

INTERVIEW

Positive Change has been Brought in the Thinking of Government — Owaise Saadat

Privatisation: Lack of political support, public awareness mar the process

This has been by far and large a disappointment for us. I found that one has to recognise that it is an essentially political process. We helped the government with technical solution. But unless political support is secured, technical solution alone cannot help much in the process.

In my view, there was no political support behind the privatisation drive and the strategy for privatisation was very narrowly focused. Experience says that innovative methods help quicken privatisation process. In some countries, investment banks were given the task of privatisation with agreement that a certain percentage of sale price would go to the banks. This strategy proved to be successful for many countries.

The other flaw in Bangladesh's privatisation process was that it was done to save losses, not to improve efficiency of these units after they go to private hands. Besides there was very little drive for creating public awareness which is a key to privatisation. So, there was naturally not enough support from the public, government and tax payers. The current chairman of the Privatisation Board is now stressing on this point.

There was and still is a lack of legal framework for privatisation. The top brass in charge of privatising SOEs were apprehensive that if they took any aggressive and innovative methods, they could be held personally responsible for any legal issues arising later on. So, they preferred to stick to old system of privatisation which yielded little results.

For example, the system says an enterprise cannot be sold unless it gets a minimum pre-fixed price. In such cases, SOEs were rendered to get that minimum price and the process lingered for years together. But by that time, the liabilities of the enterprises would go higher making the pre-fixed minimum price even more elusive. Moreover, any sale of SOEs needs the approval of the Prime Minister which is time consuming.

Governance: Much ado without result

More than necessary studies have been done by the govern-

Owaise Saadat who served in the World Bank's resident mission in Dhaka as Unit Manager of Private Sector Development, Finance and Education for long five years, was closely involved with various important reform programmes supported by the World Bank. Now he has been posted in Washington as Bangladesh country anchor person. Before leaving Dhaka, he talked to The Daily Star correspondent Inam Ahmed extensively on his experience about the reform programmes. The following are his observations on different areas of actions.

ment and donors regarding administrative reforms. Again, unless there is any political will, administrative reforms will not take place.

The aims of reform had been: 1) to change in the attitude of civil servants to serve; 2) to change traditional rules and regulations. A visionary political leadership is required to reach these goals which have been successfully done in countries like UK, New Zealand, Costa Rica, Malaysia and even in India.

I am convinced that the key to faster economic growth is public sector management reform, the government's way of business has to be changed.

In fact, one can make a lot of political gains by improving services in different areas like health, customs, and what not. This will necessarily mean no job loss or political cost because everyone wants good service.

The government can easily pick up four or five agencies which touch everyone's life, make change in them and show how to give better services to people.

Recommendation of 'Government That Works' is to create self accounting agencies like in UK and New Zealand to deliver improved services efficiently as measured by pre-agreed standard. This pre-agreed standard is not set clearly here, but this is very important.

I find a rapid fall in the quality of civil service which calls for a massive effort to upgrade their skills. Civil servants do not have the ability to analyse policies, and give solutions. They lack confidence and all decisions which used to be taken from the lower level of the administration.

Bureaucracy is now too big which naturally creates the need for more clearances for any work and generates more work. The ratio of class 3 and 4 employees to people taking decision is 13:1 which is extremely high.

Governance is an issue which not only affects the executive branch, but also the parliament and the judiciary. The parliament is supposed to hold everyone accountable for which

it has to be strengthened to address issues forthrightly. But now, parliamentary reports on public accounts are delayed by years which virtually makes them useless.

The judiciary is now overloaded and is staffed with people that need more training and development to cope with the demand of the modern economy. This has to be addressed immediately.

Banking Sector: Shock therapy for defaulters is necessary

Financial Sector Reform Programme had mixed results. Its success being that it had started bringing discipline and deregulation in the banking sector. A general awareness was created on the weak state of the sector. But the job remained undone.

We overestimated the ability of NCBs to improve their performance. As a result even after Tk 4000 cr recapitalisation of the NCBs, they are in a worse shape after five years because of their bad loans. We thought more capital would solve their problems. The NCBs faced conflict of interest because the government was both the owner of these banks and also borrower from them.

Private commercial banks are also equally in bad shape because of their poor decisions. The Bangladesh Bank was mainly responsible for the state the PCBs are now in because of its failure to enforce laws. We had not been able to do three things for the NCBs: 1) improving their management; 2) upgrading legal framework; 3) strengthening the regulatory authority.

I must give credit to the government because over the last one year, a positive change has been brought in the thinking of the government. It wants to do whatever is needed to improve the banking sector without any lure of credit from the World Bank.

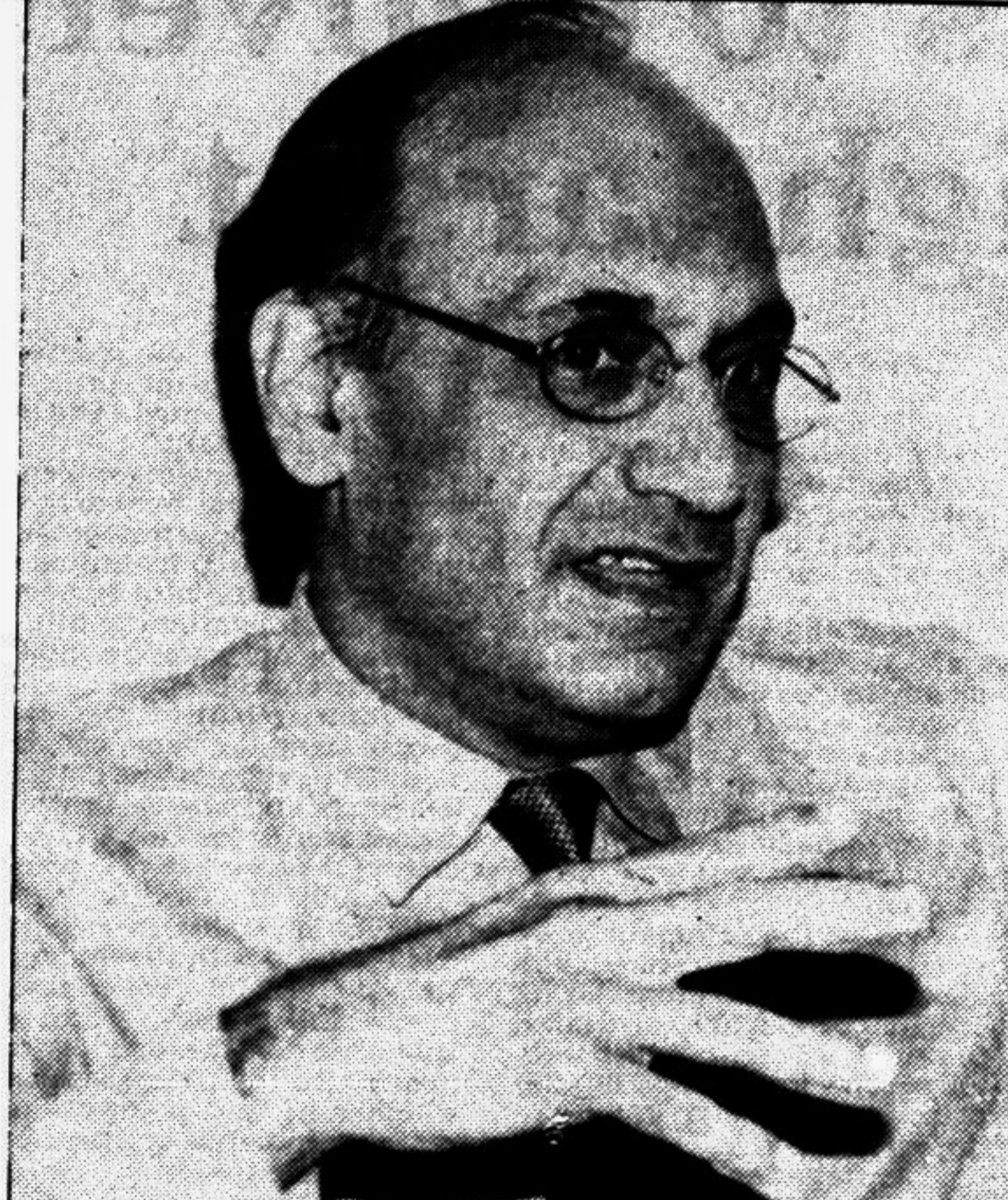
The government is saying whether WB gives it loans or not, it wants to tackle the banking problems. The AL government was burdened with the problem of cleansing the garbage created by the past governments. I must laud the following steps of the government to bring discipline in the sector.

1) A special task force has been formed by the Bangladesh Bank to pursue the loan defaulters.

2. A cell has been formed to gather evidence whether loans have been given "criminally." A team of lawyers has been formed to prove criminal intent in borrowing through false collateral or willful default. It can be called a "dream team" for any government wanting to tackle loan default.

3. Task forces have been formed to address CBA activities and interference with the management. This is a major development.

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bankruptcy law will help in covering defaulting loans.

5. Four chartered accountant firms have been appointed to

audit the portfolios of the NCBs to find out, in collaboration with foreign firms, what is the status of the banks.

For the first time a government is pursuing the defaulters. Those who say that this effort will thwart private investment in the country are saying so for self-preservation, to protect themselves. I believe a shock treatment was necessary for defaulters.

Telecommunications: Reform record impressive, but system is bound to crash without regulation

The reform record in the telecommunications sector is quite impressive. But the big constraint in telecommunications operation is the lack of an effective regulatory authority. The Telecommunications Regulatory Board (TRB) was set up two years ago, but it has no technical staff as yet. In a multi-operator environment, a system is bound to crash without effective regulations.

The regulatory agency has to act as an umpire in tariff sharing, consumer protection and frequency band management. Frequency band is the most precious asset a country can have. The frequency band for New Delhi was sold for 500 million dollars. The air space is limited, but unfortunately

when the first cellular phone service was introduced here, it was given a wide band range on a perpetual basis. So, regulation of band needs to be technically upgraded.

The government is yet to introduce competition in fixed telephone line where the BTB holds the monopoly. Modern technology is gone so far that wireless telephony can be given at a very low cost for local small purpose use. Through this technology, you can connect 10000 users at a cost of 10000 US dollars. But the monopoly in fixed telephone is blocking the expansion of the service.

We hope that the new telecommunications policy will be approved by the cabinet very soon and include competition in fixed line telecommunications.

The WB is considering a 40 million dollar project to strengthen regulatory capacity of the government, strengthen frequency management capacity and upgrade facilities of exchanges that provide interconnection among various operators in the country.

Trade: Improvement in trade sector

Administration is a must

Bangladesh has done better than other South Asian neighbours in trade reforms. Still there is a need for further liberalisation and rationalisation of tariff structure.

The dispersion in tariff is significant on major items in the trade basket. Some quantitative restrictions which are there to protect public corporations like BPC has to be removed.

There are also politically sensitive items like South Asian films to be looked at. Who you're trying to fool by restricting these films? All video shops have them. The main things to be done are:

1) Rationalisation of tariff 2) Removal of end-user discriminatory preferences. For example, there are two different rates for import of sugar for cough syrup and for direct consumption. This breeds corruption.

3) Withdrawal of quantitative restrictions: The overriding philosophy in trade reform has to be that Bangladesh's industrial growth strategy primarily has to be export oriented because of the relatively small domestic market and the comparatively limited purchasing power of consumers.

Therefore, it should be more aggressive than neighbouring countries to adjust its tariffs which would provide positive incentives to export oriented industries.

4) Another critical element is to take measures to improve administration of the trade sector. For instance, the delays and rent seeking in customs administration, the difficulties with duty drawback and the limited scope of the special bonded warehouse — all constrain an efficient export industry.

God's Faithful or Unfaithful Servants?

by A F M Mohiuddin

Brushing aside others, who do not necessarily share same religious-political conviction, though may be pious men, is tantamount to unfaithfulness and thus showing disregard to God's message.

GOD has entrusted humanity with the task of taking care of His Book and transmitting it to generation to generation. Taking care obviously means adhering to the principles, codes and rules enshrined in it and thus, leading a religiously dignified life. The Book (Quran) itself unequivocally declares its opposition to any kind of interpretation based upon one's own fancy and whims. Thus any kind of Quranic interpretation has to be in conformity with the traditions of the Prophet (SM) and his rightly guided companions, and must reflect one's spirit in sharing an essential part of knowledge with the rest of humanity.

Although Quranic tradition itself is against any kind of compulsion, dogmatism and intolerance, an emerging phenomenon among some believers seems to be yielding to what can be characterized as contravention to Islamic principles. Dogmatism has never been allowed in the Semetic religions — Judaism, Christianity and Islam — all having their roots in Middle East or West Asia. In actual fact religious dogmatism led to the separation between church from state in the 16th century Europe. At the heart of 15th century European Renaissance was a demand for a free and liberated soul of European man, which eventually consolidated the dismantlement of superimposed 'values' by the Catholic church; hence, the end of Pope's formal interventionist role in social polity.

Manipulating religious tenets and making full use of them to serve the political or even religious interest of few is not a new phenomenon, albeit it is getting a legitimate ground nowadays. Those who claim to be 'defenders of faith' often tend to have religious monopoly over others i.e. the people who may be religiously conscious but not inclined to make religion a political ball. It seems that religious dogmatism has been on the rise in Indian sub-continent since the British imperial rule, though during that time it was not as vocal, militant and assertive as today. In fact religious dogmatism has replaced traditionally reputed religious tolerance of Islam in South Asia. After the British colonial rule ended, there has been a steady rise of religious fanaticism. Probably late Abul Ala Mawdudi stands out as one of the most distinguished religious extremists who founded an Islamic political party. However, it is important to point out here that Mawdudi was in fact a poor student in math, history and geometry which prompted him to drop out from school at the age of fifteen. He subsequently secured a job in an Indian Urdu daily, afterwards he successfully climbed the ladder of journalism until he became an "Islamic leader". Given Mawdudi's background, it is obvious that he did not have any strong and thorough religious orientation. Later when he founded an Islamic political party, which was designed with the charge of remarkable political consideration, he actively engaged in political Islam and demanded a return to puritanical Islam of the 7th century Medina. His call for establishment of an Islamic state coincided with the disintegration of Indian sub-continent where Pakistan emerged as an independent state. Thus, his demand for restoration to the formation of an Islamic state was intended for Pakistan, though he was opposed to partitioning of sub-continent. During the life time of Mawdudi, whoever went against his political Islam came under severe

criticism from his handful extremist followers. This tradition of religious arrogance is still perpetuated by the overzealous disciples of the late unsuccessful Islamic political leader.

However, we are at the threshold of a new millennium. This millennium is likely to bring 'new revolutionary changes inconceivable to us few decades ago. In addition, we live in a global village where uninterrupted flow of information is very accessible to everybody and it is bringing people of different cultural formations together. Further, global economic and political interdependency among nation states is the archetype of world situation. This interdependency, according to John Exposito — a prolific writer and professor of comparative religion at George Washington University, is further enhanced through global religious pluralism and tolerance. In fact religious coexistence and tolerance was the driving guide when the Prophet of Islam (SM) formulated the charter of Medina, which paved way for the infant faith (Islam) and its believers to live in harmony with the Jew and Christian communities in Medina. Islamic history nevertheless testifies that it never encourages any form of religious dogmatism and intolerance.

Some vested Islamic political parties in this part of the world tend to believe that they possess a God-given power to legitimately declare their political opponents non-believers, deviants etc. on account of different political belief and divergence. In today's world when, supposedly, reconciliation replaced confrontation,

respect for territorial integrity of others replaced forceful invasion, religious dogmatism cannot continue. Brushing aside others, who do not necessarily share same religious-political conviction, though may be pious men, is tantamount to unfaithfulness and thus showing disregard to God's message.

True enough, Islamic religion requires some kind of tenacity in terms of preaching it, but this does not constitute religious dogmatism because this breeds fanaticism and religious arrogance which eventually causes decomposition of religious fabric. However, my statement here should not be misconstrued as being anti-Islamic political participation, rather what I am saying is that Islam demands a complete and unconditional submission to Almighty God alone. And Islamic political participation is not to climb the ladder of political or state power and making it sole objective of Islamic politics, rather actively engaging oneself to serve the community, striving to remove their hardship, devoting to the greater service of humanity and to help them improve their condition are the very essence of Islamic politics. Fighting, killing and opposing fellow co-religionists in view of different political orientation is tantamount to disobedience to God's injunctions. Therefore, time is just ripe for us now to do away with all forms of dogmatism and instead, we should embrace pragmatism, tolerance and compassion which will facilitate a peaceful religious harmony among co-religionists as well as people of other religious groups. We must uphold universalism and passionate side of Islamic faith which encompasses all humanity irrespective of colour, caste, creed and political belief.

The writer is an English literature graduate from International Islamic University, Malaysia.

Tom and Jerry



James Bond



Tom and Jerry



James Bond



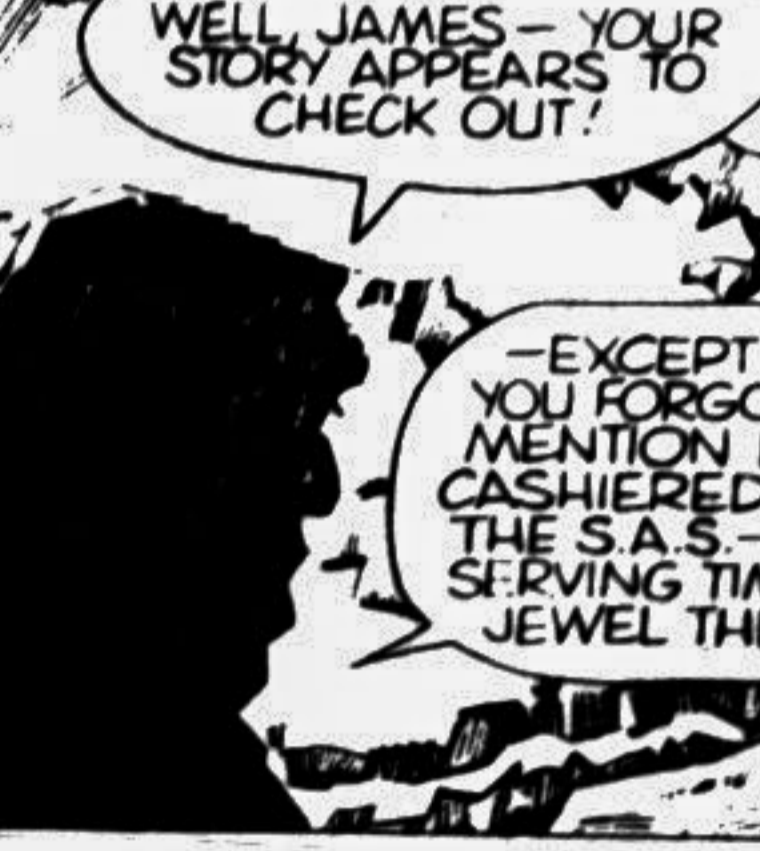
James Bond



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MM Haider Ali dead

MM Haider Ali, vice-president of Bangladesh Supreme Court Bar Association, died of cancer at a city clinic yesterday. He was 56, reports BSS.

He has left behind his wife, two sons, two daughters and a host of admirers.

The first namaz-e-Janaza of Ali was held at the Supreme Court premises after Zohr prayers. Chief Justice-in-charge Justice Mostafa Kamal and judges of different divisions of the court, lawyers, officials and employees attended the Janaza.

His qulshwari will be held at his Tilpapara residence, Khilgaon, after Jumma prayers on Friday.

Bangladesh Supreme Court Bar Association will organise a condolence meeting at hall no-9 of the Supreme Court at 1:15 pm today, a press release said.

President condoles

President Shahabuddin Ahmed expressed his deep shock at the death of prominent lawyer and vice president of the Bangladesh Supreme Court Bar Association MM Haider Ali.

In a message of condolence, President Shahabuddin recalled his long career as a lawyer and said that he contributed significantly to the development of legal profession in the country.



Jatiya Party (Z-M) held a rally protesting price hike of fuel and police action during Sunday's hartal in front of the Jatiya Press Club yesterday. — Star photo



Ghazal singer Mesbahuddin performing at Sonargaon Hotel's Cafe Bazar on the occasion of the hotel's 17th anniversary recently.

Metropolitan

Call for resolute commitment to make Bangladesh progressive

Young scholars at a seminar in the city yesterday laid emphasis on fixing some targets to put the country at a take-off stage by the year 2025, reports UNB.

The upcoming generation with sacrosanct commitment will have to determine what kind of a nation the country really wants to be in a competitive era of globalisation, they said.

Bangladesh Institute of International and Strategic Studies (BISS) organised the day-long seminar titled "Youth's Vision of Bangladesh 2025". State Minister for Youth and Sports and Cultural Affairs Obaidul Quader inaugurated the seminar with a call for a resolute commitment to make a prosperous and progressive Bangladesh.

He stressed the need for "quick measures and their quick implementation to check the erosion of moral values of the youth" and emphasised the need for quality education to rear up the youth as worthy citizens to shoulder the leadership of the country. Prof Mozaffar Ahmed of Dhaka University presided over the inaugural session while BISS Director General Brigadier Muhammad Shahedul Anam Khan delivered the welcome address. Dr Shahin Afroz of the

Call for resolute commitment to make Bangladesh progressive

institute was the coordinator. The seminar also suggested widening scope of education, devolution of power, curbing violence and drug abuse, introduction of latest technologies, strengthening privatisation process, more investment and reducing dependency on foreign aid.

PM's donation

Prime Minister Sheikh Hasina yesterday donated Tk 12.50 lakh to the families of 25 people who died in a stampede in two garment factories at Mirpur in the city on July 30, reports UNB.

She gave a cheque of Tk 50,000 to each of the 25 families. A small girl, Shapna, who lost her mother Rizia in the incident, came to the Prime Minister without any guardian to receive the cheque. Shapna, aged about four, has none to take care of her.

The Prime Minister directed the concerned officials to send Shapna to a government-run orphanage and open a fixed deposit of Tk 50,000 for her.

Earlier, Hasina handed over a cheque of Tk two lakh to the wife of Ustad Afzalur Rahman, who came to the Prime Minister's office along with her two daughters.

Govt urged to stop anti-Islamic activities

Zaker Party (ZP) Chairman Peerzada Alhaj Mostafa Ameen Faisal yesterday said that the government will have to bear the responsibilities for all "anti-Islamic activities" in the country. He was addressing the National Committee of the party at its Banani central office in the city. He urged the government to stop such "anti-Islamic activities" with a firm hand.

NU to introduce post-graduate courses

The National University Senate in its fourth meeting Sunday, approved introduction of post-graduate academic courses and creation of an Institute of Humanities and Social Sciences for research activities under the university, said a press release.

The meeting, attended by 49 of the 62 members of the Senate, approved the revised budget for the fiscal 1996-97 and the budget for 1997-98.

Syed Ahmed Hossain, Honorary Treasurer of the university, proposed establishment of a Centre of Excellence after the name of Bangabandhu at Tungipara in Gopalganj for higher studies and research.

The meeting, presided over by Vice-Chancellor Prof Aminul Islam was attended, among others, by MPs, divisional commissioners and professors of Dhaka University, Rajshahi University, Chittagong University, Jahangirnagar University and Myrmensingh Agricultural University, the release added.

PhD awarded

Md Monjur Hossain, Associate Professor (Civil), BIT Khulna, has been awarded PhD degree from the Civil Engineering

Department of BUET for his thesis entitled "Non-linear finite element analysis of wall-beam structures", says a press release.

He is the third son of late Mohammad Hossain of Pirojpur town.