

Honouring ourselves

Awards of distinction to Yunus/Grameen Bank did not just give Yunus recognition around the world but honoured Bangladesh. Today, when people around the world think positively of Bangladesh one among the few achievements which are recognised is the coverage and presumed impact of our micro-credit programmes.

REHMAN SOBHAN

SHORTLY after the Awami League government assumed office in 1996, I was invited by the then finance minister the late S.A.M.S. Kibria, to assume the chairmanship of the Board of Grameen Bank, where the government of Bangladesh held a 5% share. I remained in this position until the BNP government assumed office in 2001 when my tenure ended.

This was a productive phase in the history of Grameen Bank as well as the expansion of micro-credit not just in Bangladesh but across the world. The first global micro-credit summit was convened in Washington DC in 1997 where the pioneering role of Bangladesh in the spread of micro-credit was recognised with the invitation to our Prime Minister, Sheikh Hasina, to co-chair the summit with Hillary Clinton, then the first lady of the US and Queen Sophia of Spain. Sheikh Hasina made a strong impression on the summit through her eloquent advocacy of the micro-credit process.

During this period of my association with Grameen Bank its relations with the government were not without its problems but, by and large, it was a productive and positive relationship. Thus, the current media frenzy about revelations about Grameen Bank make depressing reading for me.

Much of the public commentary indicates that few people have actually either viewed the report on Norwegian TV, *Caught in micro-debt*, or read the long response by Grameen Bank explaining their position, which was carried by some of our newspapers. As a consequence, public comments appear to imply that serious malpractice has been indulged in by Prof. Yunus.

Some sections of our media appear to have fueled the frenzy, even reporting that the Prime Minister of India, Dr. Manmohan Singh, had charged Prof. Yunus with questionable conduct. The Indian High Commission in Dhaka was compelled to issue a firm denial that their PM had made any such remark.

The phrase "siphoning off funds" provided by the donors to Grameen Bank to help the poor, has been much in vogue in some of these adverse comments. By implication, the non-discerning readers of our media were tantalised with the prospect that somehow Yunus has diverted these donor funds for his private benefit.

The subtext inspired by the Norwegian media programme once again revives the debates about Grameen Bank and micro-credit in general being an institution of *Kabuliwala* "sucking the blood of the poor." This latter charge has also been projected in the Norwegian TV programme with stories of oppression

in the process of debt recovery from the borrowers of Grameen Bank, with reports of Grameen debt collectors seizing the tin sheets from off the roofs of the homes of defaulting borrowers.

The wider critique reminds us that poverty levels in Bangladesh remain unacceptably high even though, according to the surveys conducted by the BBS, the proportion of households below the poverty line has declined from 51% in 1996 to 40% in 2005.

Notwithstanding my association with Grameen Bank I am no starry eyed fan who believes that micro-credit is a magic bullet to end poverty. I have written on its limitations when it was still fashionable to praise it and have further discussed this issue in my latest book on *Challenging the Injustice of Poverty*.

There are other valid critiques of the micro-credit process not necessarily written by its ill-wishers. However, this is not the time or place to once again open up the discussion on the impact of micro-credit on poverty and the lives of its borrowers in Bangladesh. This debate should continue but it should be conducted through a civilised and professional discourse. The livelihood of millions of mostly resource poor households are involved. To trivialise this discussion through uninformed rhetoric would do little to help improve the lives of these vulnerable people.

Commendably, the present government has set up a long overdue Micro-credit Regulatory Authority (MCRA) to oversee the functioning of the micro-finance institutions (MFIs). It is within the mandate of the MCRA to see whether interest rates charged by the MFIs are excessive or even exploitative. It would thereby also be appropriate for the MCRA to investigate cases of oppression of vulnerable borrowers by MFIs in pursuit of debt recovery.

Further, under the mandate of the Bangladesh Bank and PKSE, the Micro-Finance Research Institute, in collaboration with BIDS, can carry out updated research, at an objective and professionally competent level, on the actual impact of micro-credit on the living condition of the borrowers. Inputs from these efforts can then facilitate more informed discussion with a view to providing serviceable suggestions on ways to improve the impact of micro-credit on the lives of the deprived.

The more substantive issue which emerged is the issue of wrongdoing by the Grameen Bank. At least this aspect of the issue has hopefully been put to rest first by the statement of the Norwegian government and more recently by the extended press conference by Prof. Yunus.

A press release issued on December 7 by the Norwegian Ministry of Foreign Affairs quoted the Minister for

Development Cooperation, Erik Solheim, who had recently visited Bangladesh, who observed that their report states that "there is no indication that Norwegian funds have been used for unintended purposes or that Grameen Bank has engaged in corrupt practices or embezzled funds. The matter was concluded when the agreement concerning the reimbursement of the funds was entered into in May 1998 under the government in office at that time."

Yunus, in his recent press briefing, reminded us that at no stage was the issue raised by the Norwegian government related to questions of malfeasant conduct by Grameen Bank but arose over issues concerning the modalities of how their aid should be used. The absence of malfeasance has been fully recognised in the report from the Norwegian government cited above and is also acknowledged by the journalist, Heinneman, who had produced the TV programme, in a recent statement. Since no other government that donated funds to Grameen, then or now, has raised any questions over Grameen Bank's actions it would appear that the matter may now be put to rest.

The no less pertinent issue which has emerged from this incident is the extraordinary reaction in some sections of the media and society. Rather than first seeking clarification and response from Grameen Bank as to the validity of the TV programme, some sections of the media and society pounced on it with unseemly enthusiasm, using it as an opportunity to cite wrongdoing in a widely respected organisation.

Both facts and reason were buried and the most extravagant assumptions were made about Prof. Yunus and the Grameen Bank. Central to these outpourings of vitriol was the assumption that Grameen Bank was the private property of Prof. Yunus and that both aid as well as the interest collected from its borrowers somehow ended up in enhancing the private accumulation of assets by him and his family.

None of these critics/commentators made the least effort to ascertain the actual corporate status or ownership of Grameen Bank. Had they done so they would have discovered that, unlike most other MFIs, Grameen Bank is not an NGO but a commercial bank owned by its millions of low income borrowers. As a commercial entity, Grameen Bank no longer depends on aid for its survival and growth.

To remain commercially viable it has to generate profits by enhancing its revenues from interest received from its borrowers and by reducing its costs through efficient management as well as cost saving measures. These revenues do not go into the pocket of Yunus or the Bank management but are returned to its low-income owners as dividends or are recycled to expand the lending operations of the Bank.

Seeking tax exemption or taking advantage of the tax saving measures similarly go to the benefit of the Grameen members. Nine representatives, elected by its low-income shareholders, sit on the Board of Grameen Bank. I am not aware of any state owned



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or private commercial bank in Bangladesh whose low-income borrowers or depositors sit on their Board nor many NGO whose clients are represented on their Board.

Grameen's micro-credit programmes may not have solved the problem of poverty for Grameen borrowers though it has served to alleviate it. Micro-credit was never intended to serve such an ambitious purpose since it is but one set of interventions which help to alleviate poverty. Prof. Yunus has indeed identified 10 criteria for determining whether its members have graduated out of poverty. Most of the sister organisations of Grameen Bank set up by Yunus are designed to address the other dimensions of poverty. Grameen Kalyan, to which the Norwegian funds had been allocated, was targeted to serve the health and educational needs of the Grameen members.

Through this broad range of initiatives to serve the deprived Prof. Yunus has brought to the attention of the world that its low-income owners do not need charity to survive but are credit-worthy clients who can be productively engaged so that servicing their credit needs can be a commercially viable operation. It is the commercial viability of its borrowers which has enabled Grameen Bank's credit coverage to expand from one village in Jobra in Chittagong to 81,273 villages across Bangladesh, with 8.3 million enlisted members, which has made it the world's largest MFI.

It is this achievement of building a large, financially self-sustaining organisation owned by and exclusively serving low-income households, which has been globally appreciated. This recognition has earned Yunus and Grameen Bank the Nobel Prize as well as the award by President Obama to Prof. Yunus of the US Presidential Medal of Freedom, the forthcoming

award of the Congressional Gold Medal awarded by the US Congress and a uniquely prestigious invitation to address the Joint Houses of the Indian Parliament.

Any major global figure, such as President Clinton, who visits Bangladesh makes an encounter with Yunus and Grameen Bank into a mandatory part of his itinerary. Other public figures such as Rahul Gandhi and Priyanka Gandhi, specially came to Bangladesh to learn from the experience of Grameen Bank and also Brac.

These awards and many other such awards of distinction to Yunus/Grameen Bank did not just give Yunus recognition around the world but honoured Bangladesh. Today, when people around the world think positively of Bangladesh one among the few achievements which are recognised is the coverage and presumed impact of our micro-credit programmes. Thus, when some fellow Bangladeshis choose to belittle Yunus and the Grameen Bank, we should keep in mind that we also dishonour ourselves by telling the world that what they thought was a great achievement of Bangladesh, was no such thing.

In passing this judgment on one of our own citizens we are thereby charging the Nobel Committee, the Indian Parliament, the US Congress, the US president, other presidents and prime ministers from around the world, who have specially visited Bangladesh to learn about Grameen Bank or have invited Yunus to educate them on his programmes, that they were a bunch of gullible fools who did not do their homework and permitted themselves to be deceived by a worthless programme.

I wonder if any of these famous entities think of themselves as children or imbeciles or that their opinion of Yunus is at all likely to be diminished, because of his denigration by some of his own fellow Bangladeshis. More likely, they would be bewildered as to why a person

and organisation which is not only honoured around the world but whose programmes are being replicated in many countries should be so dishonoured in their own country.

So where do we go from here? Do we persist with this adversarial discourse directed at Grameen Bank and its founder, which is mystifying the world? Perhaps this unsavoury episode, which has done little to enhance Bangladesh's global image, can yet yield a positive outcome.

Even though Grameen Bank enjoys high esteem across the world this does not immunise it from criticism. Such a big organisation is not without blemish and faces a number of second-generation challenges which need urgent address. Where the Bangladesh government has its own concerns about Grameen Bank's programmes it would be mutually beneficial to initiate a dialogue between our senior policymakers and Prof. Yunus where they can discuss these issues and come to an understanding about how to address such concerns. Such a discussion can then constructively explore ways in which the organisation can more effectively engage in realising its core mission of ending poverty.

Similarly, if segments of the media or among the professional community raise questions over some of the actions of Grameen Bank let them sit with Yunus and his colleagues, visit their programmes and then form their judgments based on evidence. The most productive outcome of such exchanges may be for the government, which has articulated its own vision to end poverty, to establish a working partnership with Grameen Bank and other such organisations working with millions of our income-poor households across the country, to eradicate this injustice of deprivation from our midst. Such a partnership could inspire the country and excite the imagination of the world.

Of collaborators, of lies, of shame

If the Nazis have paid a price at Nuremberg, if the Vichy regime remains a stigma in the history of the French republic, the Pakistan army, the Jamaat-e-Islami, the Muslim League and the Nizam-e-Islam will find indelible mention, as perpetrators of crimes against humanity, in the pages of history.

SYED BADRUL AHSAN

THERE are lies, big lies, that reason will and must do everything to put an end to. These are lies the old collaborators of the Pakistan occupation army in 1971 have been peddling for years together. Watch the Jamaat-e-Islami. It should have been wallowing in shame, in unadulterated embarrassment, over the murderous role it played in a season when we as a people struggled to free ourselves of Pakistan all those years ago.

Its leading figures, all of whom were complicit in the commission of genocide and rape by the Yahya Khan junta, should in the normal course of events have spent long spells in prison on charges of furthering the twisted cause

of the enemy. That they escaped justice, that a counter-revolution in free Bangladesh in the mid-1970s made it eerily possible for them to make new and sinister inroads into our collective life, is a shame we cannot shed until we have seen them answer for their crimes.

How do we go about making sure that the old collaborators face justice? The answer is pretty simple. Get all this big plan of a trial of war criminals into a purposeful momentum, through making sure that no loopholes remain in the law on which the trials will be conducted. The evidence is there, our collective memory is there.

Of course, you could argue that the collaborators' act is not there. It was repealed by the nation's first military dictator in 1975. Ziaur Rahman did something else: he incorporated the

infamous indemnity ordinance into the constitution through the notorious Fifth Amendment. Today, that amendment stands repealed. The point is this: if the law and constitutional politics can do away with an immoral act, they might as well bring forth, yet once more, a good, ethical principle that was set at naught by bad men.

Get the collaborators' act moving again, for the fundamental reason that



if those who murdered and helped to murder Bengalis in 1971 get away this time, if this government is unable to complete the process of their trials before the next election, this country, this nation will find itself in unmiti-

gated danger. The elements rehabilitated since 1975 will not let us live in freedom and dignity. That is the truth, an absolute one.

Observe how much of a danger we are in. Observe the lies being bandied around. The Jamaat tells us, without batting an eyelid, that it also took part in the War of Liberation, that its men are also freedom fighters. Observe the absence of shame here, the totality of it. And then note the brazenness. It



pulls in Professor Kabir Chowdhury. If Chowdhury is a freedom fighter, so are the Jamaatis. Good logic? No way. Bad sophistry here. Chowdhury, like millions of other Bengalis, was an exile in his own country. Like tens of thousands

of other Bengalis, he had nowhere to go but, like them, he waited for liberation.

And the Jamaatis? They picked off their own fellow Bengalis to kill. They killed Kabir Chowdhury's brother! They went around telling people that the Mukti Bahini were miscreants, that Bangladesh's War of Liberation was an Indian conspiracy to break up Mohammad Ali Jinnah's dream. In their hoarseness, they decry the "aggression" against Islam and Pakistan. Their goon squads, in the shadowy shape of al-Badr, al-Shams and Razakars, carefully and meticulously went around abducting some of our best and brightest even as their beloved communal state crumbled in a heap around them.

The Jamaat as freedom fighters? No freedom fighter ever had meetings with Tikka Khan and A.A.K. Niazi. But Golan Azam did. No freedom fighter went visiting the Middle East after 1971 spreading wicked propaganda against the state of Bangladesh. But Golan Azam did, per courtesy of Zulfikar Ali Bhutto's rump Pakistan.

Observe the lies, again. It was the Indian army, says the Jamaat, that bludgeoned Bengali intellectuals to death a couple of days before 93,000 soldiers of

the world's "best fighting force" surrendered to the Mukti Bahini and the Indian army. That is interesting, this new wrapping over stale old lies. Do the Jamaatis take us for fools? Or has something of dementia come over it?

It is time for firmness. Let there be no going into academic points here over the ways in which we should be dealing with the old quislings of the Pakistan army. That these collaborators strutted around, post-1971, in their full glory thanks to the historical aberrations we went through all the way from 1975 to 1996 is no reason to think that their old sins have been forgotten and forgiven.

If the Nazis have paid a price at Nuremberg, if the Vichy regime remains a stigma in the history of the French republic, the Pakistan army, the Jamaat-e-Islami, the Muslim League and the Nizam-e-Islam will find indelible mention, as perpetrators of crimes against humanity, in the pages of history.

Three million of our own went down to doom in 1971. It is morally wrong, ethically reprehensible and politically indefensible to let their murderers bask in the luminosity of a sun they once tried taking away from us.