

## Heinous attack on journalists

*Will these evil deeds ever end?*

THERE is no word strong enough to express our condemnation of the shameful and cowardly attack on the journalists and central media leaders in Kushtia on Monday allegedly by the goons of the local MP. Among the injured are Iqbal Sobhan Chowdhury, editor of The Bangladesh Observer and president of Bangladesh Federal Union of Journalists (BFUJ) till few days ago, and scores of other media leaders and journalists.

The heinous assault in broad daylight and before the eyes of hundreds of onlookers further unmasks the fascist character of some of the lawmakers of the ruling party and their musclemen. They are now reacting in a bizarre fashion to the dissenting voices across the country. In the past they struck surreptitiously for fear of exposing their identity, but this time they walked in impudently right before the members of the law enforcing agencies into the venue and carried out the assault.

We notice with a sense of incredulity that no official public comment has been made so far by BNP high command, even though the name of a party MP has been hitting the headlines too frequently for reasons one cannot be too proud of. The party may have some genuine grievances against some newspapers or some newsmen but then there are acceptable ways to air them. Taking it out on the journalists by physical assault cannot be made a norm by any quarter. Here we are forced to draw a parallel with similar deeds of former Awami League MP Joynal Hazari, who earned notoriety for bashing newsmen. And we also remember very well how his infamy became his nemesis in the end.

We strongly hold the view that non-dispensation of justice to resolve the past cases of attacks that led to the deaths and disfigurement of many working journalists has been sending dangerous signals to the ruling party cadres. It leaves no doubt in our minds that the ruffians in Kushtia were emboldened by the instigation and support of the godfathers who worked from behind. It is time the government took stern action against the perpetrators. BNP leadership would be well served by publicly condemning this act and instituting disciplinary action against the particular MP concerned.

## Welcome verdict

*But we mustn't loosen our guards*

WE welcome the verdict in the trial of the killings of two Barisal judges. Awarding of the maximum punishment to the religious fanatics posing as servants of Islam trying to 'establish' Islam in this country by killing innocent people is very appropriate. That the trial was concluded in record time by the police, the prosecution and the judiciary deserves appreciation.

However, there are several things that those at the helm, both in the temporal and religious fields, must not fail to see.

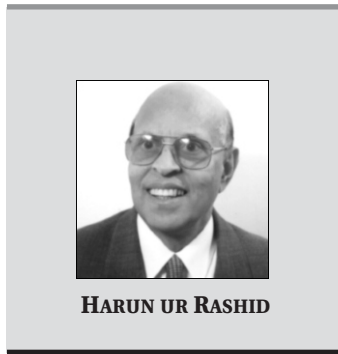
First, we find the reaction of these killers to the judicial process, prescribed by the law of the land, a cause for worry. One must not fail to notice the implications of the comments made by the accused in the court that demonstrates the deep-rooted internalisation of a very distorted and convoluted interpretation of Islam that the accused have exploited to justify the killings. Our worry is that there may still be, and there is no gainsaying that it is not the case, many such elements brainwashed with the same distorted teachings, lurking amongst us, ready to take up from where the accused have left off. We feel that this is a challenge, as much to the administration as to the genuine religious leaders of the country, who in particular must come forward to counter and contradict such comments by projecting the true teachings of Islam. It has to be made clear that Islam is entrenched strongly in the hearts of millions of its true followers in this country and needs no blood to be 'established'. It is regrettable that our religious leaders have been less than forthcoming in this regard.

Second, there should be no complacency that might be brought about by the fact that the conviction of the top ranking leaders will see the end of religious terrorism in Bangladesh. It would be a mistake to think so. In fact the brain behind the terrorists has not been identified yet. The comment of one of the main accused in the court, alluding to the connivance of some within the government in their crimes, deserves cognizance. We have not been able to identify the external and internal links and the source of funding of these elements either, something that is essential if these elements are to be stamped out, once and for all.

We mustn't loosen our guard. By doing so we will only imperil ourselves.

## RMG LABOUR VIOLENCE

# Why did it occur and what needs to be done?



HARUN UR RASHID

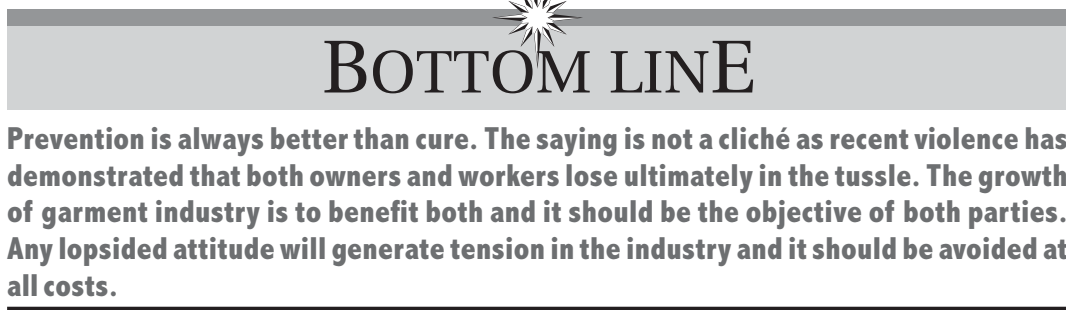
ON 22nd and 23rd May, workers ran amok in Ashulia, Savar, Gazipur, Uttara, Mirpur, Kafrul, Tejgaon industrial area and old Dhaka and reportedly ransacked (including burning), 250 factories and damaged 200 vehicles. As a result 100 were injured, including 20 policemen, and reportedly 2 workers were killed. This kind of violence is unprecedented.

The destruction of factories and vehicles are to be vigorously condemned. There is no place for violent activities. The civil society must express condemnation unequivocally against such violent activities.

If workers are dissatisfied with their working conditions, there is a method to settle disputes peacefully through negotiations or even calling peaceful industrial strikes (in accordance with ILO Conventions) but violence is to be deplored by all accounts. No one can justify such loss of property that is reportedly stood at Tk.400 crores. The persons accused of such reckless violence and wanton destruction deserve severe punishment under the law.

Ready-made garments are the mainstay of country's export and constitute 76 percent of total exports, earning billions of dollars. Furthermore 95 percent of workers are young female, hailing mostly from rural areas. Their employment in this industry has set a quiet revolution in society where females have become bread-earners, instead of being burden on male members of their family.

The growth of garment industry has a multiplier effect on society and financial institutions. If they are wrecked, it will have serious impact



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on all stakeholders including banks. Foreign direct investment will be affected, country's image will be further tarnished and therefore violence in this vital sector of economy is of great concern to all sections of society.

### Why did it occur? Two sides of story

Everyone is asking as to why has it occurred and how did it spread so quickly and violently? Who are responsible and why? It is totally unacceptable to destroy factories, on which workers depend for their living.

Some of the owners reportedly attributed the cause of violence to conspiracy of external forces to harm the growing industry. It is argued in some quarters that 95 percent workers are female in the industry and they did not participate in violence. It is the outsiders or unknown persons who were responsible for encouraging violence to destroy the growing industry. Even some NGOs have been attributed behind the scene to the sad occurrences. This is a very serious allegation and needs to be examined in depth to find out the truth about it.

Others, on the other hand, argue that with billions of dollars of garment industry, how is that BGMEA has not been able to detect such conspiracy? Is it not a massive failure of the institution to smell beforehand conspiracy against the industry? It seems reasonable to conclude that BGMEA has not set up commercial/economic intelligence unit within it to gather intelligence on garment sector and on its future market trend. Economic intelligence is a necessary component of a big industry in every country.

They also argue that "blame-game" has been the norm whenever anything untoward occurs in the country.

They argue no one wants to put under self-scrutiny and every one wants to escape from responsibility by "blaming others." It is easy to blame others and divert the attention to something else. Blaming game does not help the situation that has to be addressed boldly and squarely.

Some argue that conspiracy theory falls to a thin ice on the ground that no satisfied or happy worker can be encouraged to destroy factories. The simple psychological truth is that outside people cannot influence or cannot do anything with satisfied workers. The happy workers themselves will defend the factories from destruction.

Therefore many argue unless clear evidence exists, claim of conspiracy appears to be diversionary strategy to avoid responsibility and self-analysis.

For sometime, the image of garment industry took a battering among general public when the building of Spectrum in Savar collapsed, taking toll of human lives under the rubble. The KTS garment building in Chittagong was on fire where many workers died due to poor fire management practices. These two tragic incidents have demonstrated that within the garment industry all is not well. The BGMEA must ensure that all owners comply with the rules and that a fraction of owners of industries must not let other owners down.

There is a widespread perception that low pay, unusual period of working hours, insecurity of job, harassment of women workers, unhygienic working conditions, and non-payment of over-time are some of the problems that are associated with the industry.

It may also be argued that because female workers are helpless in getting their demands met, some one has to

come to defend their rights unless the industry owners take action to meet their demands. No industry can prosper for long on exploitation of workers. If workers are happy and healthy, not only production increases but its quality as well.

### Better management practice

What is necessary at this stage is self-examination by owners as to why it has occurred. It is reported that some owners are not playing with rules as laid by ILO Conventions and domestic laws. There should be 48 working hours for workers and overtime must be paid promptly. There must be a weekly holiday and they should work in humane conditions.

Employers and employees are partners in industry, not to be perceived as "master and servant" as existed in the Dickensian period after the industrial revolution in England.

The old and traditional relationship between employers and employees has disappeared and a new healthy partnership relation has come in place because one needs the other. Without workers no factory can run and at the same time, no worker can get a job without an industry that is built with hard work, imagination and money by owners. There exists a symbiotic relationship between the two.

It is not known whether BGMEA has a Monitoring, Research and Evaluation Unit to conduct survey from time to time, among others, to be aware of the sentiments and demands of workers. If legitimate demands are unmet, there is a tendency to accumulate and ultimately they burst, often with violence. The role of the Monitoring Unit should be to prevent such violent occurrences within the

industry.

Another fact be taken into account is the current environment in the country. Gross disparity of income between rich and poor together with high price rise of essential commodities, severe load-shedding, scarcity of water in some areas near the capital and the heightened political temperature before the general election make many poor and deprived people alienated towards affluent class and their possessions. They look for an opportunity to express their anger and frustration and such disgruntled segment of society might have joined in the mayhem. Some say such group behaviour is known as "social catharsis." This could be an additional reason for unprecedented nature of factory burning and destruction.

### Certain necessary steps

There is a role of government to play through regular meetings of tripartite representatives: government representative, representative of owners and that of workers. Such meetings can be held monthly or periodically to monitor pulse of workers in the industry. The Tripartite meetings act as a safety valve and it is not known whether such meetings were held regularly or not.

Another fact is that there is no minimum wage for industrial workers in the country because there is a disagreement between employers and workers on fixation of a minimum wage across the board. If there is no fixed wage for a worker, the bargaining power remains with employer and this inequity is not desirable in this key industry. It generates tension and ultimately unrest.

Trade Union representatives want a flat wage for all workers whereas employers want sector-wise wage fixing. That means for each sector of industry, a minimum wage is to be fixed depending on profitability of each sector. There is a merit in employers' argument in sector-wise wage fixing.

Trade Union is almost banned in the EPZ. Often it acts as a red-herring to some workers because they cannot bargain effectively with owners as to their working conditions. It has been alleged that if any worker attempts to organise collective bargaining, the

worker is sacked. There needs to be a mutually acceptable solution in this respect.

Trade Union by the workers and not by outsiders is a question that needs to be resolved. Furthermore each main political party has a labour wing and they allegedly tend to influence workers. Many argue that politicisation of Trade Union of garment workers is not desirable.

The government reportedly took steps to calm down the situation on 24 May by convening a tripartite meeting where all stakeholders have realised that compromise is the best solution. It is reported that a Wage Commission will soon look into the minimum wage in the garment industry.

The arson of factories has manifested that garment industry needs to be located within a separate zone to protect it from vandalism and destruction. Security would be much better if there is a special zone where all garment industries are located. The current practice of location of garment factories in various places within the city and suburbs poses not only security hazards for industry but also makes it an easy access for vandalism.

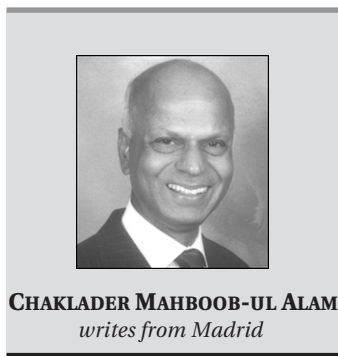
### Conclusion

Human sentiment cannot be channelled into a strict orderly mathematical fashion that human beings will always behave in a certain way. In human beings, rationality and animality exist together. When attribute of animality gets upper hand over rationality, violence occurs. When violence occurs, it attracts naturally rowdy and criminal elements and they exploit the situation to gain their objectives.

Prevention is always better than cure. The saying is not a cliché as recent violence has demonstrated that both owners and workers lose ultimately in the tussle. The growth of garment industry is to benefit both and it should be the objective of both parties. Any lopsided attitude will generate tension in the industry and it should be avoided at all costs.

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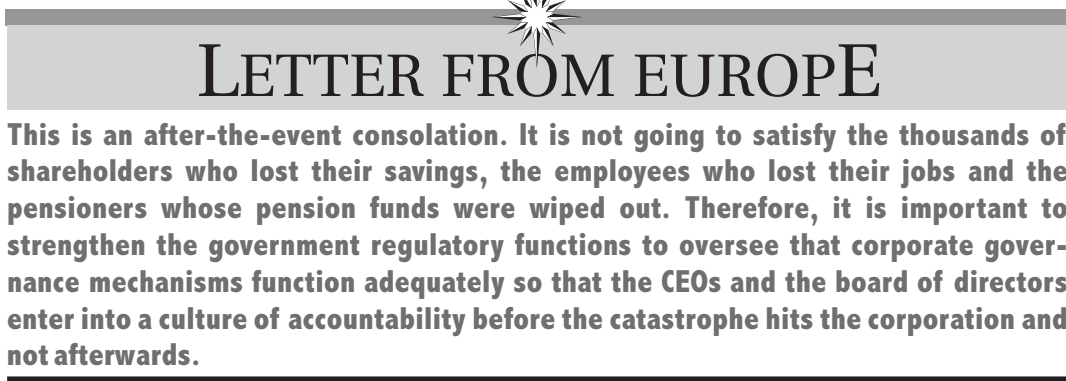
# Enron and corporate governance



CHAKLADER MAHBOOB-UL ALAM  
*writes from Madrid*

ON May 25, in a landmark verdict, both Kenneth Lay and Jeffrey Skilling, former chief executives of Enron, were found guilty of fraud and conspiracy by the jury. After the widespread culture of corporate cheating, lying and abuse of power of the nineties, which led to huge financial scandals in corporations like Enron, WorldCom, Tyco, Adelphia Communications, Qwest Communications etc., this trial and the resulting verdict have indeed been cathartic experiences for corporate America.

In 2001, when Enron filed for Chapter 11 bankruptcy protection, it



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ranked as the seventh largest corporation in the United States. But it was a small gas-pipeline business only a few years ago. In order to realize their dream of turning Enron into the world's largest energy trader, Lay and Skilling broke every rule of doing good business. Just to give a few examples: In order to inflate the revenues, Enron routinely entered into "roundtrip" transactions with other companies in the same sector. These were, in effect, bogus operations by which the parties massaged each other's revenues, whenever the actual fell short of the forecasted revenues. In order to show

a continuous increase in the EPS (earnings per share), the company executives set up several off-balance-sheet entities. The company booked profits from the sale of fixed assets as operating profits. All this was done with the knowledge and connivance of Arthur Anderson, the company's external auditors. The ultimate objective of all this "creative accounting" was to help drive up the stock prices, which in reality meant cheating the stakeholders. Again, in order to keep the government regulators away from probing too deeply into these fiddles, the company built up a network of

lobbyists in places of power through generous financial gratifications.

As corporations grow in size and complexity, operating in different sectors and dozens of different countries, it becomes increasingly difficult for the shareholders, the employees, customers and the suppliers of goods and services to keep track of the state of the businesses in which they have acquired a stake. This is all the more true in oligarchic corporate structures with megalomaniac CEOs with a gift of arrogance, who do not like to be accountable to the shareholders or even to directors, who are dependent

on the approval of shareholders. As a result, the stakeholders are forced to rely on the mechanisms of good corporate governance to give them a fair view of the state of affairs. But as we have just seen in the case of Enron, the traditional corporate governance system which mainly consisted of external auditors and government regulators failed to protect their interests.

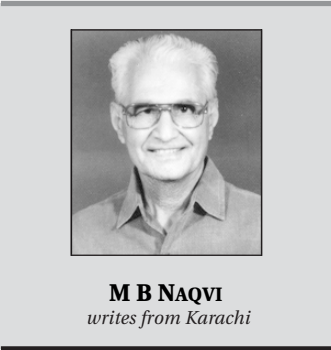
The Serbanes Oxley Act of 2002 made significant improvements to the corporate governance procedures. An integrated approach to corporate governance, which encompasses not only the traditional aspects but also a wide range of other issues such as risk management, internal controls and independent audit committees, shareholder and stakeholder activism in the form of regular Operating and Financial Reviews requiring disclosure of not only financial information but also all material non-financial information, has since been introduced in the US and the UK. The principal objectives of an effective corporate governance structure are not only greater accountability and

transparency but also to provide "a fair view" of the company's financial condition to the stakeholders.

Both Lay and Skilling failed to give a fair picture because they lied and deliberately used off-book partnerships to manipulate earnings and "touted" Enron's performance while knowing it was losing millions. Sean Berkowitz, the head of government appointed Enron Task Force said after the verdict that the system, meaning corporate America, functions. But this is an after-the-event consolation. It is not going to satisfy the thousands of shareholders who lost their savings, the employees who lost their jobs and the pensioners whose pension funds were wiped out. Therefore, it is important to strengthen the government regulatory functions to oversee that corporate governance mechanisms function adequately so that the CEOs and the board of directors enter into a culture of accountability before the catastrophe hits the corporation and not afterwards.

The writer is a columnist of the Daily Star

# Who will bell the cat?



M B NAQVI  
*writes from Karachi*

EVERY one says he is for democracy and dictatorship is unacceptable. Dictatorship in the Twentieth Century is a disgrace; people feel diminished. Rule by one man is an obscenity that had better go. Let people be given equal rights and the opportunity to determine their own future.

In Pakistan what obtains is a military-controlled political system with symbols of a democracy. This system has no soul: the power of the voter to freely change the governments at regular intervals. What can be felt is the military's unseen but ubiquitous hand behind all the decisions taken by the so-called parliament, federal cabinet and the bureaucracy; what emerges out of the system always conforms to the wishes of the military

## PLAIN WORDS

**The world is chockful of non-democratic regimes. But there have been cases where superior brute force was defeated. In China, Mao defeated the successors to Sun Yat Sen, the high priests of Chinese nationalism. In Iran, the Shah's strong army was defeated by Ayatollah Khomeini. More revolutions have come through non-violent political struggles by occupying the high moral ground first. Remember Gandhi. South Africa is one other. The people's power has been demonstrated to be a super power in Nepal. The best course therefore is for both sides to learn from history and know where the changing balance of social power is going.**

and General Pervez Musharraf. All budgeting is for their benefit. Which is the reason why the military controls the government. This reality is now perceived by the political parties, the intelligentsia, political thinkers and indeed much of the civil society. But this is not to say that the regime lacks support: It is supported by (a) feudals, (b) industrialists, (c) financiers (d) the higher salaried and (e) some of the richest professionals.

The balance of power in the society favours the military. It controls all the nodal points of the economy and politics. It has efficient agencies to ensure making the will of the military high command prevail over the rest of the society. The society as a whole has

proved to be weak, divided and powerless in comparison with an Army-controlled regime. It has been so for long.

The strength of the Army is not merely the near monopoly of physical force. It is also able to manipulate the political processes and order or reorder the economy the way it wants. The fact that the Army in Pakistan has operated in collusion with (a) the United States' governments (through their Viceroy, of course); and (b) World Bank and IMF (that are again controlled by the US). So, effectively Pakistan belongs to the Army commander, United States and IFIs. It also enjoys tactical support from religious parties that operate as secret support-

ers of the military in emergencies while acting as opposition. Normally, this triumvirate is the real power that the people of Pakistan are pitted against.

Army's power equals people's weaknesses. The Army agencies know the art and craft of keeping the people divided; that encourages fissiparous tendencies so as to divide the people, ensuring that the military-controlled government stays in power. In this they have much success behind them. There is scarcely any fissiparous tendency or secessionist trend that has not been linked with the Agencies. As for the malvius of various sects; they eat out of the hands of spooks of this or that outfit. Hence the need for

having several Agencies.

The political parties are anyway divided. Nawaz Sharif and Benazir Bhutto went for each other and made a laughing stock of themselves, apart from being tarred by propaganda of corruption. In retrospect, they can be seen as having been fooled by the bureaucracy (agencies) into wasting their energies in destroying each other, and discrediting the idea of democracy itself in the bargain. They handed over the useful image to the military of politicians as being corrupt, petty minded and inept.

Given these facts, the central contradiction between the civil society, comprising thinkers, intellectuals, NGOs, universities, trade unions and political parties, on the one side, and the military-dominated government apparatus, on the other, emerges clearly. This is inherent in the situation ever since the military was able to subordinate the political system to its will and interests. The army is solidly united and an effective instrument in the hands of a scheming General. The politicians are divided on many issues and technicalities. Ideology is a major dividing question. As for the results, the management of the economy since 1999 has resulted in high inflation rates and the opposition stays out in the cold endlessly.

It is true that the Musharraf regime for a brief period of three years, did improve some of the micro-economic indicators, as desired by IFIs, including the inflation rate. But once the initial kudos were earned, the regime engaged in an orgy of arms spending. News trickles of Pakistan buying so many billion worth of this or that hardware all too frequently. Some other expenditures do not make headlines. Despite claims of having lowered the inflation rate, it remains poised to rise to dangerous levels, perhaps beyond the 9-10 per cent level. But the main contradiction has, for not being rectified through political processes, has graduated into polarization -- which eventually may result in a clash.

This is dangerous. A clash between the people and a non-democratic regime, controlled and supported by the Army, is a fearful prospect, though it may not be eventually avoidable. Non-democratic power cannot be given away to anyone as a gift. People have to win power. If democracy has to come, it will come despite tough resistance by the military-controlled regime. The danger of bloodshed is thus implicit.

But it is possible to manage the polarization and avoid a direct physical clash between the two sides.

Remember the usual tricks of bureaucracy and the agencies: They can go on buying time until the point when others become exasperated and cry 'no more'. Agent provocateurs incite the people to take to violence. Destructive political struggles ensue and worse can happen.

It is to be hoped that the civil society and intellectuals will firmly advise the people to beware and avoid physical violence. So long as the struggle remains peaceful, it can only do good. Violence has to be eschewed. This is a point most civilians easily see and agree upon. The difficulty lies with the rulers.

Every non-democratic regime, faced with a popular upsurge for more freedom and democracy, employs tricks to incite the people to violence. Such governments love to go for the opposition once it becomes violent. It is easy to call the opposition terrorists and suppress them brutally. This is the job that an Army does efficiently. Efficiently? This is not the word. So long as stray individuals resort to violence, the authoritarians succeed in suppressing them. But once a lot of people take to violence, a civil war ensues. Who will win becomes a matter of time and circumstance.

It is a murderous prospect that should be avoided. It is not good for

the people; it is not good for any regime. But every regime should know the art that a classical gentleman practises: he knows when to count his chips and go home. History does record the success of overwhelming force over the people, but not always.

The world is chockful of non-democratic regimes. But there have been cases where superior brute force was defeated. In China, Mao defeated the successors to Sun Yat Sen, the high priests of Chinese nationalism. In Iran, the Shah's strong army was defeated by Ayatollah Khomeini. More revolutions have come through non-violent political struggles by occupying the high moral ground first. Remember Gandhi. South Africa is one other. The people's power has been demonstrated to be a super power in Nepal.

The best course therefore is for both sides to learn from history and know where the changing balance of social power is going. That should be assessed coolly by the regime as well as the political parties that claim to lead the people.

MB Naqvi is a leading columnist in Pakistan.