The Daily Star

FOUNDER EDITOR
LATE S. M. ALI

DHAKA TUESDAY MAY 7, 2013

Hefajat's barbarity

Shocking and condemnable

THE wanton violence and destruction perpetrated by Hefajat-e-Islam on Sunday and Monday defies logic and description. We wonder what measure of madness can overcome a group of people who, in the name of ventilating their demands, can go berserk and indulge in senseless destruction of public and private property. They behaved as if they were in an enemy territory. We condemn this in the strongest possible terms.

Nearly a hundred government and private vehicles were put on fire, and hundreds of shops in an around the Shapla Chattar area suffered the same fate at their hands. Whose property were they burning? Whose livelihood were they destroying? By creating mayhem, by destroying public and private assets, by turning a part of the capital into a battle-zone, Hefajat has blatantly violated its democratic right, and for which, we feel, it owes an apology to the nation.

We respect Hefajat's right to hold its own views on different socio-political-religious issues, with which we of course do not agree, but that does not give it the right to resort to setting public and private property on fire or to resort to criminal activities as a means to have their demands met by the government.

No political party or socio-political group has the right to hold the people to ransom to coerce an elected government to meet its demand. We have seen their demands ventilated on 5 April of this year and we see no reason why that programme should have been replicated a month later, and that too topped up in violence. If it is the 13 point demands that Hefajat wants the government to implement than the PM has articulated the government's point of view in this regard. And if there are any disagreements on that, the only civilised norm would have been to engage the government without threatening to bring it down or giving ultimatums for dire consequences.

We are constrained to say that instead of showing respect to Islam and upholding its image, which the group claims is its intention, its gratuitous exploitation of the religion has not only denigrated it but have also cast the group as one that adheres to violence rather than peace which is the they very fundamental of Islam.

Challenge before garments sector

The industry and government must measure up to it

ON a report from the New York Times, Disney has said their branded merchandise will no longer be made in Bangladesh. The devastation of Rana Plaza is now going to affect all the other plazas and the men and women who go their to win bread, not knowing where the products they work on end up and the business behind the makings.

According to the report it will take $3 billion dollars to bring Bangladesh's 4,500 factories into compliance with building and fire standards, which really isn't not that much of an investment since annually Bangladesh makes $18 billion from clothing exports.

It was encouraging to see that the New York Times article encouraged European Union and Obama Administration to play their roles in enforcing proper labor laws and compliance measure. Hopefully, the Bangladesh govt. would not be found wanting in extending fullest cooperation to international efforts.

The made in Bangladesh brand has taken years to be accepted by the international market. It has given livelihood to 3.5 million Bangladeshis out of which 80% are women. That is a huge step for Bangladesh where women in the work force still is not old enough idea.

Perhaps it is time we list the pros and cons, next to each other, write down the costs of each, and add the biggest values to human lives and rights and figure out how we can win this struggle for our brothers and more for our sisters, who took that step to come out of their homes to be earn for their families and be independent, not to give blood or to be killed. The international eyes are taking

THIS DAY IN HISTORY

May 7

1429
Joan of Arc ends the Siege of Orléans, pulling an arrow from her own shoulder and returning, wounded, to lead the final charge. The victory marks a turning point in the Hundred Years' War.

1920
Treaty of Moscow: Soviet Russia recognizes the independence of the Democratic Republic of Georgia only to invade the country six months later.

1940
The Norway Debate in the British House of Commons begins, and leads to the replacement of Prime Minister Neville Chamberlain with Winston Churchill three days later.

1948
The Council of Europe is founded during the Hague Congress.

1954
Indochina War: The Battle of Dien Bien Phu ends in a French defeat and a Vietnamese victory (the battle began on March 13).

2000
Vladimir Putin is inaugurated as president of Russia.

EU trade ban a bad idea

SYED MANSUR HASHIM

THE full ramifications of the Rana Plaza building collapse and subsequent confirmed dead of 500+ workers has sent shockwaves across the world. Bangladesh is now being touted by a section of international fashion industry as a "dirty country" to do business in. Dirty words like "slave labour" are being made synonymous with the country's readymade garments (RMG) sector. True, there are systemic faults that both industry and regulators suffer from. Again it is foolhardy to think that remedial measures being discussed today -- some of which will be enacted into law in the coming months -- will bear fruit immediately. Mr. Gilbert Houngbo, the UN agency's deputy director-general for field operations, who recently led a high level meeting to Bangladesh, has unveiled a roadmap to help improve labour standards and make factories safer for workers.

The joint communiqué issued by the tripartite partners of ILO including the government, employers and workers have laid out a series of actions in the near and mid-term. Among them, submission of a labour law reform package to the parliament in its next session. Enactment would oversee institutionalising workers' unions -- a longstanding demand of RMG workers; recruiting some 200 additional inspectors over the next 6 months who will assess structural integrity of existing factories by 2013 end and who will work under the Department of the Chief Inspector of Factories and Establishments that will be upgraded to a full Directorate replete with separate budget.

This directorate will, in the future, have sufficient budgetary allocation to enable "(i) the recruitment of a minimum of 800 inspections and (ii) the development of the infrastructure required for their proper functioning." Interestingly, the roadmap calls for putting into place a follow-up mechanism to measure progress in 6 months time from the date of issue of communiqué. Given, that this is a tentative roadmap agreed upon by major stakeholders (including the government), it should be given at least the minimum timeframe stated therein to see if it succeeds or not.

Hence, calls by some European Union (EU) member countries to

> **The writing on the wall is clear. Time for action is here. One can only hope that the tripartite agreement hammered out earlier this week will be taken seriously and all parties will adhere to its full implementation.**

restrict trade access to the single market in an effort to force the government into improving labour practices is premature. Secondly, as pointed out rightly by economist Tim Harford in a recent interview to the Financial Times: "If the EU does impose some sort of sanction on the country, the human cost is likely to be far higher than that of Rana Plaza. Bangladesh has been a development success story; poverty is high but falling fast. Literacy and life expectancy are improving. The appalling under-five mortality rate of 4.6% used to be far worse -- 20 years ago, it was 12%. When we see the pictures of Rana Plaza wreckage, it's easy to imagine a backdrop of stagnation, complacency and despair in which nothing ever changes, no matter how awful the tragedy. But the true context is a country making rapid improvements in nutrition, health, education and women's employment. If the EU's threat galvanises improvements in wages, working conditions and building standards -- all of which Bangladesh can afford -- then good. But if the threat were to be carried out, that would be a disaster, albeit one that will not be televised."

And why must the RMG sector be singled out as the only culprit in this horrible situation? True, beyond the

NOOR ALAM/ DRIK NEWS

shadow of a doubt that Rana was ultimately responsible for the accident; that the lack of manpower coupled with near-zero oversight of the department of factories and industries allowed for the building to collapse. It is also true that 70% of the RMG sector operates in the murky world of orders by lesser brands (non-branded industries) that are outsourced to third parties where the whole issue of compliance remains on the backburner -- where price is the only consideration. These are realities on the ground. As pointed out by Tim Harford: "Even if a local factory satisfies every demand for decent working conditions, it can easily outsource production to the likes of Rana Plaza." So, unless the foreign brands are willing to take some responsibility, nothing much is going to change.

The news coming out of Brussels in the month of May is this. Catherine Ashton, the EU foreign policy chief stated that "the E.U. is presently considering appropriate action, including through Generalised System of Preferences -- through which Bangladesh currently receives duty-free and quota-free access to the E.U. market under the 'Everything But Arms' scheme -- in order to incentivise responsible management of supply chains involving developing countries."

The writing on the wall is clear. Time for action is here. One can only hope that the tripartite agreement hammered out earlier this week will be taken seriously and all parties will adhere to its full implementation. Were an EU ban to come into place, its effects would be fully felt by the RMG sector (60% of its products are for EU market) and the estimated 3.6million people directly or indirectly employed could no longer count on having a job in the future -- and the approximately $20 billion a year revenue could go up in smoke … literally.

The writer is Assistant Editor, *The Daily Star*.

PRAFUL BIDWAI COLUMN

What the Saradha scam reveals

PRAFUL BIDWAI

A major scandal has broken out involving the collapse of a West Bengal business group called Saradha, promoted by upstart entrepreneur Sudipta Sen. The crash has wiped out the savings of 400,000 investors, many of them small and poor. Thousands have become paupers overnight. Several have committed suicide.

The scam is the greatest political crisis for the Trinamool Congress (TMC) government, led by Ms. Mamata Banerjee, which is about to complete two years in office. So close is the connection between Sen and TMC leaders that the public considers them inseparable and identical in their culpability. Trinamool MP Kunal Ghosh was the CEO of Saradha's media group. MP and actress Satabdi Roy was its brand ambassador. Also close to Sen was state sports minister Madan Mitra.

Sen ran a range of pro-TMC newspapers and TV channels in Bangla, English, Hindi and Urdu. Party MLAs canvassed support for Saradha's Ponzi schemes which promise impossibly high returns to investment.

Sen has confessed to the Central Bureau of Investigation to his close links with TMC leaders. He reportedly spent Rs. 1.86 crores to buy Ms. Banerjee's amateurish paintings and showered expensive gifts on her government. Trinamool leaders extorted crores from him in return for ignoring his illegal activities. This was a stark example of politician-business-media collusion.

To lure investors, Sen pretended that he was a successful businessman who owned a land-bank and factories. He kept a ghost motorcycle factory running. It stopped production in January 2011, but Sen continued to employ workers and pay them for appearing to be operating conveyor belts.

To invest in Saradha's schemes, people withdrew savings of Rs. 12,000 crores from banks and post offices within a year. This alarmed the state bankers' committee, which recommended corrective measures. Ms. Banerjee refused.

Sen's media operations in Kolkata, and also in Assam and Odisha, were meant to give him clout and respectability. They all ran up losses. On April 15, Sen switched off his phones and vanished -- until arrested in Kashmir.

Saradha repeats Bengal's bitter experience with the Sanchayita chit fraud of the early 1980s, where no investor got his/her money back. Many more people are involved in Saradha, including collection agents and journalists.

As it faces investors' wrath, the TMC's political credibility is in tatters. How this gets reflected in local-body elections, due soon, is a matter of speculation. But it offers a god-sent

> **The Saradha scam has major implications for the Indian media. It exposes its many pathologies, including interference by business interests via "paid news"; mercenary attitudes in the newsroom; and passing off advertising as news. The media increasingly fails to play its legitimate role as chronicler of events, forum of public debate and whistle-blower. Its integrity is in steep decline.**

opportunity to the Left Front -- routed in the 2011 Assembly elections -- to rejuvenate itself.

The Saradha scam has major implications for the Indian media. It exposes its many pathologies, including interference by business interests via "paid news;" mercenary attitudes in the newsroom; and passing off advertising as news. The media increasingly fails to play its legitimate role as chronicler of events, forum of public debate and whistle-blower. Its integrity is in steep decline.

Most of India's corporate-controlled media no longer has anything to do with social relevance, truthfulness or pluralism. Rather, it promotes tawdry glamour, titillation and sensationalism. Much of it doesn't independently generate news content, but gets it from corporate sources and public relations agencies.

Top-level editors increasingly act like business managers. Most working journalists feel insecure being employed on contract in breach of the Working Journalists Act. Outright racketeering rules among editors and TV anchors, who act as fixers for their employers. The Zee News scandal involving allegations of a Rs. 100-crore extortion demand is an example

The media situation has recently deteriorated considerably in recent years with a decline in the integrity of top decision-makers. Pressures to sacrifice quality of news coverage and pluralism in the comment pages have grown as increases in advertising revenue slow down (from 17% in 2010 to 9% last year), and predatory pricing squeezes out small, independent publications.

Under predatory pricing, a newspaper that costs Rs. 20 to produce is sold for Rs. 3 or 4. Only the top-selling papers can make up this under-recovery through advertising; the rest lose money and market-share. This practice is palpably unfair and illegal. It also undermines diversity.

Television is even more sordid so far as relevance, independent content-generation and ethics are concerned. Most of India's 300-odd news channels are loss-making and dependent on dubious cross-holding, black money infusion and dodgy private equity investors, foreign and Indian. The channels are inclined or forced to adopt unethical methods.

Two other factors have made matters worse: the incursion of Big Business into the media, and growing cross-media ownership, both of which lead to concentration and market dominance, and work against competition and media freedom.

Thus, the Reliance conglomerate is investing Rs. 2,600 crores in the Eenadu group, which runs some 30 regional TV channels, besides the TV-18-CNN-IBN network. The Aditya Birla group already has a 27.5% stake in the India Today-Living Media company, and wants to raise it to 51%. None of this is conducive to independence and integrity, as distinct from corporate-media collusion.

Cross-media ownership is an unhealthy phenomenon, and is severely restricted in many countries, including the US, UK, Germany, France and also South Africa. But in India there are no restrictions. The Administrative Staff College of India (ASCI) and Telecom Regulatory Authority (TRA) of India have both examined cross-ownership.

ASCI found that 11 of the top 23 TV networks had stakes in print and radio; the remaining had interests in at least two media platforms including television. Four networks (Sun, Anil Ambani's ADAG, Essel-Zee and Star) had vertical linkages in cable/DTH broadcasting.

TRAI found that as many as 15 media companies had such cross-holdings. The "conflict of interest" arising from this, it says, manifests itself in "paid news," "corporate and political lobbying," "biased analysis and forecasts," and "irresponsible reporting" and "sensationalism." This is "even more lethal where the ownership/control rests with entities which have both business and political interests."

Sen was a small-time fly-by-night operator, who crashed out. But successful control of the media by Big Business would be much more damaging. That's why media regulation is imperative.

The writer is an eminent Indian columnist.
E-mail: bidwai@bol.net.in