

Pursuing a Fallen Man

Ayaz Amir thinks the CE in Pakistan should concentrate on the country rather than going after Nawaz Sharif

WHY can't we do things a bit gracefully in Pakistan? Nawaz Sharif is down and out. Use any cliché you like: his own worst enemy, took a step too far, hoisted on his own petard. It makes no difference. Through folly, monumental and all of it his own, he has lost his kingdom and come crashing to the ground.

Although in more civilised climes this in itself might be considered sufficient punishment, he is yet being put through a judicial wringer. What great national purpose this will achieve is uncertain but one thing is for sure: it will diminish Pakistan.

How many military strongmen have been prosecuted for the disasters they directly or indirectly brought upon the country? None. The dead amongst them were buried with full military honours. Those living — Beg and Kakar — play golf, ride horses and, in Beg's case, regularly inflict press statements on the nation. As opposed to this benign record, three elected prime ministers in recent memory alone have been prosecuted for their real or imagined crimes. Zulfikar Ali Bhutto, Benazir Bhutto and now Nawaz Sharif. And Junejo, remember, got the sack for the trouble he took to stand up to Zia. Probably all of them deserved what they got but even to the blind it would be obvious that at work here is justice of a very selective kind.

Already Nawaz Sharif's court appearances have become a bit of a *tamasha*. Stalin's victims were not brought to court in armoured personnel carriers. Nor I think was Al Capone. Even in Malaysia where powerful Mahatira pursues a vicious vendetta against Anwar Ibrahim things are done better. But the ham-handed security arrangements in place for Nawaz Sharif's mornings in court give some idea of the sophistication we bring to these enterprises.

And all this, mind you, in front of the world's cameras. Then we mean that Pakistan has an image problem.

And, since the script with us never varies, in and behold, there is another high-profile approver, Aminullah Chaudry, which only proves that the tradition of Masood Mahmood lives on. I feel sorry for Chaudry. When I was in Punjab as an MP I sat in on several meetings with him and my impression of him was that he was a forceful man and a cut above

the rest of his peers. Now for what remain of his days he will have to live with the memory of what a cruel circumstance have brought him to do.

In a country where politicians are regularly reviled for a variety of sins, it is noteworthy that even when some of them play the role of collaborators they do so discreetly and with a sense of lingering shame. Not so sharp-eyed bureaucrats who in fair weather take loyalty and subservience to extraordinary lengths even when, as often happens, they are called upon to execute patently illegal orders. The moment there is a reversal of fortune, they are equally adept and prompt in abandoning ship and scurrying for safety.

In Zulfikar Ali Bhutto's time Masood Mahmood, Saeed Ahmed Khan and Vigar Ahmed were terrorists across the land. When Bhutto fell and the military took over (sounds familiar, doesn't it?) they proved to be without shame or conscience. Of all of Bhutto's bureaucratic high-flyers, Rao Rashid was probably the sole exception: arrogant (and a bit of a ladies' man) in police uniform, arrogant in jail and adversity. Much on the lines of Bhutto himself who, if autocratic and heavy-handed in power, remained stiff-necked and unbending right till his death. About Rao Rashid I cannot help saying further that in politics to which he turned during the Zia years he proved to be a total failure, a sad eventuality for a colourful and gifted man.

Aminullah Chaudry, a heart patient, should have been content to remain as a secretary to the Punjab government. But at Nawaz Sharif's behest, for whom the first conditions for senior appointments was personal loyalty, he had to become boss of civil aviation. Now he has, turned approver. The higher one flies, the harder one falls.

Next time a pundit utters imprecations against the political class let him remember that compared to the kind of bureaucrats who have flourished in the last 15-20 years, the professional politician, for all his faults, looks like a pillar of strength and loyalty. A reluctant sense of objectivity compels me to add that some members of the journalistic tribe could teach anyone a thing or two about turncoatism. In fact, keeping the history of military takeovers before us it is journalists (obviously some and not

all) who change colour first, followed by bureaucrats and then politicians.

This has been a pretty long digression. But to return to the main theme, few people will be under any illusion that the wheels of higher prosecution in Pakistan move of their own accord. They are set in motion by pragmatism and political expediency with governments turning prosecutor in pursuit not of justice (an elusive bird in Pakistan) but naked self-interest. Zulfikar Ali Bhutto could have been hanged twice over for his sins but in reality the gallows for a different reason. His



The noose tightens . . .

enemies would have known no peace till his body was lowered into the ground. As Zia himself famously put it (at a cabinet meeting no less), 'It's his neck or mine.' Nawaz Sharif's case is different. While in power his Mughal ideas of rulership were a threat to everything. If he had succeeded in his design of foisting Lt-Gen Khawaja Ziauddin on the army God alone knows where his galloping megalomania would have come to rest. But unlike Bhutto who remained a force to be reckoned with even beyond the grave — till Daudlat Daughter came along and with her husband buried his legacy forever — Nawaz Sharif out of power is a threat to no one, least of all the military.

Perhaps in Bhutto's case the Greek tragedy of his life had to be played out fully. But Nawaz Sharif, as even his friends might agree, is no character from Athenian history. All this rise and fall stuff, of greatness arriving at its doom through its own excesses, sits inappropriately on his shoulders. He was a

mediocre figure who rose to political stardom because of exceptional circumstances. Starting with Zia-ul-Haq Pakistan, as so often in its history, stumbled once again on mediocre and tawdry times and Nawaz Sharif more than anyone else — more even than his great rival for the mediocrity crown, Benazir Bhutto — embodied the spirit of the age.

In his rise therefore many of this country's people were intimately involved either as witnesses or accomplices. With a succession of military men, from Gen Jilani to Hamid Gul, helping nurture Nawaz Sharif's political career the army least of all can disclaim responsibility for his spectacular ride to political glory. Even Benazir Bhutto is guilty on this count, as indeed on so many others. If she had been less greedy and incompetent Nawaz Sharif would not have been the helmsman of the heavy mandate.

Justice of course should be done but it should be commensurate with the crime. The Sharifs were perhaps the greatest robber barons this country has seen. For this they should be called to account. If in the process the Rawind Estate becomes a nature preserve (which I am sure will not happen), it will be all to the good. But there is no call for the kind of small-minded victimization with which our recent history is replete. Why, for instance, deny newspapers and other small amenities to Nawaz Sharif, or deny his family regular access to him? These are petty slights and smacks of vindictiveness.

More important than removing inter-provincial disharmony, one of the points in the Chief Executive's agenda, is the need to heal the disharmony of our souls. Pakistan needs a fresh start, a period of internal peace, so that there is an end to the never-ending cycle of warfare which has been the bane of our political existence. Whether the military can do anything long good is problematic. What is certain is that it does not have an infinity of time at its disposal. Much better therefore to concentrate on essential and keep away from energy-draining peripheral issues.

And, please, no more martyrs. After Bhutto's experience it should be clear that this is one luxury Pakistan cannot afford.

Courtesy: The Dawn of Pakistan.

After the Offensive

Tamil leaders in Sri Lanka are cautious about LTTE's talks offer. Sugueswara Senadhira writes from Colombo

SRI Lanka's minority Tamil leaders see little prospect of peace talks between the government and the separatist Liberation Tigers of Tamil Eelam (LTTE) despite rebel leader Velupillai Prabhakaran's offer of negotiations.

Commenting on Prabhakaran's offer to hold talks under third-party mediation, the leaders said there was no common ground for dialogue as the guerrilla leader had made it clear in his *martyrs' day* message that he would not give up the demand for a separate Eelam state.

R. Sambandan, of the moderate Tamil United Liberation Front (TULF), and leaders of two former rebel groups, Douglas Devananda of the Eelam People's Democratic Party (EPDP) and Suresh Premachandran of the Eelam People's Revolutionary Liberation Front (EPRLF), said the government was unlikely to

agree to Prabhakaran's conditions.

Prabhakaran said the LTTE was ready to talk with the government without giving up the demand for a separate state. However, he said the peace talks could only be held under conditions of normalcy, in other words that the government must stop all military operations against his group.

(President) Chandrika (Kumaratunga) conveyed to us a message through third party sources that she was prepared to hold secret talks with certain conditions while continuing the war efforts," Prabhakaran said in his speech, broadcast over the clandestine *Voice of Tigers* radio.

"We rejected her. It is absurd and practically impossible to hold peace talks on one side while engaging in a bloody war on the other," he said.

K. Varadaraja Perumal, former Chief Minister of the North-Eastern Province and

EPRLF leader, said Prabhakaran would not give up his demand for a separate state. "He has not clarified his preconditions. In any event, the government is unlikely to agree for talks under his conditions," he said.

Premachandran said the government should first talk to democratic Tamil parties before initiating negotiations with the LTTE.

EPDP leader Devananda totally rejected the LTTE offer. "There is nothing new in his statement as he makes this statement every November," said Devananda who supports Kumaratunga's re-election bid. He said the government could never agree to LTTE's preconditions, such as a withdrawal of troops to the pre-1995 positions and the lifting of an economic embargo on LTTE-controlled areas.

The English language daily *The Island* said in an editorial that the LTTE had made impos-

sible demands because "Prabhakaran's not keen to talk".

Although the TULF was cautious about the LTTE's offer, it urged the government to explore the possibility of talks with the rebels. "It is essential that any given opportunity is properly explored because of the need for peace," Sambandan said. "The TULF, however, believes that third party mediation is necessary for peace talks," he added.

Opposition leader Ranil Wickremesinghe, who is contesting against Kumaratunga in the December 21 presidential election, has said he would start talks with the LTTE if he gets elected.

The LTTE released seven Sri Lankan soldiers taken captive to mark *martyrs' day*, which commemorates the war dead. The rebels termed it as a goodwill gesture, but did not say if it was linked to the offer of talks.

—India Abroad News Service

The Chief in West Bengal

Jyoti Basu seems close, close to lose his position that he has been holding for so long. Mansoor Mamoon writes

WITH an eye on the state elections in the year 2001 and keeping in mind the BJP-Trinamul Congress alliance's all out offensive, the left front in West Bengal has persuaded Chief Minister Jyoti Basu to revert his decision to retire on health ground. The octogenarian charismatic Chief Minister, who is in frail health, was talking about his possible retirement after the October hustings.

But the outcome of the general elections in which the BJP-Trinamul alliance made inroads into what so long used to be regarded as the impenetrable bastion of Marxist sway (along with the states of Kerala and Tripura), the left front naturally got greatly alarmed. Will its long 22-year sway over the state finally come to an end as has so vociferously been vowed by the alliance leaders? Without Jyoti Basu, can the front hope to get a fresh lease of five-year tenure?

Apparently the Left Front took the threat of BJP-Trinamul alliance with all seriousness and decided to retain Jyoti Basu as its leader till the next state elections. It could well realise that "minus Basu its chances of winning the polls and continually clinging to power might be in jeopardy". Obviously he has proved to be the dependable vote-catcher and right at this moment there is no competent compromise candidate to replace. In other words, Basu has no alternative in the left front. A front-ranking CPIM leader has thus quipped: "Jyoti Basu is not a product of any factory but of continuous struggle and movement for more than half a century."

Since 1946 he was elected in all the elections. The only interruption was in 1972 when his party decided to stay away from the polls because of the highhandedness of Indira-led Congress. But in 1977 Basu's left front swept the polls and

the winning spree has continued till now. Basu, a dedicated Marxist, withstood two splits in the Communist party, charted a course independent of both the Soviet and Chinese influences and led it to a resounding victory.

Coalition governments usually do not survive for long in India. But Basu has the singular credit of keeping in tact the front that his party formed with the Forward Block, RSP and CPI during all these years. He also survived many encroachments by anti-left front elements both at the centre and in the state. There were countless fusillades of vile propaganda against him and his government. But so far nothing has worked. His strategy proved to be so pragmatic that nothing could detach him from his masses. The record that he as an elected Marxist leader has set will be difficult to be broken in the foreseeable future. He stood like a ram-rod when at times governments in the centre as well as in other states fell like nine pins.

Basu is said to be the only Marxist leader in India with a national stature and was once tipped as prime minister. But his party denied him that opportunity when it beckoned him. This time, also, he has placed the party-interest above him.

The concern of the left front is easily understood. During the Lok Sabha polls CPIM (and the Front) lost four seats to the BJP-Trinamul Alliance though the percentage of its votes did not diminish. In Kerala it was unscathed while in Tripura the Trinamul Congress leader Momena Banerjee claimed the trend of the voting showed that her party would bag more than 155 seats in the Bidhan Sabha (State Assembly). BJP, which also improved its standing, hopes to secure quite a sizeable number of seats. BJP-Trinamul alliance feels greatly encouraged

and hopes to unseat the left front in the next state elections. As many as three ministers from West Bengal have been inducted in the jumbo cabinet of Vajpayee and all are working in cohorts to win over the electorate through accelerated development activities sponsored by the central government in Delhi.

This prompted Jyoti Basu to meet Prime Minister Atal Bihari Vajpayee in November with a list of thirty-five demands, twenty-four of which concern the state of West Bengal. The demands included protection of the erosion by the Ganges, a regional passport office in the northern zone, a separate television channel, streamlining the public sector and reopening of BMRE of the closed industries. After the meeting Jyoti Basu held a much-publicised press conference, his first in many years. His intention was to show to his people that all the developments being drawn up by the centre are not entirely the credit of the three cabinet members of the BJP-Trinamul alliance from West Bengal but that he has definite contribution in formulating and spearheading them.

The CPIM politburo proposed to lessen the Chief Minister's workload and to appoint a Deputy Chief Minister to assist him in his day to day routine work. The choice fell on state police, Information and Culture Minister Budhadev Bhattacharjee. But the latter's nomination to the newly-created position of deputy Chief Minister was not easy and smooth. Bhattacharjee had enemies both inside his own party the CPIM as well as in the left front. Sensing this, Basu had to request the left front to accept the nomination of the CPIM Politburo without any debate. In fact, Basu proposed Bhattacharjee's name and at his behest a badly-needed unanimous decision could be secured

move, demanded the formation of a core committee to oversee and monitor the work of the cabinet ministers. It was targeted at Bhattacharjee. Basu said he would consider the proposal and assured his partners in the government that Bhattacharjee's nomination is only *ad hoc* and provisional. CPIM and the Front would take the final decision as to when will lead the party and appointed as his heir after state elections. Insiders and analysts equally maintain that veteran Marxist leader Somnath Chatterjee might be the ultimate choice when Basu ultimately retires.

Basu has already called for self-criticism and introspection by the left front about its outcome in the Lok Sabha and to get ready for the upcoming state elections with a new strategy to face the all out offensive by the BJP-Trinamul Alliance. A large segment middle-class people has lately become disenchanted with the left front. Communalism has also raised its head in the state fanned by the alliance. Yet another issue is the so-called intrusion by the Bangladeshis. These tendencies are likely to favour the alliance to a large extent.

Apart from this, a hostile government in the centre will put all its weight for ridding the state of the reds. After twenty-two years rule by the same faces there might in likelihood be a feeling among some people for a change. So for Basu the election is going to a litmus test. His personal popularity, therefore, will be a determining factor as well as it will largely hinge on the success of the front in the polls when he finally calls it a day and gives farewell to active politics.

The writer, a SAARC Gold Medalist, is a former Research Fellow of the Institute of South-east Asian Studies, Singapore and the Commonwealth Foundation for Broadcasting Development.

Best of Nepal's Manhood

Gurkhas of Nepal fought with distinction in almost every conflict involving India or Britain over past 150 years. M Abdul Hafiz writes

THE world's most feared mercenary force — the Gurkhas — is, in fact, the cream of Himalayan manhood extracted through an intense churning of thousands of aspirants to enter the charmed world of overseas soldiering. If they are in great demand in some foreign countries for their proverbial courage and loyalty no less is also their own urge to serve in the foreign land for defending foreign flag. This is easily explainable in the country of their belonging which cannot provide them a job worth their qualities. They have certain aura surrounding them for their reputation for bravery which is encapsulated in their motto — it is better to die than to live a coward. Besides, they are recognised all over the world as excellent soldiers, physically tough and fearless and yet relaxed, calm and trustworthy. It is not surprising that they have a growing market abroad for their qualities.

After many years of fighting at the margins of the empire the Gurkhas have now become a central part of 113,500-member British Army. They also help fill gaps caused by shortfall of domestic soldiers in Britain that totals 6000 a year now. Britain's 37000 Gurkha Brigade is entirely Gurkha show — a source of pride for both Britain and the Gurkhas. Apart from these they enjoy the exclusive honour of changing guards at the Buckingham Palace. In recognition of their

contribution to victory in Falkland war the Royal Nepal Airlines was given a special landing right in Hong Kong.

That's not all about the Gurkhas' projection abroad. Gurkha units are also an integral part of India's 1-million strong Army and stationed all along its border. Indian Army has an estimated 10,000 Gurkhas in its ranks. Elsewhere in Asia, one of the two battalions of Gurkhas is stationed permanently in Brunei at the request of its Sultan. Those who are lower in the ladder of selection standard maintained by British Gurkha Recruiting centre in Nepal's Pokhara are chosen for select unit of Singapore police.

Gurkhas fought with distinction in almost every conflict involving Britain or India over past 150 years. They saw military actions in Afghanistan, Mesopotamia, Persia, Palestine, Tibet, China, Egypt, North Africa, Malaya, Burma, Borneo, the Falkland Islands, Iraq and so on.

Their peacekeeping role within and outside the United Nations took them to Vietnam, Congo, Rwanda and Lebanon. This year they have served in Kosovo, Kargil and East Timor. An Indian Gurkha battalion is standby to join the UN forces in Sierra Leone.

With this high profile of the Gurkhas both in war and peace they are now increasingly conscious of the services rendered by them to the foreign govern-

ments and the discriminations they are meted with. It is true that they earn handsome amount abroad and never dreamt of earning even a fraction of it in an impoverished Nepal. Yet they cannot but be pained at an uneven treatment they suffer in the hands of their employer. The debate was sparked off recently after a Gurkha sergeant was killed in a bomb explosion in Kosovo.

The death in June last of Sgt Balam Rai of British Gurkha Engineers while clearing unexploded bomb focussed attention on a disparity in pay and pension between British soldiers and their Gurkha counterparts. It comes to a sharp focus because of the strictly similar standards both are supposed to possess in service.

Rai's widow was given lump sum of \$31,000 and a pension of \$1500 a year falling to \$1300 after five years. The widow of a British soldier of the same rank would have received much higher amount — a lump sum of \$90,000 and a further \$16,000 six months later. In addition she would also get a pension of \$25,000 a year till her death. The increasingly conscious Gurkha soldiers abroad fail to get a convincing reason for the discrepancy when the risk involved and undertaken are same. The recruitment standard and entry tests for the Gurkhas in British Army are indeed tough — much more gruelling than for any other recruits in the British Army.

The pre-entry tests for them include, among others, a 1.6km run in less than nine minutes, a 4 km mountain race carrying 35 kg of stones in a backpack and up 400 meter slopes within 35 minutes. Obviously, a measure of bitterness grows among the British Gurkhas who now demand equal treatment with British soldiers. But the agreement by which they enter the British service — their salaries and pension to Indian level.

However, the death of Balam Rai has opened up ways for the Gurkhas' well-being. A British media campaign backed by actress Joanna Lumley whose father was a Gurkha officer has forced the government to review Balam Rai's compensation. Recently the British Prime Minister has announced that the payment to the widows of Gurkha soldiers killed in action would match those of their British counterparts and be backdated to cover the case of Balam Rai.

This is not the first time that the British authority has shown such gesture to the Gurkha soldiers. When the British Gurkha contingent Hong Kong and were relocated to Britain, they were given allowances to bring their take-home pay on the same level with British soldiers. This was the first tangible recognition of equality. Now with the revision of Balam Rai's compensation and pension the cream of Himalayan manhood will simply flow out of its traditional abode.

Bhutan's Efficient Judiciary

Palden Tshering writes from Thimpu

AS Bhutan responds to the changing times, the judicial system aspires for a process that is faster, more efficient and more sensitive to the needs of the people," said the Chief Justice, the Joint Seminar on the Judicial System of Bhutan on November 22, in Thimpu.

Over sixty judicial officials including RBP officers from around the country will be meeting for ten days to discuss the draft Procedure Code dealing with the Civil and Criminal Court Procedure of Bhutan.

The Procedure Code is not entirely new but rather a more comprehensive version of the Thrimzhung which had very general principals in comparison.

The draft Procedure Code covers every aspect of the legal system from the independence of the judiciary, structure of the courts, jurisdiction, powers, arrest by private persons, search warrants, search of mail and

wiretapping to sentencing. The Chief Justice explained to Kuensel, that the seminar was a relentless pursuit to make the judicial system more effective and professional.

The seminar besides reviewing Bhutan's System and Court Management, the Procedure Code will be thoroughly debated and discussed during the seminar.

"This will enable the High Court to decimate information regarding the court procedure and create a greater awareness amongst the law enforcement agencies and the people at large," the Chief Justice said.

Resident Coordinator of the Liaison Office of Denmark, Dr. Michael Vinding addressing the seminar spoke of Denmark's continuing support to the Bhutanese judiciary system.

"Fair trial and updating legislation to make the judiciary more efficient are very essential," he said.

Courtesy: The Kuensel of Bhutan.

A New Dilemma in Thimpu

Increase in sex trade worries Bhutanese

THE somnolent and tranquil mountain kingdom of Bhutan, which has common borders with China and India, is now awakening to the dangers that could be caused by a large number of sex workers are allowed to function in the country.

Bhutan's official newspaper Kuensel has in a recent editorial expressed anguish about the "world's oldest profession" which is creating "a new dilemma to the Bhutanese community", especially in the border town of Phuentsholing. The paper said that a large number of sex workers had entered the border town from Sikkim, Darjeeling and other nearby Indian towns. Even though police raids on sex dens could be a deterrent, it could also make the problem worse as the sex workers and others connected with the trade would go underground and carry on their trade.

The paper suggested that the licensing of the sex trade could make it easier for health work-

ers to monitor the trade but "the religious and social inhibitions carry too heavy a cost. Most communities around the world cannot bear the stigma of allowing sex trade as an open and licensed trade."

The editorial also issued a warning against the danger of HIV virus spreading in the country of 600,000 people since India has around 3.5 million people suspected to be HIV positive.

The only known successful way of keeping a watch on the trade was to employ former sex workers to monitor the trade from the profession, the paper said. Distribution of condoms must also be a priority.

Certain initiatives have already been taken by authorities in Phuentsholing. A 10-member AIDS committee informs owners of hotels and bars about the dangers involved. Counselling and medical care is also provided for commercial sex workers.

—India Abroad News Service

How Now, Cash Cow?

Irfan Husain in Pakistan is convinced that had the people who masquerade as businessmen not plundered the banking system, the country would not be in its current precarious situation

ALTHOUGH bank defaulters have not exactly rushed to repay their loans, there has been a small trickle of cash that has made its way back to the financial institutions that had handed it out with such generosity.

But even if all 240 billion rupees in non-performing loans are returned by the sharks who have pocketed much of this loot, it is doubtful that our economic woes will be reduced. Most Pakistanis feel — and I include here the intelligentsia — that once the defaulted billions are returned, rivers of milk and honey will start flowing across the parched Land of the Pure.

Looking for a quick fix, most of us have neither the patience nor the stamina to accept that progress takes sustained effort and consistency. We are convinced that had the crooks who masquerade as businessmen not plundered the banking system, we would not be in our current precarious situation.

Very few of us have stopped to consider what will happen if and when the bulk of the defaulted loans is returned. As it is, Pakistani banks are not short of liquidity. The recent schemes launched to attract deposits have been very successful as people looked for opportunities to park their savings in an environment where the stock market continues its erratic behaviour and the real estate market has virtually collapsed.

But despite ample liquidity, very few businessmen are applying for loans. Partly this is because of the prevailing recessionary conditions when no new investments are being made. Indeed, the last three years have witnessed only three new listed companies being added to the stock exchange. Then there are the crushingly

high interest rates that continue to stifle investment despite the presence of sufficient liquidity. Although the State Bank cut prime rate slightly earlier this year, an entrepreneur still has to pay interest at the rate of around 18 per cent annually. If he goes to a leasing company, the rate can be around 20-22 per cent. Add to this a normal profit margin of at least 12 per cent, and we are talking about an annual return of about 33 per cent. Very few investments earn this kind of profit, especially in an economy as depressed as Pakistan's.

Pakistan's fiscal managers have traditionally kept interest rates high to keep prices low, but this anti-inflationary monetary policy has been at the cost of growth and investments. When the economy was doing well, industrialists borrowed, expanded capacity and built new plants, often reducing personal risk by over-invoicing massively on imported machinery. But when the textile boom went bust in the early nineties and political uncertainty began stifling growth, many mills shut down and industrial moguls were unable to service the loans they had acquired at very high interest rates. This is not to suggest that their indebtedness affected their lifestyle in any way: their offspring still went abroad to study; they summered in Europe and maintained their flats in London; and they partied as hard as ever.

While the present government is trying to crack down on the worst of these defaulters, they haven't yet turned their attention to the bankers who are dished out these unsecured loans as though they were from their personal coffers. The most illustrious of the tribe, Yousuf

Habib, was imprisoned for ten years by the Benazir Bhutto government, but was granted several remissions during Nawaz Sharif's last tenure, and is now out of jail.

The fact is that loans simply cannot be granted without the active connivance of a number of bankers. The whole process of evaluating a proposal is a lengthy one in which a number of people are involved. Unfortunately, those manning the development financial institutions (DFIs) and the nationalized banks have served as their huge overheads and their sycophants ever since these organizations were brought under government control in the early seventies by Bhutto. The only qualifications needed to head these institutions were a compliant nature and an easy conscience. Pakistan is fortunate in having more than its fair share of such men.

As the balance sheets of these banks became awash in red ink, the return they offered on savings became embarrassing even to them. Currently, most nationalized banks give around 8 per cent on savings accounts, out of which the government takes another bite in the shape of *zakat*. Considering that the same banks lend money at around 18 per cent, this gives them a spread of 10 per cent, a figure unheard of in respectable banking circles. Nevertheless, their profits are virtually non-existent because of their huge overheads and their bulging portfolios of non-performing loans which, instead of being written off, are shown as "receivables." This accounting sleight of hand allows them to show paper profits where none exist.

In the process, it is the average account holder who gets shafted. When all this talk of accountability reverberates across the land, nobody says "let's get the bloody bankers." Many of these worthies have enriched themselves by granting loans which a private bank would not touch with a barge pole. They have colluded with businessmen who have happily given them bribes in the shape of cash or shares in their companies. While these bankers have usually cited political interference as an excuse, the fact is that the majority of bad loans were sanctioned entirely by misusing their authority for personal gain or professional advancement.

The State Bank of Pakistan which is enjoined and empowered to oversee the working of nationalized and private banks, dithered to stop this plunder. Not once in public knowledge has it stepped in to protect the interests of the state or individual account holders. As far as I know, it has never held top bankers accountable for their miserable performance, demanding to know why they were giving such low returns to savers when private banks, usually foreign, were doing so much better.

Ever since privatization became the official mantra a decade ago, we have been hearing that nationalized banks will be returned to the private sector. Apart from MCB, we are still waiting for the country's two biggest banks, Habib and United, to be sold. The problem is that their executives, the bureaucracy and politicians all want their cash cows to be tethered where they can be milked at will.

Courtesy: The Dawn of Pakistan