

# 1/11 and lessons thereof



MUHAMMAD NURUL HUDA

## STRAIGHT LINE

**Perhaps the most remarkable fact of our political life is the absence of public response to the ominous slide of order in the society. One has to bear in mind that the state and its institutions are indispensable to any genuine societal progress, howsoever mangled and manipulated they may have been due to machinations of successive ruling classes.**

It is not uncommon these days to see many concerned citizens and experts of different disciplines speaking intensely on the virtues of unfettered democracy and how its absence has been adversely affecting the orderly and civilized growth of our society. Curiously enough, a good number of such impassioned advocates of freedom and liberty were conspicuously quiet when the very durability of our democratic polity became doubtful in the not-too-distant past.

Under circumstances as above, would it be unfair to question the genuineness of our cravings for a truly democratic dispensation? Doubts arise because we have seen a partisan temper that has pressed a partisan advantage to a bitter end, which could not understand and respect the adversaries and

hardly ever felt the unity between all citizens.

It was also our unfortunate experience to witness that our democracy did not depend upon habits of consent and compromise that are essential attributes of mature political societies. We did not see a lawful government by the majority under the rule of abiding law and with freedom of opposition and dissent. The spirit of moderation did not prevail and our society degenerated into divisions and hatred replaced goodwill.

In a scenario as above, it was only natural to expect changes as of 11th January 2007. The important question, however, is, what lessons have we learnt from 1/11 and how can we benefit from the reform and restoration efforts of the extended caretaker government. This is crucial because we can longer foolishly expect to be free while remaining ignorant.

It is perhaps time to realize that following the birth of our republic

our leaders did not concentrate on creating and maintaining quality institutions. As a result, we have not seen the arrival of new generation of committed leaders who could possibly be the bright products of excellent institutions. One needs to know if we have downgraded and devalued the few institutions which existed when we became a republic.

Readers may perhaps agree that one significant lesson learnt from 1/11 and events thereafter is the admirable effort to punish the high and mighty who gave a damn to the law and propriety and considered themselves above the reach of state machinery. While it is for the courts to pronounce on their culpability, the fact remains that the regulatory outfit at last found its teeth to bite and may be setting a precedent whereby potential and actual predators of our public life may be restrained before venturing into large scale malfeasance and misfeasance.

In post 1/11 Bangladesh, the primacy of building and strengthening corrective and regulatory institutions has attracted our attention. The requirement now is to carry on the good work and consolidate them in a structured fashion with necessary support by means of legislation and regulation as deemed fit. The political executives have to learn to do things within the book and hold aloft the majesty and supremacy of the judiciary.

The pre-eminence of Election Commission and the urgency of setting that house in order had received highest attention. We need to be cognizant of the reality that if national level election is not conducted properly then all other elections lose its meaning and if elections are held in a faulty and surreptitious manner then no trust will be reposed in the victors, no matter how well-intentioned they may actually be.

The urgent necessity of ensuring

the democratic functioning of the political parties has been impressed upon with a view to firmly establishing the roots of democracy. It is for the politicians to create the right environment by effectively de-feudalizing their mindset.

A lesson to be learnt from 1/11 is that we need to appreciate the varying degree of the staying power of democracy and that a near political breakdown did occur due to the weaknesses of our political institutions. We also need to take note of the reality that our institutions have become fragile and our constitution has been made so pliant that it could be bent to any whim or caprice of the ruling group. Our political institutions could not acquire the desired durability through time and tradition.

We have to agree that our economic malaise would have been less unbearable if our basic freedoms were not eroded, the

strength of our political institutions not sapped and our public life not degraded. We must note that the dictatorial tone of the establishment have practically subordinated the individual to the government so completely that, with some exceptions, the nation is now made up of one-dimensional persons. This dwarfing process initiated by the political parties has created bunches of time servers only, to the detriment of a vibrant political culture.

Another lesson to be learnt is that to our peril we vigorously started the process of emasculating the judiciary. The sad spectacle was one of failure to defend judges against political pressures and threats and the compounding misfeasance of failing to insist upon integrity and impartiality in judicial appointments. The political class has connived in superseding judges of caliber and courage while appointing persons who allegedly subscribed to the philosophy of ruling party.

We have to admit that the quality of our public life has reached an all-time low. The Anti-corruption measures since 1/11, 2007 shows that politics has become tainted and tainted with crime. Equally depressing has been the reality that ignorance, incompetence and dishonesty have not been disquali-

fications for high public office, either in ministerial ranks or elsewhere.

Curiously enough, as of now, an important feature of our national life is the powerlessness of the powerful. We have perhaps reached a stage where the authority can order things but can not get desired results. There is not much structure of real substance and credible delivery on ground. Institutions have been weakened and corrupted to a fearful and debilitating extent.

We must not be struck by the mood of despair and pessimism of the privileged who think we are a failed state. The deprived and the under-privileged have to fight for civil liberties and equal rights and in this the intelligentsia has to side with them. While our poor suffer, our middle class, intelligentsia and the professional groups must empathize with them.

We have to experiment with new concepts in social sector, devise new delivery systems, test them and approach authority to accept them. We have to lobby for change and persist in our efforts by organizing people at various levels. Surely all these are calls for a new breed of politicians.

We must be pragmatic to focus our attention on the level of people's participation in western

democracies. In there, from local politics to voluntary groups, from being a watchdog to monitor government activities to providing help to the hapless and the needy, most citizens are ready to spare time, money and effort. Those who look in awe at the American technological advance should study the history of universities like Harvard and MIT, and the role played by land-grant colleges. They have to know how affluent American professionals and industrialists donate money and establish institutions.

Perhaps the most remarkable fact of our political life is the absence of public response to the ominous slide of order in the society. One has to bear in mind that the state and its institutions are indispensable to any genuine societal progress, howsoever mangled and manipulated they may have been due to machinations of successive ruling classes. The other reality is that the state as an apparatus has an extensive reach that can fix matters. We have to control the drift of yesterdays to prevent chaos and anarchy. Steering the state from rough waters is certainly the onerous job of politicians.

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# Rating system for universities only?

SYED SAAD ANDALEEB

**A** LLEGING corrupt practice in higher education, Dr. Akbar Ali Khan's call to introduce a rating system for universities hit the headlines recently (DS April 26). Any reference to corruption is explosive substance -- and rightly so -- especially when the education system is concerned.

However, before rushing into devising such systems, it is important to address four interrelated questions:

- Is the idea novel? Or can we learn from the past?
- Why single out the education system?
- Why has the education system turned out this way?
- What are the practical challenges of introducing rating systems?

The importance of rating the performance of organisations or institutions that serve the public has been emphasised many times in the past; it is not a novel idea. It is routinely applied in the developed world. Attempts to hold the public institutions accountable in Bangladesh through ratings have a long but weak history.

The work done by Education Watch is substantive and has raised the consciousness of the general public about what goes on in the nation's schools and why the chances of building productive capacity to carry on nation building remains a far cry under the prevailing conditions and circumstances.

The work of this group is certainly worthy of admiration and respect, and can serve to provide

insights about the challenges involved. But it remains to be seen how the evaluations have impacted the school system.

Other investigative works, largely on individual initiative, have also made substantial inroads, although their findings have found public expression in foreign lands for lack of appreciation and appropriate channels of dissemination, and because of concern that they would elude the public eye or draw attention of a notorious kind. But ratings of the oldest public university in the country are available in a work published in 2003 in Higher Education Policy.

Continuing work is underway to shed light on the performance of various institutions, including educational institutions. As we speak, there is research underway to assess the quality of services provided by hospitals, the public utilities, and even public and private academic institutions. The rating systems in these areas, albeit limited in scope, demonstrate useful measurement or psychometric properties that are often ignored in many studies.

In fact, among the early attempts to establish some form of ratings for public service providers was a study I conducted in July 1996, when I teamed up with Democracy Watch to initiate a system of public opinion polling that assessed politicians, bureaucrats, doctors, teachers, police, businessmen, and journalists on eighteen attributes. When the results were revealed, there was a reasonable outcry and some soul-searching by a particular segment.

But follow-up studies did not

take place, largely for lack of real felt need, resources and moral support. The initiative died a premature death, although the measurement system remains preserved.

In its efforts to introduce an international system of measurement of the quality of governance, and culminating in the corruption perception index (CPI), Transparency International has been a lightning rod. One is reminded of the tirades of the stalwarts of the two leading parties when they kept bringing home

the second question is: why should the education system be singled out? If one looks at the corrupt, now passing their days behind bars, how many of them are from the education system?

And while these alleged criminals do deserve the right to defend themselves, and ultimately the justice that is their due, the justice system itself is often lethargic, motivated or "embarrassed" to deal with them. Have the judges been above board? Why not judge the judges and the justice system

as well?

Is it also not true that the corruption of the bureaucracy and other public servants, and the ill-gotten wealth that many of them have amassed, is epic? It is widely held that a simple accounting of their income and assets is likely to reveal unimaginable discrepancies.

The problem of unbridled greed and corruption, and its links to a bureaucratic mindset, is pervasive and not limited to the universities alone; their rampancy in the secretariat is well known, as is similarly known about the continuing dynasties that radiate out from it to all corners of the country.

Isn't this also something that must be recognised and brought under the rating microscope with massive inputs from the public -- the purported service recipient or customer for whom the nation

is created?

Thus, we need to hear about rating of the bureaucracy also. And their corruption is not just about amassing wealth. Its ugly head reveals itself in manifestations that involve the misuse of power for various "other" types of personal gains, not just wealth.

To state the obvious, corruption and positions of power are intricately linked, benefiting those in power asymmetrically. Unless some rating system is introduced here as well, can effective progress

such erroneous perceptions that society wants to impose on educators. Thus, it is important to contemplate the following proposition: that the alleged corruption in education may have been caused by corruption in other sectors so that the education system would not fall behind; it's not the other way around as suggested in the roundtable that "corruption in education sector fuels graft in other sectors."

And finally, it is pertinent to raise some matters of detail; as

they say, the devil is in the details! Given the call for rating the universities every six months or a year, it would seem that execution problems have been glossed over.

Before a rating of the universities (or the bureaucracy, or the politicians, or the justice system, or the public utilities, or whatever) can be seriously undertaken as a creative enterprise, not just as a one-shot deal (which is where most such proposals usually end up), it would be useful for Dr. Akbar Ali Khan to articulate his views on the following issues:

- Whose ratings will be sought? Would it be the opinions of the students? The faculty? The university administration? The parents of students? The employers? The general public? Backers? Some combination?
- On what criteria will the uni-

versities be judged? If the answer is "performance," I'd like to hear about what constitutes performance. And what about value? Equity? Quality? Delivery? Should we go even deeper into such matters as courtesy, empathy, responsiveness, community building, impact, and...well I hope readers will get the point.

- Then there's the question of methodology: How will data be collected? This is crucial. Will the data be qualitative or quantitative? If both, how will they be analysed? How will the reliability and validity of the data be ensured? Who will collect the data? Do we have the infrastructure to ensure the collection of quality data and its proper analysis and dissemination?
- How much is this going to cost? Where is the money going to come from? Can the process be sustained? Lessons may be drawn from Education Watch and TIB.
- What organisational form will sustain the rating effort? Will it end up as another bureaucratic enterprise? What are the power issues and how will they be sorted out? Who or what mechanisms will ensure that they do not end up as another power-wielding source that will succumb to the expected?
- And finally, what will be done with the ratings? How will they be used? What rewards and punishments will be used to energise high-performers and penalise the low-end achievers? While I do not contend at all with Dr. Khan that the universities

(as well as all other public services) ought to be subjected to a system of ratings, the details can be challenging, contentious, and intricate. What is also needed are dedicated resources and a committed group of people who will remain engaged in this rating enterprise to achieve anything meaningful.

A good start may be to have the universities design their own rating systems that would be properly documented -- something akin to ISO-9000 principles -- and, by law, be available for public scrutiny and dissemination.

When publicly disseminated, these ratings can serve as powerful bases for social control of behaviours. I have, in fact, proposed at a recent Unesco-funded seminar, jointly offered by Brac's Institute of Educational Development and the Ministry of Education, how the primary school system could be evaluated on a four-tier measurement system that the public can understand: platinum, gold, silver, and bronze. Such a rating system based on an easy to understand composite is very desirable.

I am all for ratings, for stellar institution building, and for effecting behaviour change via the use of normative influence, which helps gain conformity based on a person's desire to fulfill others' expectations. But the path is arduous. Let's not rush into things without proper consideration of the issues and the pertinent details.

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# SME: Thrust sector deserves appropriate support

MD. SAYEED HOSSAIN

**S**ME has been considered as the thrust sector in the economic development of the country with growing importance from all walks of life. It is evident that, substantial increase in SME and Retail Credit portfolios along with commercial, corporate and institutional lending, would lead the banks to its higher trajectory of growth, minimizing the risk of lending through portfolio diversification. As such, most of the banks have taken up aggressive marketing policy to augment their exposure in SME and Retail Credit. Though SME concept is nothing new, as evident from the establishment of Bangladesh Small and Cottage Industries Corporation (BSCIC), but a fresh look into and endeavour to boosting the sector are still imperative. Bangladesh Bank re-finance scheme for SME is laudable. The role of IFC-SEDF for creating awareness among the entrepreneurs and banks/NBFIs to be more focused in SME deserve appreciation.

**Prospects**

Un-employment problem is a growing concern all over the world more particularly in developing countries, and the panacea to the setback mostly lies in massive development of labour incentive SME sector. SME in

many cases can be set up at domestic and household level contributing to cost cutting. Family members may also participate in the process.

Bangladesh is highly resourceful with so many seasonal fruits and also lots of agricultural products. Pineapple and mango are best used to produce jam/jelly/juice etc under SME. Tomato sauce and potato chips are popularly used all over the world. SME is most suited for processing the items. If we can add more quality to the products and ensure proper marketing, tremendous demand will be created in domestic and export market.

Within the purview of WTO the world is growing to turn into a single entity/state where movement of goods and capital has been made free. Hence, the country having advantages of producing any particular item over others should have monopoly market for the product. Availing the opportunity of WTO our entrepreneurs and government should come up to produce quality goods at a competitive cost where we have comparative advantages.

In RMG industries (knit) circular machines are used for knitting of the items. The circular machines can also be set at household level to perform job works to feed RMG industries for

ultimate export of T/Polo Shirts etc. This is a subcontracting system where RMG industries supply yarns to the entrepreneurs having circular machines. The system has already been introduced in Dhaka and Narayanganj areas with growing demand.

Shoe making by small industries as job works of big shoe companies like BATA is a glaring example of SME product. BATA supplies raw materials to lots of

Bangladesh Bank has fixed SME loan limit at Tk 2.00 lac to 50.00 lac and thereby risk is distributed among millions of customers which entails lower rate of classification than big loans where all eggs are put in a few baskets. As such, most of the banks have undertaken aggressive marketing policy to increase exposure in SME and Retail Credit to minimize lending risk through portfolio diversification.

**The government should come up with pragmatic policies and take appropriate measures to support and patronize SME as a thrust sector with more incentive packages. Above all, the basic concept for industrialization which lies in the integration of SME with big industries shall have to be implemented with highest national priority.**

small factories at household level in Dhaka city and gets the product (shoes) completed through subcontract system. This is a real kind of integration of small and medium industries with big ones and once such integration takes place, the pace of industrial growth of the country will automatically set in.

Lending in SME sector helps the banks to derive higher spread over corporate ones. Profit margin in corporate business houses is relatively getting lower due to stiff competition in the market. They remain in the profit track increasing the sales volume only, having the advantage of big loans to support the economic

development of the country may not be served properly.

As per Bangladesh Bank policy, provision on unclassified SME loans is maintained at a higher rate (2%) than the corporate and commercial lending (1%) which appears to be contradictory to the spirits of the programme.

SME loan is predominantly supervisory credit and requires more manpower to conduct supervision, monitoring and

replenishment is made after one month and above. As such, refinance package may not be so attractive to the banks.

Boosting of manufacturing and service sector no doubt is imperative for economic development of the country. If we look at the performance of manufacturing and service sectors the following weaknesses may be observed:

a) Marketing is a big problem

for SME products caused for lack of competitiveness with large industries endowed with the advantage of strong marketing network and price competitiveness due to the big volume of production capacity.

b) Our workers lack technical knowledge to produce quality items. For example, jam/jelly/juice produced in our country has no qualitative match with the imported ones, even with the mango juice, jam/jelly of Bhutan though mango is not abundantly grown in Bhutan. Fortunately, various kinds of fruits are grown abundantly in different parts of our country but unfortunately, we

cannot avail the opportunity to produce quality jam/jelly/juice from those produce.

c) Protection of infant industries should be the important criteria for industrialization in any country including Bangladesh. But unfortunately our infant industries lack such protection entailing slowed down pace of industrial development.

**Recommendations**

Extension of credit facility, no doubt, is a necessary condition to boost SME and Bangladesh Bank refinance scheme is also the timely approach. But these are not the sufficient conditions; rather promotion, facilitation, marketing supports and protection of infant industry are imperative in a state of merger and acquisition all over the world. Marketing of SME products should be facilitated and given highest priority where both private sector and the government should take the lead.

The traditional attitude of the bankers to earn more profit shall have to be changed to contribute to economic development of the country promoting SME. Bangladesh Bank may implement a 'one third' policy of lending i.e. one third of total credit exposures of a bank should be in corporate, one third in retail and one third in consumer. Refinance may also be

allowed on monthly basis extending up to 50% for trading. The government may also help motivate the bankers to change their attitude from corporate to SME customers allowing tax rebate for financing in SME sectors.

Though, Bangladesh Small and Cottage Industries Corporation (BSCIC) has been established long back to promote small and cottage industries of the country, but could not be made so effective, rather the organization is now on the verge of closure. Since BSCIC has wide network all over the country with established set up, it may be well integrated with today's SME concept to start the journey of industrialization afresh and so to save both time and money in the process.

The government should also come up with pragmatic policies and take appropriate measures to support and patronize SME as a thrust sector with more incentive package like subsidy in water, gas, electricity, export benefits etc. Above all, the basic concept for industrialization which lies in the integration of SME with big industries shall have to be implemented with highest national priority.

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