

Keeping an eye on RMG



this sector except for BMRE of the existing units as long as the workers supply situation does not normalise.

Deduction of tax at source

It has been for quite a few years that the companies under this sector have been paying tax by way of deduction at source @ 0.25%. The government, in the current budget, has proposed to raise it to 1% -- which is a 400% increase! This is self-contradicting, taking into consideration the declaration of stimulus to the small and medium-sized factories under this sector. How can the government justify it?

The prime minister, in her speech on the budget, proposed to reduce it to 0.50%. I do not think there is any scope at the moment to accept any increase. The government should review its stance on this issue and keep it as it was, which will be easy for everybody, and even companies making losses can pay the taxes. If, at all any increase is planned, we should opt for making payment of tax against assessment.

VAT @ 15% on rent

15% VAT payable on rent paid by RMG units is not logical since the export oriented industries have got the right to claim draw back. It should be withdrawn.

Minimum wages

This is the most crucial issue, over which over 200 factories have been vandalised by workers instigated by so-called leaders. The last two scales for garment workers were given on November 19, 2006 and January 12, 1994. The scale is supposed to be reviewed every 5 years. I do not know why it was not reviewed within this long period.

The workers' agitation started in the middle of 2006 when a lot of factories were vandalised, resulting in huge losses of the owners. The new scale, however, was given in November 2006 and was effective from January 2007. On the basis of this date the next scale should come in to effect on January 01, 2012. But violent agitation has started again, in three and half years.

The responsibility lies with the owners who made imprudent expansions, leading to shortage of workers and providing a platform for the vested quarters to bring the workers out to the street. Even though no new scale was given in 13 years, the agitation started only at the end of the 13th year because there was no shortage of work-

ers -- instead there were more workers than required.

Agitation for higher wages started when owners started making unusually big factories in Ashulia and Savar in 2006. However, at one stage, the issue was resolved by way of giving a new scale for the workers. We, the owners, did not learn any lesson and kept on making expansions. As a result, the workers started agitation for higher wages just before the end of three and a half years though the new scale in normal course should come after 5 years.

Since the shortage of workers aggravated the situation further, the workers are asking for a much bigger increase. If the expansion continues, the wages will reach such a point that we will no longer be competitive and will start losing our share in the market. We should not forget that the productivity of workers is the lowest in our country.

All the relevant parties realise that the wages should be increased by way of giving new scale. Though only the minimum wage is talked about, it should be a scale given for all grades. Since the increase should be given effect from January 2012, as per rule, I feel that it should be implemented in 3 phases, the last being in January 2012, the 2nd in July 2011 and the first in August 2010.

This will help the owners to negotiate with the buyers for increase of manufacturing charges because the factories usually remain booked for about 6 months. If the whole increase is given in one go, factories will not be able to pay it because the orders for the next 6 months had taken into account the wages that are prevailing now. Further expansion should be stopped through making laws. Presently, about 15% of the sewing machines remain idle for shortage of workers, and there are more idle machines in closed/sick factories.

I hope that the government will not put too big a load on RMG owners, but the issue of increase of wages is unavoidable. The government should not burden the factories with any other levies at the moment. Thus, (i) tax payable should not be increased, (ii) vat on rent paid should not be applied, (iii) the increase of wages should be effected in 3 phases at a span of 3/6 months, and (iv) further expansions by local entrepreneurs or foreign investors should be stopped with immediate effect.

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The dangers of new technology ... such as books

NURY VITTACHI

SOMETIMES I hit a raw nerve. Several readers complained about my criticism of Grand Theft Auto IV. This is a youth-oriented computer game in which players get points by committing extremely anti-social acts such as armed robbery, substance abuse and making poor clothing choices.

Hey -- what I really meant was that I don't need this game because I get quite enough of this sort of thing at home already.

Most of the letters of protest can be summarised as follows: "Dear Idiotbrain, there is no scientific evidence that violent video games make people violent, and if you continue to make such ridiculous allegations I will have no option but to shoot you, chop the corpse into tiny pieces and blow up your building. Love from Jin-Jin, aged 10."

Well, to all the Jin-Jins out there, I have absolutely no objection to boys turning themselves into mindless killing machines, providing you all take your guns and go and live on some isolated continent miles away from me. (Oh, you have done? You're in America?)

The most interesting response came from a philosophical reader who said people have been scared of new technology since the time of the ancient Greeks.

Actually, he makes a fair point, and his timing is good. Today, June 2, is the anniversary of the day Guglielmo Marconi (known to his friends as "the nerd with the unpronounceable first name") filed his patent on radio transmissions in 1896. Marconi's invention triggered howls of protest from people who said radio was dangerous new technology which would stop people reading and writing.

Similarly, in the 1950s, there was a campaign against typewriters because they would "depersonalise communications between businessmen." This is an obvious fallacy; whoever heard of a businessman with a personality?

In the Victorian era, there was a campaign against erasers because they would stop students thinking deeply before they wrote. Now, come on; has anyone ever seen a student thinking deeply?

Two millenniums ago, Socrates campaigned against reading and writing. In those days, wisdom was delivered exclusively through something called "oral tradition," which basically meant Men With Beards Talking.

Socrates warned: (a) If people started reading and writing, their memories would wither from under-use; (b) they would read out the words of Men With Beards and look cleverer than they really were, and (c) the world would become democratic, upsetting the elite.

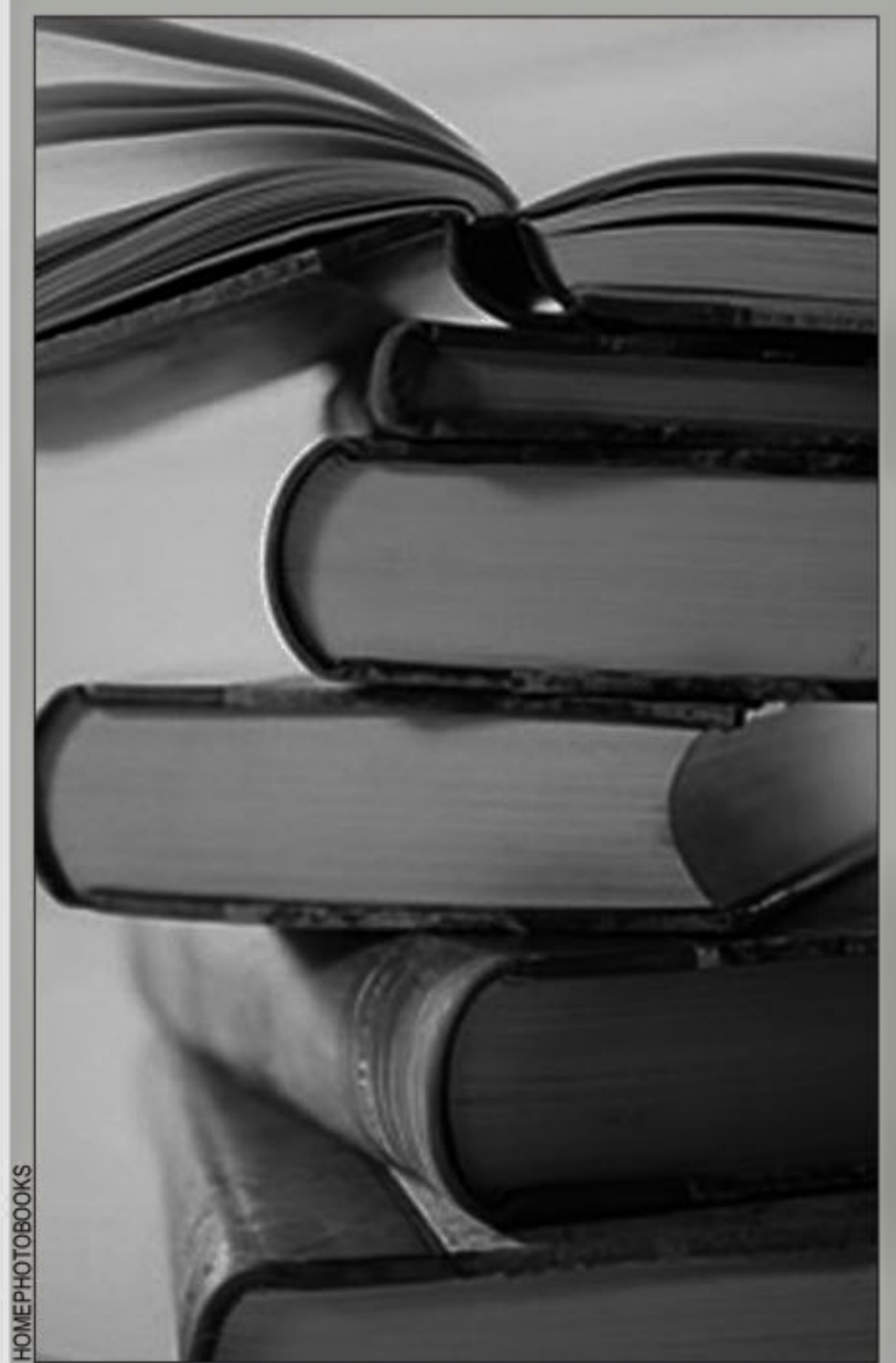
Socrates was right, but he could not foresee that East Asian leaders would have the ability to keep their faces straight while telling people who have waited 2,400 years for democracy that they are "too impatient."

But, anyway, Socrates' criticisms were ignored, and so were the criticisms of people who wanted to ban radio erasers and typewriters. Has society been dumbed down?

Actually, I think it has. Consider this. When Marconi died in 1937, the world wanted to do something to commemorate his work. You know what humanity decided to do? They took every audio broadcaster off the air for two minutes. To celebrate the invention of radio. Ouch.

When I think of that, I can't help but hope that humanity dies off soon, so that the world can be re-colonised by a more intelligent species, such as mushrooms. But if Jin-Jin is still around, he will probably shoot them.

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We, the owners, did not learn any lesson and kept on making expansions. As a result, the workers started agitation for higher wages just before the end of three and a half years though the new scale in normal course should come after 5 years.

KARIBUL MOWLA CHOWDHURY

THE garment sector now needs serious attention for the sake of the workers and the owners or the situation is bound to deteriorate, causing permanent damage to the industry and the country as well. It seems like everyone -- the government, BGMEA and BKMEA -- is being very casual. Vat on rent paid, taxes, wages are all being imposed/increased together. Will the companies be able to pay them, or go bust?

The following points must be taken care of as top priority for this sector:

2nd Stimulus Package

The package was declared after assessing the eligibility of those who suffered during the worldwide economic recession. The benefit was supposed to be paid immediately, but is still unpaid. More than seven months have passed since the press release was issued, and over three weeks have gone since the F.E Circular number 12, addressed to all authorised dealers of foreign exchange, was issued.

The authorised dealers -- commercial banks -- said that they were unable to make payments to the garment exporters because of some complications in the circular. How long should it take to eliminate the complications? I should say, not over a day, if representatives from commercial banks, Bangladesh Bank, BGMEA and BKMEA sit together for few hours. This should happen immediately.

Joint venture/foreign investment outside EPZ

Bangladesh now produces garment of all three grades -- low, medium and high. All technologies required in this industry are very much known to us. The industry is suffering from shortage of workers, which is the reason why workers demand pay hikes before the end of the legitimate period of 5 years.

Why then should foreign investment be allowed in this sector? I do not see any reason. The sector, therefore, should go back in the restricted list immediately. No further investment should be allowed in

Regulating the civil service



Waiting for political permission to move?

Enacting a law is not enough. What is needed is the sincerity of the government to effectively implement the law in order to rid the civil administration of partisanship.

M. ABDUL LATIF MONDAL

THE Daily Star (DS) of June 29 carried a report which said that the government was planning a thorough reform of the civil service in a bid to rout out political partisanship, and cut down administrative cost. The move would be made under the Civil Service Act-2010, a draft of which was getting the final touches from a high-powered committee headed by the cabinet secretary.

Finance Minister A.M.A. Muhith, in his budget speech on June 10, said that "major reforms in public administration have become absolutely necessary," and added that "the draft Civil Service Act has been prepared and it is in the process of finalisation by holding

discussions, workshops and exchange of views with different stakeholders."

Earlier, on January 19, LGRD and Co-operatives Minister Syed Ashrafur Islam told the Parliament that the government would enact a law to regulate appointment, promotion, transfer and terms and conditions in the civil service.

Article 133 of the Constitution of Bangladesh provides that Parliament may, by law, regulate the appointment and conditions of service of persons in the service of the Republic, and the president may make rules to regulate the appointment and conditions of service of such persons until provision in that behalf is made by or under any law.

More than 37 years have elapsed since the

Constitution came into force, and we are yet to implement the constitutional provision for enacting a law to regulate the country's civil service.

In the absence of an Act of Parliament, the president, on the advice of the prime minister, makes rules to regulate appointment, promotion, disciplinary action, etc. of persons in the service of the Republic. Experience of the past 37 plus years has amply proved that successive governments have made, repealed or amended these rules on political considerations.

For instance, the criteria for promotion to the mid-level and senior-level posts in the Bangladesh Secretariat, commonly known as the seat of the government, were changed several times on political considerations primarily to suit promotion of a particular batch or group of bureaucrats loyal to the party in power.

Since an Act of Parliament on civil service will regulate appointment, promotion, and terms and conditions of services of public officers, it may not be easy for the executive to bring changes in the Act according to its sweet will.

The DS report says that the draft law suggests some changes in the existing system. These include:

- The civil service will be restructured into three tiers comprising superior, senior, and junior officials;
- No civil servant shall be sent to forced retirement on political considerations;
- Performance reports, commonly known as annual confidential reports (ACRs), will not remain confidential, and the officers reported upon (ORU) will have access to their ACRs;
- To cut down the cost of running the administration, class 111 and class 1V posts may be abolished and their jobs outsourced.

By the term "civil service" we generally mean regularly constituted cadre services. This is substantiated by the Establishment Division's Order of September 1, 1980, which, for the first time, reorganised the civil services of independent Bangladesh into more than 30 cadre services, including BCS (Administration), BCS (Information). The Pay and Services Commission-1977 recommended that the term "civil service" should generally include all functionaries of the government who are not in the military service.

In March, 1979, the government introduced

Senior Services Pool (SSP), which consisted of the posts of deputy secretaries, joint secretaries, additional secretaries and secretaries in the Bangladesh Secretariat. But the SSP was abolished in 1989. This suggests the need for an in-depth study before any attempt is made to restructure the civil service.

Section 9 (2) of the Public Servants (Retirement) Act, 1974 empowers the government to retire a public servant at any time after he has completed 25 years of service without showing any reason. This Act hangs like the Sword of Damocles over the heads of mid-level and senior public servants.

In the last 35 years, particularly during the successive rule of BNP and AL in the past 17 years or so, scores of public servants have been axed under this Act on political considerations. It would be a great relief to the public servants if the proposed law on civil service can bar the government from axing a public servant under the Public Servants (Retirement) Act-1974 without showing any reason.

Access of the ORU to the evaluation made about him by the report initiating officer (RIO) is not a new idea. This system was introduced for the gazetted civil servants, other than the secretaries, in 1982. There were ORU found incidents in some places when the ORU found that he was not evaluated by the RIO according to his expectation.

So, the system of showing ACR to the ORU had to be cancelled. Anyway, the establishment ministry's experience with its pilot program may guide the reintroduction of the system.

The last caretaker government issued a policy on outsourcing of jobs in government offices, autonomous bodies, corporations and development projects. Since the nature of job responsibilities varies from office to office, the authorities concerned may decide on outsourcing of jobs in their respective organisations following the guidelines of the policy. The draft law on civil service may simply endorse the implementation of the policy.

Members of the civil society and the media have generally welcomed the government move for enacting a law on civil service. But enacting a law is not enough. What is needed is the sincerity of the government to effectively implement the law in order to rid the civil administration of partisanship.

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