

Has Bangladesh Bank ignored CSR?

It is essential that BB should be more independent as a central bank and pursue policies for the long-run good of the economy. Making huge profit from captive customers cannot be a priority of the central bank of a country.

M. SHAMSUL HAQUE

RECENTLY I got a copy of the annual report of Bangladesh Bank (BB). It is an impressive document and contains pertinent information on the economy and the financial sector. As a financial analyst I looked into the income statement and balance sheet of the bank. Based on that, I will make a few comments on the financial performance and corporate social responsibility of BB.

First is the fact that there was drastic reduction in the income of the bank in 2009 compared with 2008. Sources of income (Table-1), and expenditure (Table-2).

It may be seen that income from foreign currency assets decreased by 60.1 percent in 2009, whereas income from local currency assets increased by 6.7 percent, resulting in a net decrease of

21.9 percent. Financial costs (interest expense) decreased by 47.3 percent.

One can raise a question about this wide discrepancy in interest income earned locally and the interest expense incurred in the year 2009. That is, BB did not lower its charges on local currency lending to banks proportionate to the decrease in interest expense while it had been urging member banks to charge lower rates to its borrowers.

It is true BB's loans to banks increased by about Tk.4 billion in 2009 over 2008. However, deposit from banks with BB increased by Tk.113 billion in 2009 over 2008. That is, it paid much lower rate of interest on the huge deposits from banks. Hence, financial costs were lowered by 47.3 percent.

Had BB charged lower interest on its lending to banks its income from local currency assets would have been much lower, as it has happened with its finan-

cial costs. As a result, BB's operating profit would have been lower by a greater percentage. Given the huge increase in foreign exchange revaluation, loss the net loss in 2009 would have been much higher.

The report mentioned that "revaluation loss arose due to movement of the taka against major currencies." This is not understood, as the taka depreciated slightly against the dollar during the year but that should not have caused such a huge amount of revaluation loss in 2009. Is this because of failure in management of foreign currency assets by BB in 2009?

More important is the payment of dividend (surplus) to the GoB, amounting to Tk.17.3 billion, out of the operating profit when the net profit was minus Tk.5.67 billion in 2009 and it fell by 110.9 percent compared with net profit earned in 2008. Normally, such dividend payments should be made out of net profit.

Overall equity of the bank decreased by Tk.9.5 billion, which was due to its payment to the GoB. It may be mentioned that the nation was run by a military backed CTG and they had no difficulty in raising revenue from the public. In fact, an agency of the government forcibly deposited Tk.12 billion from some businessmen on some pretext or other. That

money is still lying with BB in 2010. Why did BB pay such a huge amount when it could do many things with the fund -- as mentioned below?

Interestingly, the administrative cost of the bank remained unchanged in 2009. The report said that 1,932 positions of officers and staff remained vacant during the year and overall number of employees decreased from 4,031 to 4,020. This is a matter that needs to be explained further.

When the bank was expanding its functions in many new areas it should have added new manpower and trained them to assume new functions, such as checking money laundering, encouraging internet and mobile banking and faster CIB operation.

Also, when unemployment is so high in the country, BB could have recruited about 1,000 new staff out of the unemployed youths and reduced the pains of 1,000 families. Their earnings would also have contributed to increased GDP.

The SME and agriculture sectors needed a lot more special credits that BB could provide. The CTG terrorised investors and investment fell drastically during that period. BB could have done something special to increase investment instead of playing the same tune with the

	Income	FY09	FY08	% change
A	Income from foreign currency assets	7.1	17.8	(- 60.1%)
B	Income from local currency assets	25.3	23.7	6.7%
	Total A+B	32.4	41.5	(- 21.9%)

	Expenditure	FY09	FY08	% change
A	Financial cost	2.9	5.5	(- 47.3%)
B	Admin cost	4.4	4.4	
	Total A+B	7.3	9.9	(- 26.3)
	Operating Profit	25.1	32.5	(- 22.8)
	Revaluation gain/(loss)	(- 30.77)	20.2	
	Net profit/(loss)	(- 5.67)	51.8	(- 110.9)
	Equity capital	93.6	103.4	(- 9.5)

CTG. It could have granted additional support to the RMG sector that was facing fall in sales due to recession in the USA, the biggest market.

The attitude and vision of the top management of a large organisation, like the BB, can contribute directly and indirectly to the development of the nation.

That is why it is essential that BB should be more independent as a central bank and pursue policies for the long-run good of the economy. Making huge profit from captive customers cannot be a priority of the central bank of a country.

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Religion and women



\$200 instead of whipping. Since Lubna vowed not to pay the fine, she was sent to prison for one month. The government-allied journalists' union paid the fine without her knowledge because Lubna had said that she would write on prison conditions in her country. After two days Lubna was freed.

According to Lubna, ten other women who were arrested with her for the same offence were flogged. In another incident, equally discriminatory rules were applied by a court against a Muslim nurse called Katrika Dewi, who was sentenced to be flogged with a rattan cane.

Although, in both cases, the sentences were finally revoked, they further strengthened the prevailing perception in the West that it is inherent in Islam to discriminate against women, and that it has been so ever since Islam was founded fourteen centuries ago.

But the bitter truth is that over the centuries men have manipulated religions -- no matter whether it was Christianity, Judaism or Islam -- to justify discriminatory practices against women.

Lest it is misinterpreted as an attack on Christianity or any other religion that is not mine I shall concentrate my discourse on gender and religion as they affect Muslim women. Needless to say, I shall make contextual references to the role of other religions in defining the status of women in the society.

In pre-Islamic Arabia, as far as family law, commercial law and succession law were concerned, women did not enjoy the same legal status as that of men. The practice of female infanticide was quite common.

In the context of seventh century Arabia, Prophet Muhammad can be

considered as a great reformer or even a revolutionary. In this, he was most probably influenced by his wives -- Khadija, who was a successful business woman, and Aisha, a religious scholar.

He prohibited female infanticide and improved the status of women by instituting rights of property ownership, inheritance, education, marriage and divorce. A woman could retain the dowry as her personal property and administer it accordingly. She could also manage the wealth she brought into the family or earned by her own work. A woman's consent was required for her marriage. Prophet Muhammad gave "full legal personality" to women.

Therefore, the current discriminatory practices against women have nothing to do with the egalitarian spirit of Islam. They are the results of customs and traditions that were gradually incorporated as "divinely ordained" laws in patriarchal societies over the centuries in different parts of the world by men to exercise power over women.

The unfortunate truth is that the Koran and the Hadith, having been interpreted for 14 centuries by men, had layers of patriarchal bias stuck on them like layers of dust. By the way, as far as the dress code is concerned, the Koran requires both men and women to dress and behave modestly. Nowhere does it ask women to wear burkha (full veils).

Unfortunately, over the past three hundred years, although there has been no lack of personal piety and outward religiosity in the Muslim society, there has been a collective failure on the part of the society to evolve, to move forward to the twenty-first century, in other words, to keep pace with the changing circumstances.

True, there have been several

attempts to reform certain aspects of the Islamic society to adapt it to modern times, but they have not been very effective. As a consequence, the status of women has not only not advanced but, in many cases, regressed.

It is well worth remembering here that the position of women in pre-Christian West was not much different to that of women in pre-Islamic Arabia. The status of women in the Christian West did not improve in one day. It took the benefits of the Renaissance and the Reformation to gradually improve their position.

After all, it was not until the fifteenth century that the Church, after much heated debate, finally decreed that women, like men, were full human beings and possessed souls. Later, the unprecedented changes in the social and economic conditions, spread of education, massive entry in the job market and access to political power through the right to vote boosted the status of women in the West. But it was a very slow process.

Just to give you a few examples: In 1960, a judge, in the United States scolded a secretary called Lois Rabinowitz, who had gone there not to attend any court proceedings but merely to do some routine administrative work on behalf her boss, for wearing slacks in court. According to Gail Collins of the *New York Times*: "He sent her home to change her clothes, and instructed her husband to use a tighter rein" on her.

In Spain, a woman could not enter into financial transactions like buying a property without the consent of a male family member until 1978. Women in Switzerland could neither vote nor hold any federal office until 1971. Even today, the Catholic Church does not allow a woman to become a priest. (Yet,

it is curious that a woman called Junia was made an apostle in the first century. Actually in the case of women, the Catholic Church, instead of making progress has gone backwards because Jesus never treated women as second-class citizens.) Cardinal Ratzinger (now Pope Benedict) often urged women to be submissive partners.

Judaism, like the other two Abrahamic faiths, has not treated women any better. Even now, Orthodox Jews thank God in their morning prayers "for not making them women." Reminiscent of the habits in the Deep South of the United States, women in some Israeli cities have to sit in restricted areas while travelling in public transports.

So, what is the conclusion? How can we fight discrimination against women, which is our main concern, in predominantly Muslim societies? First of all, Muslims should not be afraid to introduce changes and accept the fact that "reform" is not a taboo word. Nothing remains static for ever. There is no doubt that better social and economic conditions will gradually help contribute to the improvement of the status of women.

But the role of religion in society lies at the heart of the issue. In order to avoid self-serving interpretations of religious laws, there should be a clear separation between the state and religion, and law-making should be the exclusive domain of the state which, under a secular democratic system, can be entrusted to legislate for all its citizens -- male and female, Muslim and non-Muslim -- in an egalitarian manner.

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CHAKLADER MAHBOOB-UL ALAM

I was troubled by two much-publicised incidents last summer, both of them involving Muslim women and Islamic courts in their respective countries. In one incident, Lubna Hussein, a 34-year-old Muslim journalist, was sentenced by a court to

be flogged for something as ludicrous as wearing trousers in public. (Don't Muslim men wear trousers? By the way, Ms. Hussein was wearing a head-scarf and a pair of loose-fitting green trousers at the time of her arrest. They were definitely not skin-tight jeans.)

Because of the outcry over the verdict, a superior court imposed a fine of

LEST WE FORGET

Remembering a sprightly sentinel

MUHAMMAD NURUL HUDA

WITH profound sadness and a heavy heart I remember Abu Khaled Al Mamun, a distinguished member of the erstwhile Police Service of Pakistan in 1966 batch, who breathed his last on April 7. His demise causes real deprivation to many who knew him from close quarters, for Al Mamun was so lively, so full of life and zest that it would be difficult to dislodge him from their hearts.

In fact, Al Mamun was so sprightly and warm that he struck a deep chord in an interpersonal relationship even when it was a chance meeting. He would always be the first to open the discourse with a commanding tone and a mischievous smile. His sense of humour, even under desperate circumstances, could not escape a discerning ear.

I first came across this pleasantly zesty personality at Kaptai in 1974, where the then Indian President V.V. Giri was paying a state visit. Al Mamun was Superintendent of Police, greater Chittagong Hill Tracts district. The secu-

rity situation at the time was less than stable in the immediate environment, and insurgents of north-eastern India were considered potential threats to the security of the Indian President.

There were two opinions about the mode of journey of the VVIP -- whether he would land at Chandraghona and take a nearly ten mile road trip to Kaptai or whether the chopper would straight-way land at Kaptai, thus minimising security hazards.

The early seventies were less than stable times insofar as the security environment of newly independent Bangladesh was concerned and logistics deficits and other resource constraints were great irritants to the commanders. Al Mamun was, however, unruffled in such testing times. He would go about his business of law and order with usual gusto and cheer up those under his command in a hardship station.

Gifted as he was with an uncanny sense of humour, he would often look into details that escaped other eyes. I recall one such happening at Kaptai in

1974. During VVIP security duties Al Mamun, after spotting me reading William Manchester's "Death of a President," almost snatched the book and said that it would be returned after the duties were over. His apprehension, though unusual by present day standard, was that reading such a book under circumstances as narrated above risked misinterpretation, thus unfavourably exposing a young officer. His caring pragmatism was not lost on many.

Al Mamun's first love was the uniform, and in his student days he was almost hyperactive in UOTC. He would polish his belt and shoes with equal energy. It is no wonder that although, merit-wise in the Central Superior Services examination results (CSS exams of Pakistan times), he could be appointed to the Pakistan Foreign Service (PFS) he deliberately opted for the Police Service of Pakistan (PSP).

He was not one of those hesitant, uncertain and grumbling appointees who made things difficult for themselves and also for those serving with them. A

graduate of soil science and zoology from Dhaka University, Al Mamun was markedly caring and compassionate.

Al Mamun cherished friendship greatly, and to protect friends he would rather be economical in stating the truth. One of his friends in the army, who later rose to become a general, was in trouble for some lapses as a captain but could wriggle out of the problem due principally to Mamun's assistance. For Al Mamun it was an act of healthy indiscretion, all for friendship.

Al Mamun's social sensitivity and human qualities were also admirably demonstrated in his arrangement of equal care and protection for his mother and mother-in-law under the same roof in Dhaka city.

Al Mamun was one of those very few enforcement practitioners who could speak on strategy and tactics because he was an avid reader of military science and history. He would often speak quite engagingly and authoritatively on subjects like battle inoculation, psy-war, aggressive perimeter patrol, armour, insurgent modus operandi and

so on. His audiences, police and defense personnel included, were enthralled in equal measure.

Al Mamun saw the best of times and also a painfully long worst of times in his public life, but he never lost his composure and ready wit. It would not be an exaggeration to say that Mamun could laugh at the devil's face and displayed commendable resilience under extremely trying circumstances. His patience and courage in adversity paid off and his rights were finally vindicated, though very late.

The official word was less than kind to Mamun and, I dare say, discriminatory and unfair. He retired as additional IGP in rank, and could have gone higher but for an insensitive establishment.

However, Almighty blessed Mamun with two sons of sterling traits and two very caring daughters-in-law and grandchildren of striking good looks and refreshing amiability, not to speak of a supportive life partner.

In the end Mamun was in need of renal dialysis, but the last few years of



his life were also enlivened by the company of so many warm and caring individuals. How many could be so fortunate these days?

I salute this braveheart and pray for the eternal peace of his soul. May Allah grant Mrs. Mamun and the family the strength and the fortitude to bear the loss.

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