

What a Collusive Robbery!

The rocking revelation by the Controller and Auditor General of a nexus between top businessmen and high-ups in the banking sector having burdened the nationalised commercial banks (NCBs) with Tk 4,466 crore in bad loans opens up the way towards disciplining the apparently incorrigible banking sector. The Auditor General deserves full credit for his bold efforts to unearth the deep, dark truth. We also thank the President for the reported indications that the matter might soon be sent to parliament for discussion. The Auditor General has done his job and now it is time for the legislature, the investigative agencies of the government and the judiciary to act and act fast. It cannot be a matter for deferred attention. A recent Bangladesh Bank report of a similar nature lost its way in the bureaucratic wilderness.

The government's indifference, apparently inspired by dubious persuasion by the culprits and their accomplices, delayed and, eventually smothered, the opportunity to punish the defaulters, recover the bad loans and rid the economy of a stumbling block towards growth. This time around there should be no excuses and no wavering on the government's part to act firmly. The facts and figures are there in the Auditor General's report. The Bureau of Anti-corruption should do the rest. They should start their own investigation and, on the basis of their findings and the evidences collected press charges against the recalcitrant bank functionaries. Instead of interference of any kind, the government must extend all-out co-operation to this.

A section of high-ups in the business community have made loan default a habit. Top bank officials, instead of arresting the downward trend in recovery of loans, sanctioned more money to the defaulting debtors. Much has been said but nothing has so far been done about the rampant irregularity. Defaulters, in collusion with top bankers, siphoned off big money from the NCBs, with heavy cuts to bank functionaries in return for their services. Now is the time for the culprits to pay the price. Now is the time to put them in the dock and behind the bars. If we fail to nail them now, the whole banking system, its credibility already on the line, will just become a mockery and all the talks of accountability for healthy growth will be nothing but hollow rhetoric. It's now or never.

Give Them the Best

That children, under-15, constitute more than 55 per cent of the population in Bangladesh is often forgotten. Otherwise their interests would not have been overlooked as they are today.

In fact, what do we really know about their rights? And more so, what do we truly care for their rights? Answers to these questions during the observance of the Children's Rights Week (November 26-December 2), are enough to make one low-spirited. Observing a Day or a Week is rather ritualistic when the children's needs have gone so pervasively unmet. Governments in Bangladesh have always been whistle-blowing when it came to signing an international treaty or a document e.g. MOU with ILO, UNICEF or the Convention of the Child Rights (CRC) etc. But at the implementation level, if it is most of the time failure that it has recorded. This is more true when we see the CRC is a near-impossible task for an economically back-bench country like Bangladesh. For the clauses in the CRC would be redeemable when the basic rights of the children — food, clothing and education — have been met.

On the other hand, the non-governmental organisations, and the UN agencies account for a mixed tally of success and disappointment. Some of the rights groups are apparently selling the misery of the children to garner funds. Their endeavours, in ensuring children's rights, ultimately bring little by way of change in the lives of our children.

The children are never allowed to make their own decisions as far as their rights are concerned, while the present policies of looking after child welfare are proving inadequate to cope with the consequences that follow such a myopic vision. Children should be given the chance to voice their problems and become in a way partners with policymakers in sorting out their rights. Moreover, there's a trend to sensationalise on their rights; by giving prominence to the more negative aspects and by focusing on some extreme cases, which compound the problems and miss out on the opportunity to analyse the inherent causes of a troubling event.

This year's observance of the Week, however, carries a hope in terms of 'Birth Registration' which was absent in the past.

Meeting fundamental needs of all children, and fulfilling their rights, demands an institutional change with a renewed vision and through an active cooperation between political parties.

Dogs to Our Rescue

The government has imported five dogs and twenty puppies from London. These canine sleuths will help police in investigating crimes and nabbing criminals. In many western countries dogs play an important role in detecting and combating crimes and criminals. Why can't they help us?

But these animals have already cost us Taka 56 lakh and another 80 lakh taka will have to be spent in the next three months for their maintenance. And for their residence in Bangladesh a grisly sum of Taka 150 lakh will be spent from the public exchequer. A full-fledged 'dog squad' will be in operation from next February under an Additional IG of Police. Very impressive. In fact, the initial expenditure will run up to a staggering Taka 3 crore, said the AIG concerned on Tuesday.

Good. But the question is: will these animals at all survive the tropical conditions of Bangladesh or be able to effectively employ their expertise and intelligence in their assigned jobs? These dogs are expert in sniffing heroin, cocaine and marijuana. But how would they detect phensydil, the rage in Bangladesh? Drugs apart, will these 'detectives' be trained to thwart mugging, bomb throwing and other disruptive activities special to our country? Each of the dogs will cost Taka 7000 a month for maintenance, an amount that none of the lakh of constables, and many of their human superiors receive.

But worrying about expenses on the imported stock of German Shepherds and British Labradors is quite unnecessary. There can be a long term benefit. In a year's time we will have dozens of pedigree puppies which may be in excess of the needs of the police department. And these puppies can be sold in the open market. The process will continue unabated in years to come. And the police department will earn a lot of money and the dogs earn their way through. That is if they survive our management, supervision, diet and the behaviour of their keeper.

Industrial Policy: Water and Mountain Hut!

We seem to spend too much time on formulating IPs but too little on factors that will make IP work once it is on board. That seems to be the history of IPs in Bangladesh.

THE Industrial Policy (IP) seems to be timely on board. The Ministry of Industries duly deserves appreciation for preparing the policy in right earnest. In a recent meeting of ministers, five-member Ministerial Committee was formed to closely scrutinise the provisions thereof. We hope that the learned members as versed in policy matters as they are — would put their best in making the IP display its productive performance in the realm of our industrial development.

I do not know the contents of IP '98 and therefore, would abstain myself from making any concrete comment. However, I feel tempted to turn to some of the general observations centering around IP. And allow me to start with the end-remarks by Professor Kotaro Suzumura in his celebrated paper: "Industrial Policy in Developing Market Economics." Suzumura is suggestive of two "fictitious stories" about the role of IP. First, IP is just like water for a race horse: at the right moment and with the right amount, the horse runs well. But untimely and excess quantity could be counterproductive so much so that the horse fails to complete the race. Likewise an IP could supplement the competitive market mechanism if and when properly propelled; misapplication only goes to mess things up. Second, IP to industrialists is what a mountain hut — shelter from storms — is to the

mountaineers. "However, the knowledge that there is a dependable mountain hut may precipitate more reckless mountaineering. Similarly, industrial policy may induce firms to invest more than what may be rationalised on the basis of fundamental market conditions, because firms may be led to expect that industrial policy will come to the rescue if their reckless competitive behaviour brings about excess capacity and declining profitability."

The "fictitious stories" stated by the eminent economist does not seem to challenge the merits of IP as a development strategy. Rather it appears to point at some of the shortfalls of IP. Policy makers, while pursuing IP strategies should bear in mind the probabilities of those side effects.

Why on industrial policy? It is an economic policy designed to improve the long-run welfare performance of a national economy by intervening in the allocation of resources between industrial sectors or in the industrial organisations of a specific sector if the competitive market mechanism fails to function efficiently. Because market failures often rise from imperfect information; the cost of information acquisition; transmission and coordination; factors affecting Mar-

shallian externalities... the relevance of Industrial Policy as a strategy for developing market economies and economies in transition seems to be beyond dispute." Defined so, IPs have long been instrumental in the economic development of Japan, the Republic of Korea and other countries of east Asia.

Sordidly, successive IPs in Bangladesh failed to fare well in terms of the objective function.

made modest attempts to face sluggish investments through addressing economic factors. However, "unpardonable" failures in beefing up industrial investment through addressing non-economic factors need also to be reckoned with. Among a volley of virulent constraints, the outdated, unproductive and unfriendly administrative and legal systems to detract investors. An accessible and codified legal system in which

leged plea that such a policy adversely affected local industries.

The allegation is partly true since firm level survey tends to show that much of the woes in the industrial sector originate from factors other than liberalisation per se and any grandiose generalisation on this score could be damaging.

One needs to remember that industrial policy interventions may not always be justified in the backdrop of market failures. In fact, just as competitive markets fail, so do industrial policies. To arrive at a first-best IP — according to Suzumura — three crucial conditions must be met.

First, government should have accurate information to successfully diagnose the pockets of market failures. Second, "government must be equipped with enough administrative authority to take effective and efficient actions to deal with each market failure diagnosed. And third, there should be an avalanche of after care methods in IPs. "Let us call the all-knowing, all powerful and far-sighted government that satisfies these stringent conditions the first-best government, and industrial policies implementable by only such an ideal government first-best industrial policies. First-best industrial policies can resolve all problems related to market



Beneath the Surface

by Abdul Bayes

remedies are reasonably predictable and enforceable can be asset for private sector growth," notes a World Bank document.

The most important consideration that IP '98 might face in the area of a choice between Import Substitution (IS) and Export Orientation (EO), and the role of the government in nurturing or nurturing through such devices as tariff levels, exchange rate management etc. Trade liberalisation or opening up of the economy could be castigated on the al-

Kurds' Leader Ocalan Extradition Battle between Turkey and Italy

by Barrister Harun ur Rashid

The incident has highlighted the Kurdish problem and could be used as a catalyst for a major initiative to try for a solution between Turkey and Kurdish guerrillas of PKK.

THE state of bilateral relations between the two NATO (North Atlantic Treaty Organisation) members, Turkey and Italy, took a nosedive recently over the row about the extradition of the leader of the Kurdish guerrilla movement, Abdullah Ocalan, who was arrested in Rome on 15 November. Turkey demands his extradition from Italy for his terrorist activities in Turkey while Italy does not wish to extradite Ocalan to countries, such as Turkey which have death penalty as it would violate Italian constitution.

Background

According to Turkey, Ocalan is responsible for numerous terrorist activities and under his guidance, his followers of the party, Kurdistan Workers Party (PKK), are estimated to have cost 30,000 lives. PKK is a guerrilla movement to establish a separate Kurdish state in the south-eastern Turkey and the struggle is a long drawn one, involving probably more bloodshed than the violent struggles in Northern Ireland.

Ocalan was hiding in Syria for a long time. Turkey threatened to take military action against Syria if it did not expel Ocalan from its territory. Ocalan had to flee from Syria and took refuge in Russia. Although the Russian Parliament had no objection to provide him a refugee status, the government decided not to proceed to give him political asylum because it did not want to damage its tenuous relations further with Turkey. Moscow is already having serious strains with Turkey on its plans to sell US\$1 billion

worth of anti-aircraft missiles to be installed on the Greek part of the divided island of Cyprus.

Ocalan left Russia and flew to Italy and sought political asylum. It was reported that pro-Kurdish parliamentarians invited Ocalan to Italy so that he could seek political asylum. He was immediately arrested at Rome airport on an international warrant. Last week the Italian Court freed him but directed him to remain in Rome. The Italian government put him in the military hospital near the Colosseum under strict security guards.

Kurds Refugees in Europe

The European Union (EU) has been known to be liberal in providing refugee status to Kurds in Europe on the pretext that the Kurds "faced persecution and military oppression" by Turkish military authorities. The European Union was critical of Turkey's record of human rights and it did not allow Turkey to become a member of the Union although it accepted three other East European countries as members despite the fact that these countries made applications for membership much later.

Political analysts believe Turkey is not able to become a member partly because Greece, Turkey's rival in the Aegean Sea, objects to it and partly because Turkey is a Muslim country. The previous Turkish government led by the

Welfare Party (Islamic) did not help the secular image of Turkey to the European Union.

Kurdish refugees are scattered across Europe which was considered as safe heavens by the Kurds. About half a million Kurds refugees live in Germany alone. Italy has approximately 5000 of Kurds and another 2000 Kurds have requested for asylum. Numerous Kurds live in other European countries. This is why the arrest of Ocalan has embroiled many European countries when supporters of Ocalan staged demonstrations in European capitals, launched hunger strikes, set themselves on fire and carried out suicide bombings to support that Ocalan be granted political asylum in Italy. Although Germany has a long-standing arrest warrant for Ocalan, it appears that the new German government has so far refused to seek his extradition to Germany, fearing that such a move is likely to ignite tensions among the Kurds and Turkish nationals living in that country.

Extradition and its Legal Principles

Extradition, simply put, is a legal process through which a fugitive criminal is brought to trial from another State. Extradition is a quasi-judicial process. It involves both domestic and international law. Generally speaking extradition rests on the existence of a treaty but it is not a pre-requisite to securing the return of the fugitive criminal. It has been seen that political "criminals" are not generally extradited because the crimes are allegedly committed to safeguard the "superior interest" of a political organisation to attain political objectives. The case of Savarkar in 1910 strengthened this principle of non-extradition of a person for political crimes.

Italy's Dilemma

Italy's hesitation to extradite Ocalan arises from its constitutional provisions. So long Turkey has death penalty in its law, Italy cannot extradite Ocalan. If Turkey abolishes death penalty Italy may not

grant extradition if it perceives that Ocalan is a political "criminal". Furthermore there is a fear that if Ocalan is sent to Turkey, Italy could become a target for violent actions by the Kurd refugees in Europe.

On the other hand, the US backed the demand of Turkey. Turkey has threatened its trade boycott to Italy and it is reported that Turkey will not accept any tenders from Italy in common matters. At stake are several billion dollar contracts including US\$3.5 billion tender for 145 attack-helicopters for which an Italian company was a leading contender. Meanwhile boycott of Italian goods declared last week by Turkish retailers was rapidly spreading. Furthermore Turkey may lodge a protest to NATO about the Italian government.

The European Commission, however, supported the position of Italy and took the view that Turkey's reported trade boycott could be a breach of Turkey's obligations under agreements with the EU. The President of

failures in one stroke... In the presence if policy interventions by imperfect government, nation's welfare may deteriorate instead of improving.

Thus in the whole drama of IP, the main actor is the government and its governance. The role played by the government should be that of a facilitator of private investment growth through an arsenal of instruments to deal with mostly non-economic factors. Let our industrial policies be water in right quantity and at right time for the race horse called investment. Let it also be mountaineers' hut but for a rationalised inducement for investors. The side effects of industrial policies should never be overlooked.

While the formulation of IP remains as a domain of the Ministry of Industries, its success on the ground hinges mostly on the Ministries of Finance, Law and Home. After all, whether one would enter into industrial investment would be dictated by the levels of tariffs and taxes, existing proprietary laws of the land and overall law and order situation. Unless these three ministries commit to carry out the IP in full swing, any success would remain as distant hope. We seem to spend too much time on formulating IPs but too little on factors that will make IP work once it is on board. That seems to be the history of IPs in Bangladesh. Hope history does not repeat itself this time.

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.

Thanks Senator Glenn

Sir, Senator Glenn's rediscovery journey is surely an epoch one. Scientists would study the impact of ageing process in different environments and timings during his journey to the outer space. It would take many an analysis to enrich our knowledge in this subject during the coming days.

But one lesson senator-astronaut Glenn has imparted to many of us instantly. He has shown that at retiring age when most people restrict their activities, both physically and mentally, can positively contribute towards society and the country, if he has the desire and attitude. One would require the strength of character to make our life meaningful.

Thank you senator astronaut Glenn.

Tasmiama Amaat
Comilla

NBR PR campaign

Sir, The DS report (Nov 18) on NBR and Income Tax offices is topical. The NBR network has to improve its negative image and beef up its public relations; starting internally, with modernisation and simplification of the rusty, age-old rules and regulations, smelling of colonial days.

Of course the human material has to be improved including the human resources aspect, to make them more tax-payer-friendly. The IT offices are not friendly places to visit. How about a radical change in approach: visitors would be met by the officers only, and not by the staff, and the latter should have no authority to contact visitors unless directed in each specific case; and the inside of the office would be 'out-of-bounds' area except the Reception Lobby.

Believe, or not to believe

Sir, On 7th November afternoon, I was inside a fast-food shop at the cross section of Purnala Paltan. At about 4 pm, a couple of mini-buses carrying BNP supporters (Gulshan thana unit) halted in front of us. Passengers got down and forming up to proceed towards Paltan Maidan. Shop-keepers anticipating probable trouble tried to pull down shutters, but BNP supporters assured them that they were going to leave the spot peacefully so there was no need to pull the shutters down.

Before they could finish these words, a platoon of police in riot gear swooped on them and started beating indiscriminately with 6-7 feet long bamboo stick (unknown to police arms) and started hurling abusive words. In the process, many passersby also got the taste of that "long arm of the police law." A tender aged boy, who came to buy some food, got better police hospitality — once he fainted by their does. Policeman quickly picked him up and took him away for even better treatment. Few minutes later, we saw (on the sight of another approaching procession) those policemen formed up a battle formation to face that procession. But no sooner

they could spot Gen (Retd) Shaikat leading that procession they quickly retreated.

On the following day the dailies published one story. But latter government-party lawmakers informed the house a different one. Now whom to believe — the press, my own experience or the more responsible legislators?

A R Choudhury
Uttara Dhaka

Polluting the planet

Sir, The other day I was watching BBC Reporter's Programme and came to know about the most fundamental reasons of the global pollution. The reasons are:

- a) Green house gases,
- b) Bio-piracy; and
- c) Nuclear pollution.

For our scientists and experts these information would be of great help to find way out of global warming, and the relationship between man and nature. Material progress and industrialisation of the advanced countries are believed to be the root cause of global warming, the effects of which are now being noticed in many parts of the world including Bangladesh.

We want to know much more on this from our scientists and experts.

Abul M Ahmad
Dhaka

Lyotard

Sir, Discussing Lyotard (DS Lit page Nov 21) is an exercise in futility. In this age of change, many Lyotards will appear and then fade out, like the recent comet show in the skies.

Since the created can never read the mind of the Creator, there cannot be any finality in the judgement of the average human being. That is Life — to retrace the way back. In a society (man is a social animal) absence of interaction will stall its healthy presence and ultimate existence. In nature there are three basic processes: input, processing and output. This is the Game of Life.

What is the difference between one thinker being classified as an Intellectual, and another thinker of the same level being classified as Intelligent; both having contributed equally to the storehouse of human knowledge and wisdom? This question has been posed in a book of wisdom.

Language has its limitations in expressing personal experiences, thoughts and ideas. Describe your maddening toothache to one who never experienced one; or your complex worries and situations to your best friend, and you start cursing the limitation of the media and the medium; as lovers do, for example. If your message needs a medium, then the message is not that important, according to eastern wisdom. Was Lyotard saying: Do not use a medium?

A Reader
Dhaka

Mahabur Rashid

Los Angeles, California, USA

OPINION

"Democracy Demands..."

A R Pramanik

I carefully went through the commentary written by Mahfuz Anam on November 11 and on November 13 the reflection of A Ahmed who very harshly criticised the former and it was certainly A Ahmed who provoked me to write.

Mahfuz Anam's commentary was an excellent heading as he critically analyzed the events such as passage of Indemnity Bill, Zia's role in protecting Bangabandhu's killers, Khaleda Zia's role and her government's indifference to repeal the Bill, the Awami League's role in bringing the killers to judgment, the AL's abolishing the public holiday on November 7, the AL's oppression of the BNP, marring of the BNP's Paltan meeting by AL, present government's aggressive attitude and creating intentional hindrance to other political parties' legal rights and programmes and the last but not the least, the AL's responsibility for 60-hour hartal.

Mahfuz Anam logically attributed the responsibility of the recent crisis to the ruling AL. He very prudently set question — "Today we are in the midst of destructive hartal. Why? Is it all the BNP's fault? What was the role of the ruling AL in all this? Did the government behave reasonably with the opposition as it should in parliamentary democracy?" Everybody would easily understand whether the government's behaviour with the opposition can somehow be justified. It seems the AL adopts all the foolish way to belie the nation. It claims that the BNP and allies called hartal to protect the killers of Bangabandhu. If they wanted to protect them they could have created problem while the court was gathering evidence and examining witnesses. And even BNP did not hold any programme on Nov 8 so that the verdict might not be hampered. And of course their programme after the verdict was not in the least related to it. It is the AL who alleged that the hartal was a reaction to the verdict. Mahfuz Anam is rightly questioned. "On what evidence can it be claimed that the BNP opposed the trial?" For since the AL started the trial the BNP did nothing to obstruct the legal process. "Over the last 18 months — the duration of the trial — there was not a single BNP action or demand that can be construed as helping or protecting the killers." So the current hartal must not be because of the trial but certainly because

of the AL's aggressive and confrontational behaviour.

Let us find the events that preceded the 60-hour hartal. The BNP chalked out a plan to hold a token "mass hunger strike" at the Paltan Maidan. Then why the ruling party put on obstruction to the BNP's programme? The AL of course gave an answer but it was illogical.

Mahfuz Anam threw a prudent question: "Why the 8th? Did we not know that 7th Nov is a big day for the BNP and allies, a day they have been observing since its birth. Whether we like it or not is irrelevant. It is their day and they have right to observe it in befitting manner." Not only the AL abolished the public holiday on 7th Nov but worst they as termed the day "Army Killing Day". Could the government not settle the day of verdict a few days before or after the 7th to avoid a probable confrontation?

From a few days before the 8th the AL activists occupied streets and on the 7th they protested the rally of the BNP. When the meeting began at Paltan Maidan and bombs exploded. Why the activists of the AL exploded bombs attacking the BNP leaders including Khaleda Zia? This was not all the crackers were accompanied by tear gas shells. Some leading newspapers published the picture of this attack. Can the ruling party give a satisfactory answer to it?

Mahfuz Anam's commentary did not in the least give me any small of bias. He criticized both the AL and the BNP. I can not but being bothered by A Ahmed's harsh criticism. I am sorry to say that A Ahmed's writing didn't seem to me convincing as he did not take the incidents that preceded the hartal, in his consideration. He wrote, "I must disagree with the basic and contentious premise of the article that the government is to be held responsible for the opposition's calling 60-hour hartal." However the ultimate truth came out of the very pen he himself writing, with verdict. It is possible that the AL provoked the situation but it is also equally possible that the BNP engineered the crisis.

I cannot conceive what A Ahmed wanted to mean by saying, "By trying to apportion blame for the events of the 7th November so soon after the event, is The Daily Star not treading on dangerous ground?" I doubt whether it was an open throat or a friendly pre-caution to The Daily Star.