

Life in Dhaka

The Floods Have Drowned Humour!

by A Husnain

The nation is split into opposite directions, and even the flood waters are not moving in the natural direction.

WHAT has happened to political humour? It has been universally assumed that to insult a person, tell him on his face that he has no sense of humour. He will take any abuse, but not this one. In times of stress, wit and humour sustain a nation through thick and thin. What Churchill told Roosevelt when the latter gazed at the former's bathtub during an emergency in the days of the Great World War? The Prime Minister of the British Empire had nothing to hide from the President of the United States of America!

Where our sense of humour has disappeared? Probably drowned in the floods! Since the two great Begums blessed our destiny since the beginning of this decade of the '90s, everything is grim, glum, and gloomy. Have the Nart missiles destabilised our politics? The nation is split into opposite directions, and even the flood waters are not moving in the natural direction. Why this seize or sit-down strike by the heavenly waters? What are

their demand? Who are the CBA leaders of these alien invaders, hiding our soil, and soiling our clothes? That reminds me one about our versatile loongi (the loin cloth otherwise known as sarong in other parts of Asia) which need not get wet while wading through waist-high water. It is also air-conditioned, without using external power. It can be made without using electricity (PDB to note).

Credit goes to our politicians that they take politics so seriously that the political sunshine is hardly seen these days over the cloud-bursts and downpours, accompanied by thunder, and court cases. The political weather is never bright, and it is independent of the notorious greenhouse effect. Our political El Ninos and La Ninas are playing havoc with our GDP, GNP and other economic indicators. The Farakka Barrage had rarely been so generous. But there are diversions around our land of waters, thanks to nature's bounty. Non-mechanised pedal rick-

shaws have stolen the limelight as the ideal, practical, cheapest, all-weather, non-mechanised city transport which ply (on large bicycle wheels) side by side with the boats and canoes on the knee-deep flooded roads of the city. While glamorous high horse-power motor vehicles are eating straw by the road side, if there was one appropriate technology, it is this one indigenous product which is not at all dependent on educational degree, industrial expertise, or on imported components (how about the ball bearing?). Small is beautiful, when you use the same vehicle on dry road or in shallow water. It is like micro-credit; no bank or collateral is required.

For development we seek foreign aid; and for disaster, we do the same; and in between, when things are normal, we cannot do without it (though at first we proudly deny that we need foreign help for local irritations like floods). The TV cameras are being over-worked to record the suffering of the people; and the faces of the VIPs

(very important politicians); overlooking the reality that the infamous polythene bags might contain some micro grains of solace. The political activity is supposed to become lively with half a billion dollars in the pipeline; and the opposition watching rather helplessly from the sideline (the suggestion for national effort has been kept pending).

Publicly, watch for a politician smiling, laughing with the benevolent look about him. His face carries the whole burden and the history of the nation. While facing the microphone, he is as solid, cold, and transparent as a block of ice. After the speech, he badly needs that piece of ice for a cool shirt.

We are flooded with rain and river water, politics, sermons and speeches, seminars, poverty, children, aid, arsenic, tolls, hartals, holdups. We have plenty of time on hand, judging by the timeless tendency of ICTPs - purchase sharing contracts.

What is the longest word in English? Smiles.

Role of Grameen Bank in Poverty Reduction

Choosing the Credit-worthy Ones

by Mohammad Amjad Hossain



Professor Mohammad Yunus has brought a revolution to the theoretical rules of money and credit by establishing a bank for the poor, who have nothing: no education, no property and no work. The poorest of the poor have proven themselves to be more credit-worthy, than all other comparable groups, with a 96 per cent repayment rate.

WE are on the threshold of the twenty-first century. Despite rapid technical developments during the twentieth century, 1.3 billion people still live in absolute poverty in the world. The differences between the North and the South have been expanding instead of decreasing. In terms of economic growth, of the 1.3 billion, 515 million in the South Asian region alone belong to the poor category.

The World Bank, under the title, 'Poverty Reduction and the World Bank', in its report admitted the fact that tremendous progress has been made by the developing countries in im-

prove money without collateral to the poor section of the population. Professor Yunus borrowed himself from commercial banks to give money to the poor people, despite warnings of the bankers that the recipients were so poor and the amount given so small that it would be 'eaten up' without proper utilization. That apprehension has remained a myth right up to the present day, when we find that the concept of the Grameen Bank has been replicated by 52 countries or the world, including the United States of America, which in its recognition of the bank and its methods helps to increase the popularity of the bank for the poor. Several more

Bank has evolved a system of informal schooling for the children of the members of the bank. Shishu Kalyan Tahbil (child welfare fund) has been opened in different branches of the bank. Members of the bank contribute one Taka every week to this fund. This is an obligatory contribution for the sake of education of their children. The feeder school is run from this fund. By now, thousands of schools have been set up. Therefore, it is hoped that members of the coming generation will be equipped with enough basic education to manage the Grameen Bank more efficiently and effectively by themselves without

need to follow the footprints of the Grameen Bank. Many international organisations and financial institutions have offered to give financial assistance to the bank. Since the Grameen Bank is for the poor and by the poor, very cautious steps are taken by the authorities of the bank in receiving and rejecting the offer of loans. Inspired by the successful implementation of the philosophy of the Grameen Bank, many foreign countries are seeking financial and technical assistance from it in order to establish such projects in their countries. With a view to providing such assistance to foreign countries, the Grameen

Flood '98 and Subsequent Crop Management

Some Suggestions

by Dr Md Ayubur Rahman

Whatever programme we take up or policy we adopt, will depend on its effective implementation and the most important element is the commitment and leadership. A capable leadership with technical expertise, honesty and dedication is the need of the hour.

THE over all flood situation in the country is grave, perhaps worse than anything of this kind happened at any time in the past. Its timing, its extent and magnitude are not comparable to other floods and its management need special attention, commitment and expertise. That the Prime Minister has suspended her very important visit to South Africa to remain stand by with the miseries of the people is greatly significant as it will strengthen the courage of the people. The Prime Minister's call to the expatriates at Madina to help the people of the country will create incentive not only among those residing abroad but also inside the country where quite a good number of experienced crisis managers are available and who have shown their worth in the past by successful implementation of creative programmes.

As I said, this year's flood has special significance in relation to crop compensation and the strategies of the agricultural rehabilitation programme should not be a carbon copy of what we designed in the past. For example, the seedlings of HYV Aman rice in the severely affected districts/Thanas (45/307) has been damaged for good and there is no chance of re-sowing and now with prolonged flood beyond August, there is also no chance of transplanting HYV Aman in the unplanted area. The present scenario is absolutely clear that we should not make any futile effort to plant any high yielding varieties of rice where transplanting has not been possible and/or where transplanted crop has been damaged. A big question then: what should we do in these lands?

This is a great challenge before the agriculturists and the farmers and the first priority comes to whether in some lands can it be replaced with local variety of rice, what are the varieties and to what extent the seedlings are available and in

which villages/Thanas and districts.

There is record of 700 such local varieties of Aman rice grown in different districts/Thanas in different names. While working as Director General, Department of Agriculture Extension, I collected a list of over 200 such existing varieties of Aman in different names, producing little over half ton of rice per acre. I am more than sure if proper exploration is done there is possibility of getting substantial local varieties of Aman seedlings from the farmers and planting still can be continued upto 30th of September.

The third step should be to draw programme (for affected thanas) for growing short duration alternate crops. This programme should be allowed to be drawn and implemented with the leadership of Thana Agriculture Officer at thana level. What crop will be grown will depend on the suitability of land and availability of seed. The practice of distributing seed of black-gram (Mash-Kala) and vines of sweet potato from the headquarters as done in the

past occasions should not be repeated this year as the situation is different. The real rehabilitation programme should be made at thana level as we do not know all the local facts and there is no time to collect information now.

The most important factor is the availability of cash to the farmer to implement the rehabilitation programme. By this time government has already announced allocation of fund in kind, cash, bank loan and agricultural rehabilitation.

I have serious reservation about crop loan through banking system. For the last many years allocation of crop loan in terms of acres of taka has been made. I have no data at hand to indicate to what percentage of these allocations of crop loan has been disbursed. If I remember, for some crops namely Aman or Cotton, hardly 20 per cent of the loan allocated disbursed. The simple reason is the banking formalities are not acceptable to the farmers. With my experiences of working as a Director on BKB's Board I can only conclude that neither the bankers nor the farmers are happy at all with the present mechanism of disbursement of loan and we had to shut down quite a good number of branches of BKB as those were not economically viable. I would like to indicate a much simpler mechanism through which we have most successfully given crop loan to the

small and marginal farmers. One example is the system of crop loan disbursed to the farmer by the staff of the Directorate of Intensive Jute Cultivation. This system operated for about 56 years and the disbursement was over 90 per cent and recovery, over 96 per cent. After merging this Directorate with Department of Agricultural Extension (DAE), the system has been stopped.

The other example can be the system I introduced in the Cotton Board where we gave loan for expanding cotton cultivation through our field staff. The total amount of loan given was around 5 million taka per year with 16 per cent interest for the period from '90 to '95 and the loan realisation was 100 per cent with interest. The system I believe is continuing even now. I would suggest that the government can introduce this system for the flood rehabilitation programme, for the next wheat and Boro crop as special case. This will ensure cash availability very quickly to the farmer and also the use of this loan would be effective for productive purposes.

It is not possible for anybody to write in detail about such a big issue in this short paper and I would not intend to say these are the best suggestions. Situation is changing very fast and strategies have to be consonant with the varying circumstances.

I like to conclude that whatever programme we take up or policy we adopt, will depend on its effective implementation and the most important element is the commitment and leadership. A capable leadership with technical expertise, honesty and dedication is the need of the hour and I think with everybody's hard work we, Insha Allah, will be able to overcome this crisis.

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The Credit-worthy ones

proving living conditions and that their infant mortality has been halved over the past twenty years.

In its latest report, the World Bank, under the title 'Bangladesh: from counting the poor to making the poor count', presented the fact that there has been a decline in the number of very poor people, both in the rural and urban areas of Bangladesh. It declined to 36 per cent in 1996 from 43 per cent in 1992, but the gap between the rich and the poor remained large. According to this report, rural poverty is still on the high side compared with that of the urban areas, although the income of the rural people has increased.

Against the backdrop of this gloomy picture, Professor Mohammad Yunus, Managing Director of Grameen Bank, gave hope to the poor people of the developing countries by establishing a bank for the poor.

In Bangladesh, as in other poor countries in the world, poor farmers or workers have only limited or no assets or land as security for the bank in seeking a loan. A loan is thus denied to them. Only better-off farmers or industrial workers, with enough assets or property are accepted as clients by the commercial banks. In addition, procedures with regard to collateral appear to be cumbersome for an unaccustomed farmer or worker.

By establishing a bank for the poor, Professor Mohammad Yunus, who has accomplished a name for himself as a reformer and innovator of micro-credit in the twentieth century, broke the taboo of the traditional commercial bank and proved to the financial institutions of the world that a poor landless person can be more credit-worthy than a person who is rich.

The Grameen Bank, which reflects a village atmosphere, began operation as a bank in 1983 after ten years of rigorous experiments and persuasion.

It is really amazing to note that the Grameen Bank of Bangladesh, which was not acceptable to bankers when it was conceived 24 years ago, has doubled its volume of micro-credits to the poor people in the past two years or so and the total sum of loans now stands at over \$2 billion. This shows the dynamism of the concept not to observe poverty as a given factor, but to depend on the creativity of impoverished borrowers.

The Genesis

Mohammad Yunus, Professor of Economics at the University of Chittagong, took up the challenge in 1973 when he found that the people living near the university were on a subsistence level. On an experimental basis, he lent out money to the poor section of the people so that they were able to make products to sell in the nearest market and thus generate an income. He provided them with money from his own pocket as he had failed to convince commercial bankers to

replicating the model.

The paid up share of the million, eighty-five per cent of the share is enjoyed by the members of the bank and the rest by the government. One of the innovative and strikingly amazing sides of the bank is its management. A board of directors, apex body of the bank, composed of nine ordinary shareholders of the bank, three government representatives and a managing director, who is incidentally the founder of the bank, reviews the performance of the bank and issues guidelines for its management. The managing director has no voting right. It is interesting to note that the nine members are not only landless people but also possess no schooling. Apart from this, they are all women. At each meeting of the board of directors, the members are brought to the headquarters of the bank at Mirpur, Dhaka, three days ahead, for a thorough dressing-down on the agenda of the meeting. Needless to say, they are democratically elected from among the members of the bank.

Despite many odds, the Grameen Bank is extending its helping hand to the poorest of the poor. One hundred branches are opened each year, reflecting the growing popularity of the bank. The Grameen Bank has progressively expanded its area of operation to 38,551 villages as of July 1998 from 26,000 in 1992. That means it covers more than half of the country at grassroots level. With the objective of providing loans to poor people in order to make them self-reliant and economically independent members of society, the Grameen Bank had provided loans to over 2.34 million people as of May 1998. It is disbursing 1900 crore Taka annually among its members as loan. The bank has introduced a house-building loan in order to provide the poor people with a reasonable standard of accommodation. Over 100,000 tin-roof houses with sanitary latrines have been built in the villages where a tin-roof house is yet a status symbol.

The Grameen Bank and its field workers who have a minimum graduation degree, are engaged in identifying and providing loans to the poor people in line with the bank's objectives, which are not identical with those of the commercial banks. There is not much scope for corruption as the system for payment and realisation of loan is diametrically opposite to those of the commercial banks. A loan is given to a group of five and not to any individual. Some argue that this system may be characterised as a collateral in a crude form. Over the years, the number of members is increasing as a result of the success achieved. The bank has devised its own management system which has no parallel in a traditional system.

Since education is the light-house for progress, the Grameen

Bank in Bangladesh has become a national banking institute of pride. Members of the bank have become confident, self-reliant and have self-respect. The bank has opened an emergency fund. Each borrower pays the equivalent of 25 per cent of the amount charged by the bank as interest, and the amount collected from the members goes to the emergency fund. This fund stands as security for the rainy day.

Behind the success story of the Grameen Bank are women who constitute more than 94 per cent of the borrowers. The bank charges 20 per cent interest with one-year payment requirement. One third of its two million borrowers have succeeded in crossing the poverty line and another third are about to cross the poverty line. Since the loan goes directly to the poor women of the society, it helps women to develop confidence in generating funds through small scale businesses. It also helps create jobs in the villages.

The rate of recovery of loan is 96 per cent in the Grameen Bank, which signifies that the relatively well-to-do have the fear of default and are more inclined to pay back the loan. It also established the fact that if the users of loan gets his or her dividend, they are ready to absorb the real cost of resources.

The borrowers from the Grameen Bank have achieved a savings rate in excess of 10 per cent, compared to 4 per cent or so of domestic savings, which also demonstrates the fact that the poor can save more if the funds are assured and there is a sustainable source of income.

The success story of the Grameen Bank has evoked world-wide appreciation. Many countries in Asia and Africa are

Bank Trust has been set up with hard currency which gives dispensation funds for prosperous programmes. Meanwhile, the trust has introduced Grameen international dialogue programmes which aim at providing information on the Grameen Bank and on sharing experiences for mutual benefit.

The Grameen Bank has adopted some innovative methods to help the poor get out of its vicious poverty circle, such as Grameen Fisheries, Grameen Health, Grameen Uddog, Grameen Shakti (energy) and Grameen Telecommunication.

In short, Professor Mohammad Yunus has brought a revolution to the theoretical rules of money and credit by establishing a bank for the poor, who have nothing, no education, no property and no work. The poorest of the poor have proven themselves to be more credit-worthy, than all other comparable groups, with a 96 per cent repayment rate.

We hope that the success story of the Grameen Bank will continue under the able guidance of Professor Mohammad Yunus and that the bank will bring even more laurels for Dr Yunus and Bangladesh.

I would like to conclude with Professor Yunus' own words: 'We can acquire a world without poverty if we want to. The battle against poverty is obviously more a question of will than of possibility.'

(Based on a paper presented by the author at a seminar on 'Power of Bank', held at Alfred-Nau-Akademie of Friedrich Ebert Stiftung in cooperation with AGJA-CYJM e.g. and Bangladesh Study and Development Centre in Bergneustadt, 60 kilometres from Bonn, Germany, on 15 August 1998.)

When the Decree Went Out : Attack the US

Gemini Special THE TOMAHAWK TERROR



A religious decree or fatwa to attack American interests is now believed to have been issued back in February during the weapons inspection crisis between Iraq and the UN.

In May the Islamists declared that a holy war had started against America. They promised to make good on their pledge in time.

A study of recent Islamist activities provides clues about who could have planned and carried out the US embassy bombings in East Africa.

Mohamed Salah, of the international Arabic daily, Al Hayat, says leaders of Muslim extremist organisations from Egypt, Pakistan and Bangladesh joined forces with Saudi financier Osama bin Laden in February because they feared a US attack on Iraq was imminent. Their fatwa said Muslims must fight Americans wherever they are to be found.

The coalition in Riyadh led by Osama bin Laden, the emir of the Islamic Jihad; Mounir Hamza, the Secretary of Pakistan's Ulema (religious scholars); Fadel Abdel Rahman Kahil, the emir (head) of Pakistan's Ansar movement; Sheikh Abdel Salaam Khan, the emir of Bangladesh's Jihad movement; and Refai Ahmed Taha of Egypt's largest militant group, Gamaat Islamiya or Islamic Group.

Bin Laden the multi-millionaire and Saudi dissident living in Afghanistan, is the Americans' prime suspect for two attacks in Saudi Arabia — the 1995 car bombing in Riyadh

Muslim organisations from three countries joined forces last February with Saudi financier Osama Bin Laden because they feared an attack on Iraq. This is revealed in a Gemini News Service report from Cairo. From Pakistan a Gemini correspondent describes the anger there over the border missile deaths.

by Dale Gavlak in Cairo and Ameer Abro in Karachi

which killed five Americans, and the 1996 attack on a US military housing complex near Dhahran, which killed 19 soldiers.

In May, the leaders vowed attacks on US installations would start within weeks. The leader of the Gamaat Islamiya withdrew from the coalition, saying the February fatwa was no longer valid because Iraq's difficulties with the UN seemed to be resolved.

But Egypt's Islamic Jihad stayed in line with the others and on 6 August vowed to attack American interests.

It claimed that the Egyptian government had extradited four of its members from Albania in June with US help. Most important of the four was Ahmed el Naggar, wanted for planning a failed car bomb attack in Cairo's Khan el Khalili bazaar.

An Egyptian court condemned el Naggar to death in May. Jihad said it wanted retribution for the extradition.

Hala Mustafa, of Cairo's Al Ahran Strategic Centre, believes Islamic Jihad may have been involved either single or collectively in the US embassy bombings in Kenya and Tanzania.

On the night of 7 August, a previously unknown Islamist group, The Islamic Army to Liberate Holy Places, claimed responsibility for the twin bombings of the US embassies earlier that day.

The message called for the release of imprisoned Sheikh Omar Abdel Rahman, a blind Egyptian cleric serving a life sentence in the US for plotting bombings in New York.

The claim could not be independently verified at the time.

but the group may be part of bin Laden's coalition. Islamists may have penetrated the African continent further than previously believed.

The Islamist-led government of the Sudan has for several years been seen as a safe haven for Islamic extremists. It has provided military training for militants and easy transit points through its porous borders to other countries in the region. Last year the US imposed sanctions on the Sudan for allegedly supporting terrorism — a charge it denied.

Recently, Egyptian Interior Minister Hassan el Aliy accused the Sudan of continuing to harbour three important Islamists. They are wanted in connection with the 1995 assassination attempt on President Hosni Mubarak in Addis Abba, Ethiopia.

El Aliy said Sudan's refusal to turn the men over meant a failure to implement a pan-Arab anti-terrorism agreement signed in June. He said the Sudan is, in fact, working against fighting terrorism.

Islamists may now be looking further afield to carry out their activities. With countries like Egypt clamping down hard on the groups and closing off channels of communication and finance with exiled leaders abroad, other locales may simply offer more attractive theatres of operation to the militants — at least for the time being.

In Pakistan, which has been supporting the Taliban movement in Afghanistan, feelings have run particularly high since in the missile attack on bin Laden's headquarters. One missile fell on a Pakistani bor-

der town, killing five people.

Political activists point out that when India and Pakistan carried out nuclear tests for security purposes in their own countries, killing no one, the US imposed sanctions on both countries as part of American law.

Asma Jehangir, chair of Human Rights Commission of Pakistan, said: 'The war between two civilisations has started.'

She is critical of the Pakistani government: 'They still don't know whether they support the US attacks or not? The government hiddenly supported the Taliban and now they want good trade and political terms with America.'

As a result of the huge immigration of Afghans since 1985, hundreds of cheap arms are illegally supplied across the border near the Pakistani city of Peshawar. At least two million to live in Karachi, which has a population of 13 million.

Asma points out: 'Pakistan is threatened by the Islamic fundamentalist on one side and the terrorists on the other.'

Father Arnold, a social activist and editor of the monthly magazine Jafakash (Struggle), says: 'America's direct attack shows that they are the dictators of the world.'

He adds that the government of Prime Minister Nawaz Sharif is under the hidden influence of the Americans and that is why they did not protest more strongly, even though five Pakistanis were killed.

Last word from Jehangir: 'Osama bin Laden might be a big terrorist. But why can't we kill terrorists who have killed five innocent people at our borders?'

Sky High

MORE than 200 airships will be launched into the stratosphere by the year 2000. The Japanese government announced recently. Floating 20 km above the Earth's surface, these 260 m-long zeppelins will be used like normal communications satellites, specially for mobile phones. Costing one-tenth the price of a conventional communications satellite, these airships will live longer, claims the government. Moreover, their relatively low altitude — the orbits of the lowest satellites are at least 30 times as high — means that the ground transmitters can now be smaller.

Cancer Care

CANADA-based SNC Level, a consultant in power projects for the Kerala State Electricity Board (KSEB), proposes to set up a cancer care centre at Thalassery in north Kerala. The Malabar Cancer Care Centre would be one of the most advanced in India and the first one to be under the State Department of Power, at least initially, according to KSEB sources. Part of the funds for the cancer centre would be provided by the social development component of the funds. The Canadian International Development Agency has already advanced KSEB for three hydroelectric power projects at Pallivasal, Panniyar and Sengulam.

Mercury Failing

A Toronto-based group will launch a lawsuit on behalf of as many as 17 million Canadians who were not told about the mercury in their dental fillings. The suit seeks damages from the health ministry and dental amalgam makers. Scientists are still unsure whether mercury from dental fillings actually pose a health hazard.