

US deeply troubled

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against an internationally reputed personality like Yunus.

US Ambassador to Bangladesh in Dhaka James Moriarty yesterday said the United States is deeply troubled by the government removing Nobel Laureate Muhammad Yunus from the office of the managing director of Grameen Bank and termed it "an unusual way to handle a Nobel Laureate".

"We are deeply troubled by the process here by this letter going forward trying to remove the professor [Yunus]," he told the journalists emerging from a meeting between diplomatic corps, development partners and the finance minister at Bangladesh Secretariat yesterday.

When asked if the handling of the Yunus issue would impact Dhaka-Washington ties, he said, "No comments."

A spokesperson of the US Embassy in Dhaka told The Daily Star that US Secretary of State Hillary Clinton looks forward to meeting Prof Yunus on March 8 in Washington to discuss this and other issues.

The US ambassador yesterday said, "An amicable compromise should be reached. Both Prof Yunus and the government can find the way and work out their disagreement."

Asked about his reaction, Moriarty said, "It strikes us. It is an unusual way to handle a Nobel laureate, who is considered outside the country as one of the greatest Bangladeshis."

"He has brought great honour to your country. He is highly respected. He has done great things to lift many people out of poverty. So, they have removed him 12 years later on, an issue that is technical and difficult to understand. So, it is troubling," he said.

The US diplomat said, "The process that has been followed to suddenly remove him on a technical issue dating back 12 years and for 12 years he has been acting as managing director... So, it looks very unusual from outside."

Moriarty said there must be a solution for the people of Bangladesh, the government of Bangladesh, Prof Yunus and

Grameen Bank. "We do not have any role to play here," he said replying to a query.

On the outcome of the meeting, the US ambassador said, "The minister gave a very thorough explanation about the government stance. But I would say my government remains deeply troubled."

Earlier, the spokesperson of the US Embassy said, "We continue to follow developments closely and await clarification from the Government of Bangladesh and Grameen Bank. We hope that a mutually satisfactory compromise can be achieved that will ensure Grameen Bank's autonomy and effectiveness. Civil society organisations such as Grameen Bank play an important role in Bangladesh's development and democracy."

The UK in its instant reaction said it is also following the development very closely.

When asked, a spokesperson for the British High Commission in Dhaka said, "We are aware of the event concerning Prof Yunus. We understand this is now a matter before the court. Together with the international community, we are following the development very closely. Grameen Bank is a well known and well respected development institution. We wish to see it continue to play its important role in Bangladesh and globally. We have great respect for Prof Yunus and the work he has carried out with Grameen."

Talking to The Daily Star, most diplomats expressed identical views. They said they are very disappointed and frustrated with the government action.

The diplomats, preferring anonymity as the matter is pending with a court, said Prof Yunus and Grameen Bank are integral parts and both are highly respected everywhere.

A diplomat of an East Asian country said Grameen and Prof Yunus are not only popular in Bangladesh but also in the diplomat's country.

Another envoy termed the government move "apparently vindictive" and said the international community will never take it positively.

Asked about diplomats' reaction at the meeting with the finance minister, the diplomat said the representa-

tives of foreign missions and donor agencies were critical about the government action and made lot of queries and they were not fully satisfied with the explanation given.

Friends of Grameen
Friends of Grameen, an international platform to protect Nobel winners Prof Muhammad Yunus and Grameen Bank, yesterday said the events unfolding over the last few days testify the government's intent to fully takeover the microfinance agency at any cost.

The Paris-based group said the central bank's letter to relieve Prof Yunus of his position in Grameen Bank is without lawful authority and in violation of his fundamental rights.

"The letter, which goes beyond its reach of authority, is clearly an attempt to circumvent the rules of the ordinance of Grameen Bank, and the prerogatives of the board on hiring and firing," the group said in a statement.

Maria Nowak, chair of the executive committee of Friends of Grameen, criticised the finance minister's claim that Grameen Bank is a state organ.

She said the theme has already been developed by the foreign minister early January, to the astonishment of many, when the government has statutorily 25 per cent of the equity of the bank.

"The source of this thinking is that there are, close to the government, views that the vibrant social sector of non-governmental organisations in Bangladesh should not exist and its task should be fully performed by the state."

She said the letter by the central bank was issued although a review committee is currently investigating the activities of the Grameen Bank.

"Before it has had an opportunity to conclude its enquiries, the current process appears to be a bad faith, without legal ground, intimidation and a clear violation of Prof Yunus' rights, and designed as such."

Mary Robinson, former president of Ireland and former United Nations High Commissioner for Human Rights, is the head of Friends of Grameen's honorary committee.

Border wait

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the expatriates' welfare and overseas employment ministry yesterday said they are still discussing the matter with the shipping ministry.

"It's not sure yet. Besides, the ship has a capacity to carry only 50 people," he told The Daily Star preferring anonymity.

As of yesterday, 1,632 Bangladeshis returned home from Libya, jointly facilitated by the International Organisation for Migration (IOM) and the government, said officials at the Hazrat Shahjalal International Airport.

On return, workers gave horrifying accounts of their sufferings on the borders.

"It's not thousands, but lakhs of foreigners are crowding on the Egyptian border of Libya," said Manik Sarker of Tangail, who returned on Wednesday.

He added that they had to wait for 15 to 20 hours in the line to cross the border after travelling several hundred miles with hungry stomachs.

There were reports of deaths in stampede, he said.

"Please bring our brothers from the border," said another returnee Mohsin of Gazipur.

The IOM said more than 75,000 people have crossed the Tunisian border since February 19, while an estimated 40,000 more are waiting to enter the country.

An IOM spokesperson said the organisation registered over 400 Bangladeshis inside Tunisia, while an estimated 2,600 more are stranded on the Libyan side.

On the Egyptian side, 3,500 Bangladeshis were registered, while the number of Bangladeshis trapped on the Libyan side is unknown, the spokesperson added.

Panicked by the deadly conflicts, many Bangladeshis are rushing towards the borders, but there is no food or shelter there, said Shakil from the Libyan capital Tripoli, where he works in a South Korean company.

The United Nations refugee agency is increasing the number of camps on Tunisian border, but they are still inadequate for the flooding number of workers.

The IOM is repatriating thousands of workers of various nationalities with whatever capacity it has. In this case, quick repatriation of the workers from the bordering areas is crucial, but that requires government contribution, said the IOM spokesperson.

Meanwhile, the UN and the IOM refugee agencies are urgently appealing to the governments for evacuation of tens of thousands of foreign nationals who have fled into Tunisia from Libya.

The two organisations are requesting the governments to urgently supply massive financial and logistical support including planes, boats and expert personnel.

Meanwhile, the International Migration Alliance (IMA) Research Foundation, a migrants' rights body, in a statement yesterday demanded immediate government action to rehabilitate the returnees from Libya, as many of them are totally penniless and indebted.

7 car thieves

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waylaid a private car at Technical of Mirpur and arrested two car lifters early in the morning.

Three of their cohorts managed to escape during the drive, he said.

In another drive, Mirpur police recovered a stolen private car from Gazipur Chowrasta at 2:00pm. Sensing presence of police, car lifters fled the scene leaving the car behind, the OC said.

At Mirpur-2, police recovered two stolen motorbikes and arrested five lifters in this connection at 10:30am.

All the arrestees confessed that they shot at victims' legs while snatching the cars and motorbikes, police said.

Delwar ill

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breathing complications, said Nazrul Islam Khan, a standing committee member of the party.

The BNP secretary general was taken at the Modern Hospital on February 22 with old-age complexities.

Is this the way to treat Nobel laureate?

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and only Nobel laureate and globally admired microcredit pioneer and Grameen Bank (GB) founder, is that he is too old to continue as the managing director and that his reappointment was not endorsed by the Bangladesh Bank.

Did he become too old yesterday or in the recent past? Prof Muhammad Yunus is now more than 70 years old. So what was the Bangladesh Bank, the finance ministry and the several governments that came and went in the meantime, doing for all these years? Why was the so-called irregularity in his reappointment not corrected earlier? Why the process was not challenged either administratively or in the court of law? Why something that was not an issue for ten years, has suddenly become one?

The answer is simple. The government does want him to go and so he must go. The prime minister made her views clear in a recent press conference when she accused him and microcredit of "sucking the blood" of the poor asserting that "business in the name of the poor will not be allowed". Suddenly Yunus became a villain and was being denigrated in a section of media with false and highly derogatory propaganda. Absurd cases began to be lodged with even more absurd accusations.

Of course, someday, Prof Yunus will have to relinquish responsibility of leading the bank he founded. If he is intelligent enough to win a Nobel Prize, he must be intelligent enough to know that he cannot be Grameen Bank's MD forever. So his succession is but a natural question. But the way the government has so far proceeded clearly shows its malicious intent based neither on the interest of millions of poor borrowers of GB nor in the interest of its better management but on a political and personal vendetta that will greatly harm the image of Bangladesh and the reputation of microcredit as a poverty alleviation tool.

Since the matter of his reappointment is now in the court we will wait for it to guide us on the legal issues. Our focus today is on what Yunus' work represents.

Ever since the end of the Second World War, numerous attempts were made at poverty alleviation but none caught the imagination of the world as microcredit did. Country after country, spread through all the continents, now practise this particular model of extending credit to the poorest segment of society. From countries in the advanced capitalist world of the West, including the USA, France, Spain to the socialist world including China, monarchies like Saudi Arabia and some Gulf states, several countries of Africa and Latin America have now embraced microcredit. As this model of poverty alleviation spread so did the reputation of Bangladesh and of Yunus with the result that the man and the institution he created won the Nobel Peace Prize bringing boundless pride to our people.

How much microcredit has succeeded in alleviating poverty continues to be debated. But the fact that it has helped the poor in some ways is beyond question. There are many studies that prove it.

Those who argue that microcredit entraps a borrower into a cycle of debt focus on few hundred (may be thousands) failed microcredit users and ignores the millions who have benefited. Today there are more than eight million borrowers of GB alone. Together with other microfinance institutions there are about 20 million borrowers. How many of them have become entrapped into a cycle of borrowing -- may be several thousands. Compared to 20 million what percentage is that? This debate needs to be more fact based rather than ideology or prejudice based.

Financial aspect is only one of the total impacts of Prof Yunus' work. No financial institution before GB placed women at the centre of its work. For Bangladesh it had revolutionary consequences. Yunus gave rural Bangladeshi women access to money which they never had. They proved to be judicious and incisive investors and remarkably dependable borrowers with 99 per cent return rate. With money in their hands, women gained confidence, self respect, and a say in the affairs of the family which had been monopolised by men. They invested well and changed the face of women's participation in rural economy.

While women's movements may have brought gender issues to the fore, it is the work of GB, followed by others later, that transformed our rural women, changing forever their mindset, worldview and leadership ability. If money speaks loud, especially in a setting of poverty, then financial empowerment of women that GB brought about gave louder and louder voice to our women. This led to their greater participation in national and local elections and demanding quota in local bodies.

Most importantly the work of GB and numerous NGOs empowered our women, making them conscious of their rights and thereby stemming the possible rise of fundamentalism in our countryside. There can be no denying of the role of our NGOs in fighting fundamentalism, and GB's central role in this process.

With women at the centre of all its activities, GB led the fight against early marriage, dowry, domestic violence, misuse of fatwa, etc. Through the formation of borrowers' group GB launched a socialisation process that created a fraternity among women who, by standing by each other in times of societal and male oppression, created a type of collective resistance that led to the erosion of rural power structure. No wonder religious extremists always hated NGOs and especially the work of GB.

We have written about women at some length simply because women's

emancipation lies at the heart of Bangladesh's future and GB's role in it needs to be fully appreciated.

Under the visionary leadership of Yunus, GB moved into innovative partnerships with global companies like Danone, Adidas, Viola, etc. to provide nutritious yogurt, cheap shoes and safe drinking water at affordable prices. Its stunningly successful partnership has been with Telenor of Norway, leading to the formation of GrameenPhone (GP), by far the most successful mobile company in the country, now the highest taxing company at Tk 900 crore annually.

All this Yunus did without a single taka of profit for himself. His salary remains fixed at what he gets as managing director of GB (which is equivalent to that of a secretary of the government, without its perks) and he receives nothing from the nearly two dozen companies he has set up. His office is austere with bookshelves, some wooden chairs and a square desk for himself. He shares his quarters with four other senior GB officials in a small five-storey building, each occupying a floor. Till his Nobel Prize he had no personal transport but used the bank's microbus when moving around. His trademark Grameen check (a home grown handloom product) attire is now a well known global trademark that projects Bangladesh's clothes and designs wherever he goes which, these days, is pretty much everywhere.

We in Bangladesh are always complaining that the world is not recognising our achievements and that international media always focuses on the negative. Well the world recognised Yunus, and the global media have written ceaselessly about him mostly in his praise. Finally when someone takes Bangladesh to the global stage, we 'sack' him, call him a "blood sucker" an "exploiter of poor" and lodge false cases against him. How beautifully we project our country's image!

He has not only received the Nobel Prize, but many other prestigious awards in the world. Perhaps no individual in the recent past has received as many awards and accolades as Prof Yunus. Numerous world famous universities run courses on his work. Many have centres and departments named after him. There is hardly any university of standing that has not asked him to lecture and very few recent gatherings of world leaders where he has not been asked to speak. Few noteworthy bookstores around the world would not have works written by him. The above brief description of Yunus' achievements is an attempt to bring home to the readers the magnificent level to which he has taken Bangladesh. No other individual has done remotely as much to make our country known to the world as Prof Muhammad Yunus did.

Is this the way to treat a man who has brought us so much honour, dignity and recognition?

Arguments in court

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Court yesterday challenged the legality of a March 2 government letter to "remove" him from the post of Grameen Bank's managing director.

Dr Kamal told the court that Bangladesh Bank issued the "notice of removal" without issuing any prior show-cause notice, and without giving his client scope to defend himself.

He said the Board of Directors of Grameen, and not Bangladesh Bank, is the appointing authority for the microfinancier, which is a separate specialised institution.

The central bank did not appoint Yunus as the MD of Grameen, and the central bank cannot remove him from that office, he said.

The Board of Directors of Grameen decided in 1999 and again in 2009 that Yunus, who is the founder of the institution, may hold the office of the MD as long as he wishes, Dr Kamal pointed out.

"The Bangladesh Bank has a very limited role to play, which is to accord prior approval to the appointment of the MD. In the case of Dr Yunus, the Bangladesh Bank had given such approval long ago in 1990. Later in 1999, the Bangladesh Bank queried the issue of whether Grameen Bank had obtained further approval," he said.

"The Grameen Bank responded to these queries, and Bangladesh Bank raised no further objection."

For over 11 years, the central bank annually and regularly approved Grameen activities and operations and the orders, now challenged, came after these 11 years of no questions being raised and no show-cause notice having been issued on Yunus, the lawyers said.

Bangladesh Bank audits Grameen Bank every year, but until Wednesday it never objected to the decision of the board of directors, he said.

Even the government representatives in Grameen

Bank until Wednesday never questioned the matter, he added.

Dr Kamal said until Wednesday the central bank never directed the appointing authority to "remove" Yunus from the office either.

Bangladesh Bank's issuance of the notice for "removing" the Nobel Peace Prize winner from his post goes against thousands of years of civilisation and public interest, said the lawyer.

"Grameen Bank is a unique institution, and one which we are proud to say is owned almost wholly by poor women from across rural Bangladesh, who have changed their lives and those of their children and communities. We have come to court on behalf of nine of the elected directors of Grameen, and for Dr Yunus, whose vision gave the bank its shape and form," Dr Kamal said.

"Prof Yunus has helped to change the face of Bangladesh, and to change millions of lives for the better. All we ask is -- why should he not be treated with respect and dignity?" he said.

Grameen has come to its present position with the deposited money of more than 80 lakh women, who are the shareholders of the institution, Dr Kamal said. The shareholders are the owners of Grameen Bank and will decide whether their founder will remain in office or not, he added.

The senior counsel said his client approached the court for a legal remedy, as the finance minister and finance secretary told the media that the matter is a legal issue.

The writ petition will not cause any financial loss to the government, he added.

Attorney General Mahubey Alam opposed the writ petition, saying that Grameen Bank was established as per Grameen Bank Ordinance 1983, and according to its Section-36, the retirement age of its officials is 60. This provision is applica-

ble to Muhammad Yunus as well, he argued.

The attorney general said Yunus is now around 70, and according to the Section-36 of Grameen Bank Ordinance, 1983, he cannot hold the office of the managing director.

Replying to the attorney general's argument, Dr Kamal Hossain said Section-36 of the Grameen Bank Ordinance, 1983 is not applicable to Yunus, as there is no age limit for his retirement according to Grameen Bank's service rules of 2001.

Mahubey Alam went on to argue that as per Section-45 of the Banking Companies Act, 1991, Bangladesh Bank has a general power to remove any person from Grameen Bank.

But Dr Kamal replied that Section-45 of the Banking Companies Act, 1991 was not exercised in "removing" Dr Yunus, as the "letter of removal" did not mention that section.

Dr Kamal Hossain was assisted by lawyers Rokonuddin Mahmud, Sara Hossain and Mostafizur Rahman.

An HC bench of Justice Mohammad Momtaz Uddin Ahmed and Justice Gobinda Chandra Tagore started hearing the petition around 12:30pm, and concluded it around 5:00pm with a lunch break for an hour.

It fixed March 6 for delivery of the verdict.

Yunus, who filed the petition yesterday morning, was present in the courtroom during the hearing.

Around noon, nine elected members of the Board of Directors of Grameen Bank filed another writ petition with the same HC bench against the Bangladesh Bank's "removal letter".

The nine petitioners are Rahima Begum, Nasima Begum, Jyotsna Begum, Anwara Begum, Rozina Begum, Julekha Begum, Sajada Begum, Sundari Begum, and Safia Begum.

'Removal' rolls into HC

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campaign since a Norwegian TV documentary alleged that he had transferred Norway government's money unlawfully to another organisation. Norway later in a statement cleared the air and said no corruption or illegal activity had taken place.

Challenging the legality of the government's move to remove Yunus from Grameen, nine directors of the microlender jointly filed a second writ petition with the High Court.

Dr Kamal Hossain who appeared for Yunus told the court that the government has removed the Grameen Bank founder from his post without issuing any show-cause notice.

Earlier when Yunus had asked the Grameen Bank board of directors to exempt him from the office considering his age, they requested him to continue, Dr Kamal said.

The directors last met on February 27 and decided to hold another meeting later on, but Yunus has been removed from the office before that meeting could be held, Dr Kamal said.

Attorney General Mahubey Alam opposed the writ petition, saying that Grameen Bank was established as per Grameen Bank Ordinance 1983, and as per its section 36, the retirement age of its officials is 60.

This provision applies to Dr Muhammad Yunus as it does to the other employees of Grameen Bank, he said.

The attorney general said Yunus is now 70 years old, and as per section 36 of Grameen Bank Ordinance 1983, he cannot hold this office.

After the court hearing, Yunus said he wanted a "graceful solution" allowing him to step down from his post at the microfinance institution.

"I have said repeatedly that

I don't want to be in the position of managing director but the (Grameen Bank) board would not accept my resignation. They asked me to stay and this is why I am in this position now," he said.

"I want a graceful solution to my departure from Grameen," he added.

"I urge all of you to save and protect this institution. Grameen Bank has come this far on its own money and

What internal BB note states

Prof Muhammad Yunus has been "removed" from his position as his appointment violated the Grameen Bank Ordinance, 1983 that says a managing director must be appointed with prior approval of the Bangladesh Bank (BB), says an internal BB document.

In 1990, an amendment regarding the appointment of the managing director (MD) was brought to the Grameen Bank Ordinance making the provision of taking approval of the BB instead of the government.

On August 14, 1990, after the amendment, the then chairman of the board of directors of Grameen Bank requested the BB to appoint Muhammad Yunus as the MD of Grameen Bank.

On August 25 that year, the BB approved the appointment on certain conditions.

The conditions were: The terms and conditions for the MD's post would follow the regulations of section 14(4) of the 1983 ordinance. The board of directors will make the regulations and those would take effect after being published in government gazette. Appointment of the MD requires a prior approval of the BB if the new regulations are inconsistent with the existing ones.

After obtaining the no-objection from the BB, Grameen Bank on August 29, 1990 appointed Prof Yunus as the MD. One of the conditions of his appointment was that he would be a regular officer and the chief executive of the bank. BB says the retirement age of a regular bank officer is 60 years.

In a comprehensive inspection in 1999, the BB raised an objection that the MD and DMD of Grameen Bank had been holding their posts for an indefinite period beyond their retirement age limit with the approval of the board of directors.

According to BB, the chief executive did not take prior approval of the central bank for this extended stay in office. Consequently on November 19, 2001, Grameen bank formulated regulations regarding the appointment of its MD. The new regulations include that age limit as per the bank ordinance is not applicable for the MD, Prof Yunus.

The regulations also made the post of the MD a contractual job, which the BB says a violation and "material alteration" of the terms and conditions of the previous appointment.

labour, not foreign funds," Yunus told reporters at the Supreme Court premises.

Grameen is a large organisation, in which a third of the country's population is involved directly and indi-

rectly, he said warning that the institution will not survive if people's trust in it is damaged.

Who will remain in charge is not vital; survival of the institution, he observed. Meantime, Finance

Minister AMA Muhith briefed diplomats at his office yesterday to explain the government actions.

Muhith said the government had no choice but to remove Yunus because he had held the position "illegally" since 2000; he had failed to seek the central bank's prior approval when he was reappointed.

"The law took its routine course. Bangladesh Bank exercised its powers under section 45 of the Banking Company Act of 1991," the minister said in a written speech.

But the diplomats seemed to be unconvinced by the arguments.

US Ambassador James F Moriarty, coming out of the meeting, said: "We are deeply troubled by the process here... that is trying to remove Prof Yunus who has continued to hold the position. It strikes us. It is an unusual way to handle a Nobel laureate, who is considered outside the country as one of the greatest Bangladeshis."

Asked what would be the move now that they have received the Bangladesh Bank letter for removal of Yunus, Grameen Bank Chairman Khondker Muzammel Huq said: "The matter is sub judice. I won't comment on the issue. I have to wait for a court decision."

At Grameen Bank Building in Mirpur, a sense of insecurity seems to have set in following the removal of the managing director.

"It worries me when the head of a family becomes a victim of injustice. It is worrisome when an institution is likely to suffer political abuse," said one of the employees hiding his identity card from view.

The presence of two Special Branch officers at the main entrance of the bank for over the last few days has added to the jitters.