal corporate sector. It would work as a commercial bank, committed to implement the principles of participatory share economy with human face approach to credit and banking on the basis of profit and loss-sharing. It is a bank of Non-Government Organisations (NGOs) in the informal non-corporate sector, committed to provide micro-level credit package that can reach the real poor and create new income opportunities to earn livings, and a development bank in the voluntary third sector, committed to financing development and management of Waqf and Trust properties as well as various funds for social financing programmes.

In the formal corporate sector, the bank would, among others, offer the most up-to-date banking services. In the informal non-corporate sector, it would, open and introduce various savings and investment schemes for the poor, custom-tailor group programmes designed for small enterprises, marginal farmers, landless labourers, unemployed educated youth/semiskilled people etc.

In the voluntary third sector, it will be involved in the development and management of waqf and mosque properties, management of inheritance properties, joint-venture projects for management of Haj affairs, development and management of non-profit foundations, charitable trusts and organisations, development and management of funds involving welfare of women and

non-Muslim minorities. In addition, for the Bangladeshi expatriates, social banking special services would manage their foreign currency accounts, provide express home remittance services, introduce cooperative investment schemes, foreign wage earner's rehabilitation scheme, etc.

The fact is that the manifesto of this bank is new social contract for a caring society.

Since an Islamic economy is essentially participatory in nature, it offers an alternative concept of Islamic banking as well. Indeed, in several ways, the bank will deal fundamentally with the power of ideas in the banking sector of Bangladesh. Targeting poverty, all the activities of bank will be subject to 'Social Assignments' that is, all our clients who are in fact our partners, will be motivated to undertake some social investment projects which could be in a place of his choice or to contribute to a 'Social Fund' for financing such projects. The bank will also invest in such ventures in varying proportions. These activities are different from social welfare programme in the sense that they tend to be sustainable, socially viable in the wider sense of the term. Hence the beneficiaries will not only undertake maintenance of these projects once they are completed but will also develop the 'Community Social Fund' to sponsor similar projects either independently or in cooperation with the bank. This collective reinforcing process is expected to generate social multiple effect. The assumption is that both the rich and the poor must

contribute to poverty alleviation and the community must participate in social financing programmes. The bank here will act as society's agent of a social change and vigorously work to face the aggressively neglected social problems.

Thus social investment and social welfare projects need to be clearly distinguished. While the phrase 'Social Welfare' has been over-used or misused in most cases, the concept of social investment is not properly understood in popular discussion. The so-

cial investment in a project refers to a process of investment which should enable its target group or its beneficiary to develop the capacity of sustaining the development efforts even after withdrawal of the support by the sponsoring agency. The grant in aid element (if any) in each investment or micro-level credit package needs to be consciously designed, so that sustainability and accountability remain important criteria of social investment. The absence of such criteria is gen-

erally found in the most social welfare projects. The experience suggests that social welfare projects tend to create a built-in dependency. Once the support of the sponsoring agency is withdrawn or the flow of aid stops, these projects cease to exist or make its beneficiary generally worse off in the sense that discontinuation of support push them back beyond their original level of living. The readjustment process is painful and tends to generate social stress, ten-

sion, alienation and protest. Eventually, this vulnerable group turns into a class of alienated people, most likely to commit social crime in both rural and urban settings.

In our view, the bank as a corporate entity is one of the most important institutions of a contemporary society. The main task of this bank is then to define a broader 'Social Purpose' that is mutually interdependent, sustainable and collectively reinforcing and not to act as a mere profit-maximising insti-

tution with a narrowly defended role in a large and complex social environment. It is however felt that when an organisation becomes merely self serving, it tends to lose the sense of identity, excitement and pride that makes it distinguished not only to employees but also to customers and others as well. In short, the redefinition and articulation of such 'Social Purpose' in changing environment will remain as this bank's moral response to the complex social responsibility, not an amoral plan for exploiting self-serving commercial and investment opportunities. Here poverty is not seen as business which often makes a case for aid, loan and grants. We are not a poor country. We need proper management of human resources with a sense of purpose. Our bank's right to exist must emerge from the duties it performs.

At the operational level, all three sectors' activities should be mutually interdependent and collectively reinforcing, through Social Assignment Schemes, thereby making all these activities economically, socially and ethically transparent.

They are also distinctly different in the sense that bank's main focus will be on (a) humanising the formal corporate sector's economic, commercial and investment activities (b) socialising and institutionalising the informal finance through custom-tailored micro-level credit package with a view to empowering the families of non-corporate sector and (c) modernisation of the voluntary third sector involving development of waqf, mosque properties, trust fund of both

Muslim and non-Muslim and re-empowering the various Islamic tools of redistribution of income.

The key thrust of these social activities is to strengthen the one's extended family chain and empower the present family structure for a better future generation.

Further, instead of depending on foreign aid, loan and grants, Social Investment Bank intends to generate and mobilise its internal resources through the process of 'Social Assignments', creation of 'Social Fund', and institutionalising the various Islamic obligatory and voluntary tools of redistribution of income. It intends to involve both man and woman, rich and poor people in its investment and poverty alleviation programmes and to work on participatory basis on the implicit assumption of social class harmony. Clearly, it will implement its programmes with economic social and moral transparency.

This Social Investment Bank will then work on a fundamentally different approach and socio-economic philosophy compared to other major financial and non-financial banks and institutions operating in Bangladesh for alleviation of rural and urban poverty. In fact, a real value added of this bank lies in this power of new ideas involving not just a change in an approach to development but a change in conventional pattern of thinking for socio-economic well-being of people at the grass-root level and strengthening the moral foundation of a caring society.

(The author is Founder-Chairman of Social Investment Bank Ltd.)

By Prof Dr M A Mannan

Table showing the summarized view of the inter-dependent and mutually reinforcing strategies of sectoral operations of Social Investment Bank Ltd.

Scope of Sectoral Operations	Basic Objectives	Basic Strategies of Operations	Location of Operations	Key Emphasis and Guidelines of Operations	Effect of the Overall Operations	Ultimate Goal of the Overall Operations
Formal corporate sector	Humanize the formal sector.	Providing corporate finance through competitive market mechanism to the relatively richer section of the society	Mainly in the urban setting	1) Economic, social and moral preferences to be "transparent and revealed" in all operations. 2) Linking financial/Economic Entitlements to Social Assignments. 3) Rights to be linked to duties.	Strengthening the family and family chain for a better future generation.	Participatory economy and sustainable social peace for a caring society.
Non formal/informal non-corporate sector.	Socialize non-formal sector.	Providing informal/non-cooperate finance through custom tailored micro credit package to the urban and the rural poor.	Both in urban and rural settings.	1) Economic, social and moral preferences to be "transparent and revealed" in all activities. 2) Linking financial/Economic Entitlements to Social Assignments. 3) Rights to be linked to duties.	Empowering the family by creating income opportunities for the poor.	Participatory economy and sustainable social security for a caring society.
Voluntary third sector.	Monetize third sector.	Providing both corporate and non-corporate finance to the development of the third sector of the economy.	Both in urban and rural areas.	1) Economic, social and moral preferences to be "transparent and revealed" in all activities. 2) Linking financial/Economic Entitlements to Social Assignments. 3) Rights to be linked to duties.	Re-empowering the socio-economic institutions for redistribution of income and human fulfillment.	Participatory economy, sustainable institutional development for a caring society.