

Riding roughshod over people's wish

Minister's brazen show of power

THE minister for labour and employment from Narsinhgdi revealed how unfriendly politics can be. There is very little else one can describe it as other than bankruptcy of politics given the reported manner in which the minister visited his constituency and held a public meeting there, that too almost a year after his last visit.

Will we be prepared to ask when a minister, who is also an elected representative of the people, has to take help of law enforcing agencies to visit the people that had elected him to the parliament, can really claim to be on a high moral ground or to be his people's representative? What picture of politics can one form in one's mind when the mayor of the town, an elected person himself, is allegedly beaten up by the police and hospitalised and then taken home and literally detained in his house along with his family members during the visit of the minister?

Reportedly, the people of the district town, most of them sympathetic to, and supporters of, the late Mayor Lokman Hossain and his brother the current mayor, were apparently resistant to the idea of the minister visiting Narsinhgdi. Their perception is that the minister may have had a hand in the death of the ex-mayor. And their resentment was further whipped up by the non-inclusion of many of those mentioned in the FIR, in the final charge sheet. And to rub the wrong way, at least one of the persons named in the charge sheet was found sharing the dais with the minister at the public meeting.

While we do not wish to remark on the comment of the minister that he saw a third party complicity in the late mayor's killing but what we find unable to accept is riding roughshod over the sentiments of the people. Time has come to abjure this kind of politics.

Pedestrian-unfriendly footpaths

HC directives must be implemented without further ado

AMONG all the big and little things that make Dhaka one of the most 'uninhabitable' cities in the world, are its streets. We refer not only to the traffic congestion on the main roads but to the abysmal state of the sidewalks for pedestrians. Getting from one end of a street to another on foot involves broken paths with potholes, garbage and not least, traffic of its own caused by unauthorised establishments. These include shops spilling over from the original establishments onto the footpaths, as well as independent vendors selling everything from clothes, shoes and jewellery to food and electronics. While it may seem convenient to have everything within one's toes' reach, it does not justify the illegal occupation of public space, creating obstacles for walkers, for the commercial profit of a few.

Eleven years into the issuing of a High Court rule ordering the clearing of footpaths, nothing has changed. Those advised to take specific measures claim they received no such instructions.

While illegal establishments are sometimes evicted when issued ultimatums by the authorities, they usually come back. Lack of political commitment and the profit motives of those who extort from businesses on the footpaths are key reasons behind the inertia regarding implementation of the HC directives. It should also be kept in mind that for hawkers who crowd the sidewalks, selling their ware is their means of livelihood and if they are to be evicted from the roadside then they must be allotted an alternative space for trade. We urge the authorities to take immediate and stringent measures to implement the HC directives and clear and improve the condition of footpaths in order to make them pedestrian-friendly, but to also make alternative arrangements for those who make

Banking is a serious business



SYED MANSUR HASHIM

THE activities of Ruposhi Bangla branch of Sonali Bank however put the heading of this article to

shame. The fact that a hitherto little known company like Hall-Mark group was able to successfully siphon of around Tk.2,500 crore over a two-year period underscores fundamentally weak controls and compliance within the bank. It points to putting personal interest above the interests of the bank and a general lack of adherence to proper approval procedures.

Ongoing investigation into the Hall-Mark scam has identified that the bank failed to follow some very basic fundamentals. At the time of opening an account, two steps are generally followed: KYC and Transaction Profile. KYC, i.e. "Know your customer," is the profiling a bank does to get the personal details of the client or in this case: name, address and nature of the business, area of operation, etc. Transaction Profile deals primarily with how many probable transactions each account would be doing in a year and what would be the yearly worth of such transactions. Furthermore, every branch of every bank is supposed to have an anti-money laundering compliance officer, who reports to a zone head -- why weren't anomalies in transactions detected?

Had "due diligence" been observed at all these steps, then the scam could not have happened. In the aftermath of the scam, demands are being raised for heads to roll in Bangladesh Bank (BB). Yet BB has detailed guidelines on KYC, transaction profile and anti-money laun-

dering. Instead of shifting all blame onto the central bank, one ought to look at the inherent flaws our nationalised commercial banks (NCB) suffer from and take steps towards "plugging the loopholes" that create the opportunity for such scams to take place in the first place.

NCBs have always had their share of politically appointed directors. Politically nominated directors often lack adequate banking knowledge considered essential to safeguard the bank's interests. In many cases, these directors act as agents to serve the interests of "connected" companies. The net result of such political influence in the banks' internal affairs, e.g. improper loan

responsible for the Hall-Mark or Destiny debacle for that matter. Some measures need to be adopted today to restore public confidence in the banking system.

In the short and medium-term:

- The Boards must be reconstituted with fit people. De-politicisation is a prerequisite. The government must have people with experience, preferably former standing managing directors on NCB Boards. This will have a twofold effect. First, it will save the government's image and second, it will bring back credibility of NCBs. These are the people who can effectively provide future guidance to operations and credit in NCBs;
- Next, rotation of staff in branches

We need to put national interest first and keep our fundamentals in place. There must be consensus not to mess around with the banking sector. After all, we all ought to agree that banking is a serious business.

sanctioning to companies such as Hall-Mark and creating impediments to internal audit findings and BB's actions against cases of graft detected during audits only encourage the unhealthy practice of fraudulent activities.

In the case of Hallmark, there is no doubt that officials of Sonali Bank at various levels were involved. This was aided by the fact that most NCBs still rely on manual banking procedures, such as the manual posting of entries in books of accounts acts as a huge boon for fraudulent activities, for detecting anomalies in the books take much longer.

Pundits will debate for years on precisely who was principally

must be made mandatory. Unless BB guidelines stating that no official can serve at the same desk and in the same branch for more than three years is implemented, such cases of graft will continue to recur;

• Another issue that requires scrutiny is whether officials are going on mandatory leave. Anomalies, if any, will have greater probability of detection when the desk is manned by another official during a particular officer's leave;

• NCBs need to work towards introduction of more automated procedures. Most leading private commercial banks have switched to technology-based banking practices to avoid problems related to graft. These include real-time transac-

tions, automated reconciliation, and electronic central database instead of traditional ledger-based record keeping;

• The central bank should introduce electronic reporting system instead of paper-based statements. Why? BB will get the requisite information on time, which will help it to take proactive measure to minimise potential malpractices.

In the long-run:

- All the four NCBs should be transformed into true public limited companies with at least 50% of shares offloaded for general subscription. The floating of shares in the country's bourses will have a number of benefits:
- It will lead to more accountability of the management since public limited companies are mandated to hold one Annual General Meeting and shareholders will be free to ask questions;
- To go public, a lot of cleaning up will have to be done. Finances will have to be streamlined. There has to be a Chief Finance Officer (CFO), which will strengthen the bank's internal operations and accountability.

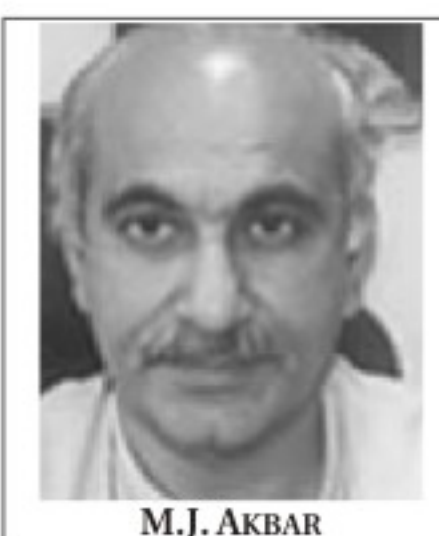
We should draw the line on the Hall-Mark incident. It is time that we take responsibility for our actions and be accountable. Let us not politicise the financial sector. However, if the political pundits of the land feel that they need to put in their ideas, they are most welcome to do so by having a say in the board by bringing in sustainable, long-term beneficial proposals. We need to put national interest first and keep our fundamentals in place. There must be consensus not to mess around with the banking sector. After all, we all ought to agree that banking is a serious business.

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BYLINE

The assault on co-existence



M.J. AKBAR

WHAT is common between the criminal complaint against Rabbi David Goldberg for

circumcising Jewish boys in Hof, Germany; the ban on minarets in Switzerland; the continual attempts by some European publications to offend Muslims; the attempt to convict a young Christian in Pakistan for blasphemy she did not commit; an attack on a mosque in Missouri, USA; or, most vicious of all, the recent film that injects lies and malice into public discourse through veins nourished by hatred?

Each one is not designed to destroy the existence of the "other." Their purpose is to poison co-existence, the fundamental basis of civilised living.

Anger is not always illogical, but there is no rationale that can justify each of these instances. Rabbi Goldberg was not trying to circumcise Christians; he was practising his own faith. To target minarets as a cultural crime in an age of skyscrapers is manifest prejudice, of the sillier sort. Provocative European publishers are not defending freedom of speech, which is their much advertised explanation, since nowhere in the democratic world does the right to publish include the leeway to libel or defame, particularly when a lie can lead to public disorder. The Pakistani child was a victim, not a perpetrator, of fanatics who wanted to punish her and her kin for protecting Christianity in their theocratic environment. The bilious film about the Prophet of Islam was not made by a filmmaker, but by a bigot determined to pro-

voke a violent reaction that would confirm in many innocent or naïve minds the image of Islam as a fountainhead of violence rather than what the word actually means, which is peace. The barbarians who killed four American diplomats in Libya duly obliged: hatred breeds hatred in an escalating cycle.

Even the most dramatic example of pure, unadulterated terrorism, the destruction of New York's twin towers on 9/11, was initiated not to destroy America's existence, which is impossible even within the mindset of a maniac, but to breach

The most interesting aspect of this worldwide shadow war is that both the self-appointed commanders and their terrorist troops are almost wholly civilian. We are witnessing a rare phenomenon: people outside the power structure, working largely (but not always) on their own, can do more damage to social harmony than powerful regiments led by dictators, presidents or prime ministers.

An emerging international order founded on mutual respect, and the equality of nations. The planes that headed towards the White House and Pentagon were not ferrying troops who had been ordered to conquer Washington. Their purpose was to generate fear, hostility and war between the two largest religious communities in the world. They succeeded, but to an extent far lower than the expectations of terrorist masterminds, and yet far more than the young 21st century could stomach. The price has been high. The Mumbai terrorist attacks

in November 2008 had a dual objective: to warp the India-Pakistan engagement, as fragile as it might have been; and to incite violence in India between Hindus and Muslims. It is satisfying to report that the second wish failed spectacularly because Indians understood that such discord would mean a victory for terrorism.

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democratic or in-between, governments know that fomenting terrorism debilitates the personal and institutional advantages of being in power through blowback damage.

Even when legitimate armies are put on the field, governments calibrate the conflict. When governments fall into the grip of radical ideologues who have left common sense at the club bathhouse, the damage is startling, as was evident during President George Bush's Iraq war.

The most dangerous of today's conspiracies are being manufactured in small rooms lost in the labyrinths of a big city by men who will not become internationally infamous unless they succeed. We do not know how many 9/11s or Mumbai attacks have failed, but just the thought is sufficient for a shudder. Failure is not any hindrance to fanatics.

They are now being lured by the siren outreach of a miraculous technology that continues to breed new tools by the day. Prevention is the full time job of innumerable police forces, while no one has any real clue about what might constitute a cure.

This war has to be fought where it is being incubated, on the street, and in the mind. We cannot afford politicians who seek votes from a sewer. This is a malaise, an infection, a plague, a crisis that demands leaders who maintain the sanity of good doctors in the face of havoc. Violence can begin with the word, and every word must be chosen with care.

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THIS DAY IN HISTORY

September 25

1066 The Battle of Stamford Bridge marks the end of the Viking invasions of England.

1396 Ottoman Emperor Bayezid I defeats a Christian army at the Battle of Nicopolis.

1959 Solomon Bandaranaike, Prime Minister of Sri Lanka is mortally wounded by a Buddhist monk, Talduwe Somarama, and dies the next day.

1969 The charter establishing the Organisation of Islamic Cooperation is signed.

1970 Cease-fire between Jordan and the Fedayeen ends fighting triggered by four hijackings on September 6 and 9.

1972 In a referendum, the people of Norway reject membership of the European Community.

2009 U.S. President Barack Obama, British Prime Minister Gordon Brown and French President Nicolas Sarkozy, in a joint TV appearance for a G-20 summit, accused Iran of building a secret nuclear enrichment facility.

2010 Mahmoud Abbas speaks at United Nations General Assembly to request that Israel end its policy of building settlements in the West Bank.