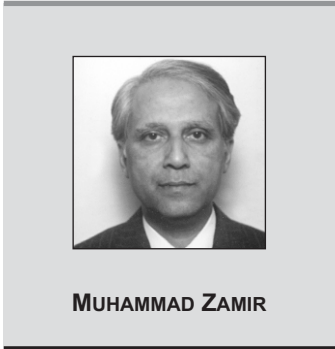


Esho hey Baishakh



MUHAMMAD ZAMIR

AFter writing on subjects and issues related to politics, international relations and economics for the whole year I have decided to devote this column to *Baishakh*, the first month of the Bangla New Year. May I start by wishing all the readers *Baishakher Suvecheha* as we enter another year – 1413. The whole process started sometime in the 6th century but drew special attention when the Mughal Emperor Akbar started the Bengali calendar year on 10 March, 1585 on the advice of some of his courtiers. Baishakh, as the first month of the Bangla calendar however came into effect from 16 March 1586 – the day Akbar ascended the throne.

Later, this concept of the Bengali year quickly spread throughout the Mughal Empire, particularly in the rural areas of Bengal. A special significance was also attached to this computation of the year. It acquired an agricultural connotation. The beginning of the year at the end of the Bengali month Chaitra, was also by royal decree, made the starting point in the time frame for collecting taxes from farmers. Bengali peasants also used Baishakh as the month to start their next cultivation and fields were generally ploughed during the period mid-April to mid-May. This coincided with the arrival of rain after the relatively dry months of December to end of March.

Baishakh is a month I have always greatly enjoyed. It is a period of the year, which heralds the arrival of summer, of severe dust storms, dark skies in the northwest and violent nor-westers. I have always admired this period as a symbol of re-awakening. It is as if Nature takes her broom and cleans all dirt and filth out of her environment. One feels the change in the air. There is heat, hot and humid conditions, fierce storms, rain and then freshness all around us. Rabindranath Tagore was quite right when he wrote-

cated that nearly two hundred fairs are organised throughout Bangladesh on this occasion, either on the first day of Baishakh or in its first week. This in its own way, has a huge impact on the grassroots economy. In addition, in many urban centres, including the city of Dhaka, the holding of book fairs and the exchange of books, particularly books of poetry as gifts, mark the day. This reflects the sentimental aspect of the Bangalee psyche. In the last few years, younger people, particularly students, have also initiated the vogue

become a universal New Year dress for men. The parade progresses to the beating of drums and cymbals. People also sing and dance."

The advent of Baishakh is also celebrated through varied functions in different regions. Chittagong has become famous for its Bali khela, an indigenous form of wrestling competition. It is strange that this form of sport should take place in that region, so far from its regular habitat in the western provinces of India. Rajshahi celebrates Baishakh with Gambhira,

Consequently, it was seen as a great sign of courage, when Chhayanaout, a cultural body composed of some progressive intellectuals and lovers of art and music, decided to organise a programme of Rabindra Sangeet on the first of Baishakh in the Ramna Park in Dhaka. This bold step in more ways than one, was the second success in the struggle to establish our cultural identity as a Bangalee nation. Subsequently, it became the focal point in Dhaka's cultural calendar. Those associated

is also continuation of what started in Falgun and Chaitra. It is a period when most people touch the colour palette and cover themselves with radiant reds, oranges, canary yellow, burgundy, emerald, parrot green, mystic blue and pristine white. Earth tones also surface in block prints and in the use of embroidery in clothes. Baishakh in more ways than one becomes a metaphor for rejuvenation and rebirth.

There are no political overtones in the celebration of Baishakh except in the minds of some sick individuals, who because of their twisted understanding of religion, frown on the gaiety and spirit associated with this date.

I have dedicated this column to Baishakh because the eternal child in me believes in fairy tales, in the power of good over evil. Every time Baishakh comes around, it reminds me of the Bangalee ethos and the unity we displayed during the dark days of 1971.

Let us, in the beginning of this New Year, promise to embark on the path of constructive engagement in the political process. Let us try to share happiness and help our neighbour. It might sound naive but it would be worthwhile to seriously consider the dictates of Nelson Mandela. That great man, in his quest for understanding, did not hesitate to follow the path of justice and reconciliation. Bangabandhu Sheikh Mujibur Rahman also did the same. He forgave those who had opposed the emergence of Bangladesh and sought their rehabilitation within the unified matrix of our beloved country. Let us similarly, in the eventful and crucial year ahead, try to come together and find least common denominators. Let us overcome our greed for achieving power without consideration of its possible effect on the people at large.

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LEST WE FORGET

Captain Narendra Nath Datta

MUHAMMAD ABDUS SALAM

APRIL 6 was the 56<sup>th</sup> anniversary of death of Captain Narendra Nath Datta, the founder of the 'Banee-Pith' the Sreekail College and Krishna Kumar High School in the village of Sreekail in Muradnagar PS of Comilla district. Of course there is no body in this earth who can escape the darkness of death. A day comes in everybody's life when the icy hand of death snatches away the life that we held more precious than any other earthly things.

Born on 21 September, 1884 in the village Sreekail Narandra Nath Datta died on 6 April, 1949 in Calcutta at the age of 65. He was popularly known as 'Captain Datta'. Today he lives in the memory of hundreds and thousands of the people – his friends, relatives and admirers and well-wishers. Today though our heart is naturally heavy with sorrow and pain missing him, yet it beats with a sort of joy as we recollect a man who had loved the down-trodden of the society.

Datta, indeed, lives in the minds of all those who knew him. He was a kind of man whom the local people can never forget. Although Captain Datta died in his Calcutta residence which is far away from his paternal home, yet part of his last remains were buried on the soil of Sreekail – his birth place, which he loved so much. Captain Datta was not a person to harbour grudges and animosity against any body. He fought hard for the cause of education of the poor people of his area.

Datta was a life-time bachelor. It is known that one of his close friends once asked Datta: "Why don't you marry?" Than he replied; "If I marry I may or may not be a father of five or 10 children. But don't you see the hundreds of students of the Sreekail College and High School? They are my children." Whenever he was



asked this question the reply was the same.

The Sreekail College was built in 1941 because of his sacrifice, courage and determination. It was his child. But these ideal institutions for general education will survive generation after generation. There is no need of any memorial tomb for Captain Datta. These institutions themselves are the great memorial tomb for him.

Even now the spirit of Captain Datta is there to guide and inspire us. We must not forget the example of his relentless striving for education of the poor villages for which he fought to the last. Let us also cherish the values he held sacred – honesty, integrity, courage and sacrifice. Captain Datta lived and died to achieve just a good society based on the basic principle of education for all irrespective of cast, creed, colour, rank, status and position. His entire philosophy of life could be summed up in one word: 'Education.'

May the soul of late lamented Captain Narendra Nath Datta rest in eternal peace in the Heaven.

Muhammad Abdus Salam is a former professor and Head of the Deptt. of Political Science Sreekail College, Muradnagar, Comilla.

Combating corruption

KAZI S.M. KHASRUL ALAM QUDDUSI

AT long last the Anti-Corruption Commission (ACC) is about to get down to business with rather an innovative mission named "Trap Case Drive". The objective is to catch the corrupt officials red handed with the help of prospective bribe givers as traps. It sounds good as the ACC seems to have become rather free from its internal squabbles that plagued it for a protracted period. Independent Anti-Corruption Commission was formed replacing Bureau of Anti-Corruption (BAC) which was famous more for its officials' corruption than for curbing the same and, moreover, had to function at the beck and call of the Prime Minister's office.

While welcoming the move and wishing the drive resounding success, I feel tempted to quote The Daily Star editorial of 26th March, 2006: "But to publicise the new move the way it has been done, albeit with some tactless gusto, could only lead to alerting its likely targets to lie low and refrain from going about their usual business smelling danger in the air. The success of any such drive is basically dependent on an element of

Institutional means to curbing corruption is indeed a good initiative. But, I think mental purification should precede institutional arrangements. And it would have to be ensued from the top. To send corruption packing, it is the policy makers at the helm of the country who will have to show the way in the first place. Who will dare to entertain the idea of corruption if the big guns call it a day?

surprise and secrecy with which it is commenced in the first place, let alone how discretely it is conducted on the whole. Making announcements in advance may prove self-defeating. What the drive needs is more bite than bark".

Few days back a USAID official expressed his disagreement with the Transparency International's finding that Bangladesh tops the list of the most corrupt countries in the world. It is at least soothing to hear such a comment from a foreigner. But, should it lessen our compunction? Though he wanted to discourage corrupting tendencies, the corrupt ones in the country are very likely to be heartened by his remark. And therein lies the danger.

A good number of our ministers have a tendency to express dissatisfaction with the finding as well as the eligibility of the Transparency International. This is not to claim that Transparency International is impeccable. But, is it producing the corruption index every year to

tarnish the image of the countries or to dissuade them from being increasingly corrupt? Is it really liable for exaggeration of our corruption scenario? Which public services can be obtained in Bangladesh without offering something in the form of bribe, speed money, donation and so on? Can we really get even our fair things done without greasing the incumbents?

Corruption has become a national malady to say the least. It has become rather cancerous. People are indulging in corruption for variety of reasons such as, getting both ends meet; keeping pace with the time; maintaining the social status and so on. Some are even being forced into it against their will. Most of them have, however, set rationale -- concocted though, in most cases -- for their involvement in corruption. Some are, however, being involved in corruption with both religious attires and rituals on. In this regard, I deem it necessary to quote former

Comptroller and Auditor General Hafizuddin Khan (The Daily Star, 10th March, 2006): "Corruption in the Madrasa Education Board is even more. Even Madrasa students appear to resort to copying in examinations".

Regarding Madrasa Board corruption, a Madrasa teacher informed me rather a riveting story. As he went there for some works done, specific time for the scheduled prayers approached. As the time for the prayers was nearing, the official asked the teacher to hand over whatever he was to offer or else he might be late for prayers. While asked about the sin of taking bribes, the official replied in the following manner: "Do you want me to commit double sins?" I think the readers have realised what the double sins are. Yes, one is taking bribe and another one is failure in saying the prayers at the scheduled time. Meanwhile, while asked about the offence of copying in the examinations, a Madrasa student rather surprised me with the answer: "If I

do not adopt copying, I might err in citing the holy Quran which will be a greater sin than copying". A cogent reply, isn't it? I do not claim the responses are generalised but they are at least reflective of the mindsets of the corrupt people -- of course, not all -- of the community.

My intention to refer to the cases of Madrasa is not to defame Madrasa education but to point to our very badly exposed religious hypocrisy. Though many in the country are thoroughly immersed in corruption and corruption by anybody -- believer or non-believer -- cannot be justified by any stretch of the imagination, some people are resorting to it while being masqueraded as religious and thus denigrating the religion. To what extent is, then, religion effective in thwarting corruption? To me, however, religion can deter corrupt practices to a degree provided that the religious values are adhered to in spirit, not in words only.

We have, in fact, a very strong lineage insofar as corruption is

concerned. Bangabandhu Sheikh Mujibur Rahman blamed the educated few of Bangladesh for imposing corruption on the innocent people. He even had to express dismay at the corruption of his near and dear ones. Though former President Ziaur Rahman was famous for his honesty, he was said to have been rather soft towards corruption of his colleagues. A former military dictator declared Jihad (holy war) against corruption and the readers know pretty well where the country landed up in his tenure in terms of corruption.

Institutional means to curbing corruption is indeed a good initiative. But, I think mental purification should precede institutional arrangements. And it would have to be ensued from the top. To send corruption packing, it is the policy makers at the helm of the country -- no matter which the political party or combine is -- who will have to show the way in the first place. Who will dare to entertain the idea of corruption if the big guns call it a day?

Kazi S.M. Khasrul Alam Quddusi is Assistant Professor, Department of Public Administration, University of Chittagong, Bangladesh.

A tribute to Imtiaz Sir



Next day (April 3) I attended his janaza, where a number of his present and former students, colleagues, friends and dignitaries were present. All wore a depressing and gloomy look. His wife Lailufar Yasmin, who is also our teacher, seemed to have turned into a stone in shock. We had no word to console her. Nobody can believe that our dear young teacher is no more, but we have to accept the fait accompli. We pray to Allah for peace and salvation of his departed soul.

Lubain Chowdhury Masum is a sub-editor of The Daily Star.

ACKNOWLEDGEMENT

The Daily Star would like to acknowledge photographer Shahidul Alam, whose Time magazine cover portrait of Prime Minister Khaleda Zia was reproduced in the April 5 issue of The Daily Star that reprinted the Time magazine cover story on Bangladesh and interviews with the Prime Minister and the Leader of the Opposition. We would also like to take this opportunity to commend Mr. Alam for being the first Bangladeshi photographer whose work has been featured on the cover of Time magazine.

MICROFINANCE OPERATION

Bracing the brunt of challenges

MD. SHAFIQL HAQUE CHOUDHURY

MICRO-CREDIT is not a new phenomenon. It existed from the dawn of human civilization in different forms. From time immemorial there were fortunes/haves and unfortunates/have-nots. Those who belonged to unfortunates/have-nots needed to borrow either for production/trading or for consumption.

As of now world population is around 6.5 billion. Among this around 61 percent, i.e., 3.96 billion live in Asia. Generally 50 percent of the population in the Asian continent is living below poverty line, i.e., around 1.98 billion individuals and around 440 million families (family size 4.5). We can easily understand what a large number of the poor families are living in the world!

Though the process of poverty in the world is the outcome of a complex and interacting set of factors rooted in the broad structure of the society, poverty involves wider aspect of deprivations, which are not limited to purchasing power alone. Yet for a working solution NGO/ MFIs should consider the factor which is directly linked and most critical in relation to poverty. Increased income can enable one to take care of the needs gradually. As increase of income of an individual is directly related to poverty reduction hence it should be given priority in all poverty reduction attempts. Income can be increased in two ways (i) employment creation and (ii) self-employment creation.

Employment is created by private and public sector according to their needs. Employment creation needs huge amount of capital; whereas overall economy of a given country should justify profitable enterprises for production, consumption and service industries. Government can create job for providing services from the revenues generated and or by borrowing from bilateral/multilateral bodies.

As job creation in a developing country is very difficult and needs gradual process, hence creating self-employment is another way to solve this burning problem. Self-employment creation needs small amount of capital as the entrepreneur himself/herself has the initial capacity to start small economic activities that has demand in the local market. Self-employment facilities can be created either by own capital or by borrowing from financial institutions. But vast number of people lack scope of borrowing from institutional credit sources.

The banking sector needs collateral for lending. Again lending small amounts is not profitable for the general banks. Banks operate in a manner, which is rather not friendly to the poor and the illiterate. Banks are of two categories, one is government-owned and the other, privately owned.

Government officials under certain guidelines manage government banks. In the developing countries they also create some guidelines of their own. Where resources are scarce, many people are in queue to

take advantage. With this advantage, often rent seeking and bribing get associated with transactions. Moreover, government bank staff are permanent in services; they get their salary and promotion whether they work profitably or not. Private banks are providing most benefits to the owners and offering services to well off clients. They are not interested in micro-credit still now in a substantial manner.

Under this scenario in Asia, poor

poverty. NGOs/MFIs emerged for solving the credit need without collateral and with service delivery at the doorstep of the poor, but not without constraints. However, the millennium development goal has been targeted to cover 200 million poorest families under micro credit operation by 2015. Although the magnitude of the problem is quite big, roughly 66.6 million poor households had already been covered by micro-credit within 2004 (Micro-credit Summit Campaign

from grassroots and ensured step-by-step growth. They successfully demonstrated providing financial services to the poor.

During the journey NGOs/MFIs' growth was not exponential. Some of them could not cover the cost from the income. Hence dependency remained with very cheap source of fund along with grant component. This step is also a milestone for micro finance from where attempts have been made to attract borrowed fund,

Globally it has been again and again proved that access to financial services helps the poor to increase their income. As micro finance clients are overwhelmingly women hence micro finance improves the empowerment process in the family and society at large. Political empowerment at the grassroots level has also been visible.

people are not getting expected loan facilities from the formal financial sector.

As there is lack of institutional credit facilities, most poor people either borrow from moneylenders, co-operatives and from NGOs/MFIs. Moneylenders lend money at an exorbitant rate of interest. Co-operatives have an inherent weakness for efficient delivery of financial services in many developing countries. NGOs/MFIs are also facing constraints either of capacity or of sufficient resources.

A section of people willing to involve in self-employment creation suffer from lack of capital as well as lack of collateral for borrowing from formal financial institutions. For them collateral free micro credit is the essential weapon to fight against

report 2005).

The major challenges in Micro finance are: (a) Rapid growth (covering vast numbers), (b) Cost-effectiveness (financial sustainability) -- serving the poor in sustainable manner, (c) Covering the hardcore poor. To meet these challenges micro finance sector needs broadly four factors to take hold: (i) Firm determination of the leadership, (ii) Innovative methodology, (iii) Friendly, hassle-free sources of fund, and (iv) Enabling environment.

Firm determination of the leadership: As micro finance operation started to serve the poor we saw a few leaders founding their institutions with commitment, dedication and in non-conventional manner. Few of them came from formal sector and started to establish organisations

reduce costs and increase revenue through improving efficiency as well as changing relationship with funding mechanism. Leadership determination and demonstration of reasonable sources can take off dependency from grant to borrowing from apex bodies including commercial bank. These initiatives demanded new types of relationship with new types of funding mechanism, which have been properly managed by NGO/MFI leaders.

Innovative methodology: Tiny amount of loan to large number of borrowers at their doorstep is a costly operation compared to revenue income. Cost reduction is also an essential element in micro finance operation. Reducing cost can be possible either by offering larger loan size or by innovating non-conventional management which is less costly. ASA

Simple standard loan register along with ledger and cash book, abandoning the bookkeeper/cashier and standard furniture, fixture; and collective use of facilities in the office. (vi) Branch level financial planning with decentralised branch structure. (vii) Strong monitoring from mid and head office. (viii) Written manual.

Presently, ASA covers 5.99 million members through 2300 branches with 15,000 staff members with annual disbursement of Tk.3,000 crore.

Friendly hassle-free source of funding: Friendly hassle-free source of funding is essential for micro finance institutions to function and grow. Sources of funds are:

(i) Donor agencies grant (charitable), (ii) Multilateral bodies like WB, ADB, IFAD concessional loan fund

through Govt. to Apex for channelling to NGOs/MFIs, (iii) Savings from the members, (iv) Commercial bank linkage with NGOs/MFIs, (v) Transformation of NGO/MFI from 'not-for-profit' to regulated financial institution under profit section, (vi) Equity/debt from international investment fund.

All such sources are not without constraints and limitation. Grant from donor agencies is not a suitable funding mechanism for the growing entity. This can help start an organisation at initial stage.

Multilateral bodies' channelling of funds depends on the bodies as well as government of respective country. When both agree along with existence of a vibrant micro finance sector, it works. Bangladesh, the Philippines and Pakistan are under such arrangement. There are some sort of apex funding available in India, Nepal and Sri Lanka also.

Commercial bank linkages with NGOs/MFIs are visible recently in India. Most prominent is ICIC Bank. Commercial bank linkage with NGOs/MFIs is also playing a role in Bangladesh and the Philippines.

Transformed NGOs/MFIs are attracting fund in India from banks and investors and in the Philippines from apex body, banks and mobilising savings from public.

Equity/debt providing to MFIs by international investment fund is very recent happening in micro finance sector. Both equity and debt from international investment fund have been associated with several constraints in several countries.

Enabling environment: Favourable environment for micro finance in different manners are prevailing in most developing countries. Such environment also among general public, civil society, media and various institutions within the country is needed for favourable growth of micro finance for poverty reduction. Though government is favourable in general to micro finance in many countries but specific modalities of NGOs/MFIs determine the nature of its being favorable.

Social impact: Social impact of micro finance is not questioned nowadays. Globally it has been again and again proved that access to financial services helps the poor to increase their income. As micro finance clients are overwhelmingly women hence micro finance improves the empowerment process in the family and society at large. Political empowerment at the grassroots level has also been visible. Due to the increase in income the poor are sending their children to school, their housing condition has also been improving, they are visiting doctor, increasing food intake. Pure drinking water and sanitation situation has also been improving.

Still the fact remains that the process is slow and vast numbers are still under poverty line along with a section at the bottom yet to be covered.

Md. Shafiqul Haque Choudhury is the founder and president of ASA. The write-up is based on the presentation by the author at Micro Finance Forum, Beijing, 21 March 2006.