

Food safety law with some teeth

Stringent enforcement key to success

AFTER much anticipation, a draft food safety law as approved by the cabinet is set to be enacted through the parliament. The piece of legislation will replace the archaic Pure Food Ordinance, 1959 which covered only eight food commodities and practically gave carte blanche to adulterators with lenient sentencing of up to three months and a paltry fine of Tk5,000. The new Act will raise penalties substantially with fines ranging from Tk1 million and imprisonment for 7 years and a doubling of sentencing and fine for repeat offenders.

The creation of a separate agency, the Bangladesh Food Safety Authority (BFSA) modeled on the American Food and Drug Administration will draw resources from all 15 ministries entrusted with combating food adulteration. Although BFSA is entrusted with wide ranging responsibilities of stemming the tide against use of non-food grade chemicals from point of production to point of sale, it will require substantial human resources to make a dent in the fight against adulteration. Precisely how BFSA will coordinate activities with other ministries and the Bangladesh Standards and Testing Institution (BSTI) has not been spelled out.

The range of industrial grade chemicals and coloring now being used to make food more presentable and preserve them is mind-boggling. However, for the food safety authority to succeed in its role as the watchdog for food standards, it is imperative to equip it with requisite manpower and financial resources so that it may truly uphold the cause of public health.

Restoring GSP status

Speed up the process

THE action plan as suggested by the US government so that Bangladesh may be able to reclaim its suspended GSP status should get the attention it deserves. Fact, more than just restoring GSP privilege, the issues covered under the action plan need urgent addressing and that must be done of our own volition.

However, we believe some progress has already been made towards improving the working condition of employees at their workplaces and effecting reforms in the existing labour law for ensuring the rights of the labourers in line with international standards.

It is worthwhile to note that the government has brought about some reforms in the labour regime in the form of amendments to the 1976's labour law to make it consistent with the relevant international laws. But before its passage in the Jatiya Sangsad, the government would do well to address the remaining lacunae. For instance, the issue of allowing formation of labour unions in the Export Processing Zones (EPZs) is one. For, this is one of the issues that figured prominently in the American labour group, AFL-CIO's petitions to the US Trade Representative for removing Bangladesh as a GSP beneficiary.

The very fact that the US has come up with suggestions to help Bangladesh restore its GSP status demonstrates its continued goodwill towards Bangladesh. This is something very positive.

The government should now take all necessary measures that were long overdue to meet its obligations on the labour issue, but must also be seen to be taking them.

L R Sarkar, a maverick banker

A.Q. SIDDIQUI

WITH the demise of Lutfur Rahman Sarkar we have lost a banker of extraordinary caliber, a litterateur, a humanist and a great patriot.

I knew Mr. Sarkar since 1960, when I joined Habib Bank as a probationary officer, three years after him. By that time he had already earned a reputation as a dynamic and unconventional banker. A maverick, he was always in search of space to infuse new ideas to the banking business.

As far as I remember, he pioneered introduction of the school banking system. He also introduced a scheme for the students to work in the bank during their vacation to attend to the simple banking chores of updating the pass-books, balancing the ledgers, reconciliation of accounts and such little things. It helped the poor students enormously to pursue their studies in an era when money was hard to come by.

People like L R Sarkar, with innovative ideas, have their usual quota of detractors, often cruel ones, who spare no pains to torment these noble souls. This time Sarkar's nemesis was a soldier turned President, H M Ershad. The target of Ershad's acrimony was a project known as 'BIKALPA' initiated by Sarkar almost immediately after he had joined Sonali Bank as MD. The project envisaged creation of self-employment opportunities through collateral free loans for the present and former unemployed university students unemployed students with the dual objectives of promoting self-employment and dignity of labour.

The programme was highly applauded by all quarters but somewhere along the way Ershad sent his emissary to the bank to make special dispensation in favour of students belonging to his student wing outside the list of selected recipients. Sarkar refused wily under pressure. The enraged dictator brought his full weight to bear on Sarkar and six officials related to the project by concocting fabricated charges. After mockery of a trial in Martial Law Court No.7 Sarkar was awarded imprisonment for three years and two years for others, including me, but had to be released after 84 days against the backdrop of agitation by the affected students.

Mr. Sarkar suffered tremendous financial hardships for a long time but, as a highly self-respecting person, he never complained about it. He had tremendous passion for literature and made his mark as a writer of humorous pieces and rhymes for children.

The writer is former Chairman of Bangladesh Commerce Bank Ltd and Managing Director of Sonali Bank.

Yunus Centre protests Finance Minister's statement



GRAMEEN FOUNDATION

ON 26 June 2013, Dr. Abul Maal Abdul Muhit made a statement about Grameen Bank and Professor Yunus in the National Parliament. The people of the country were shocked by the statement of the Honorable Finance Minister. No one expected this kind of false statement against a respected person from the country's Finance Minister in the Parliament.

The following are responses to the Finance Minister's statement:

Honorable Finance Minister's statement: All the Grameen social businesses are owned by Yunus.

Response: The statement is completely false. All the social businesses carrying the Grameen name are not owned by Dr. Yunus. Professor Yunus has repeatedly said at various times through newspapers and the media that he does not own a single share in any businesses. If the Honorable Minister is able to show evidence of any instance of Professor Yunus owning even a single share in any company, there would be no reason to protest the Finance Minister's statement. But if he is unable to produce such evidence, then the Finance Minister should apologize for making false assertion against a respected person.

Honorable Finance Minister's statement: Dr. Yunus has taken dividends amounting to some thousand crore taka from Grameen Phone.

Response: The Finance Minister should explain to the Parliament, and so to the people of the country, how Professor Yunus could receive a few thousand crore takas in dividends from an institution where he does not own any shares nor even shares bought from the stock market.

Honorable Finance Minister's statement: Three brothers of Professor Yunus were the directors of the companies. The rest, who do not take any profits, were hired by him.

Response: Only two of Professor Yunus' brothers live in Dhaka. They are Professor Muhammad Ibrahim and Mr. Muhammad Jahangir. Muhammad Jahangir is not involved on the board of any company. Professor Ibrahim is a member of board of directors of four Grameen named companies because of his knowledge and experience. All four of these institutions are non-profit voluntary institutions where there is no scope for the board of directors to receive any financial benefit. None of Professor Yunus' other brothers are involved in any board of directors of any Grameen-named institution.

Honorable Finance Minister's statement: Mr. Yunus couldn't give time, board meetings could not take place, decisions could not be made.

Response: The same number of board meetings that took place in Grameen Bank each year during the time of Professor Yunus, has taken place every year since the departure of Professor Yunus. The same amount of time that was spent on the board meetings before his departure, the very same amount of time is spent on the board meetings now.

Honorable Finance Minister's statement: Mr. Yunus was Managing Director illegally. Mr. Yunus's law states that he should retire at the age of 60 years. Board said that he should be MD for an undefined period of time. Bangladesh Bank reminded him every year during their audit of GB that he could no longer remain as MD as he is 60 years old.

Response: This statement is completely false. Before he turned 60 in 1999, during the 52nd board meeting of Grameen Bank that took place in July, Professor Yunus voluntarily informed the board of his retirement as MD. During that meeting, and in accordance with Section 14 of Grameen Bank Ordinance, the board unanimously took the decision that "Until such date that the board decides otherwise, Professor Muhammad Yunus will remain as the Managing Director."

In an inspection audit report of Bangladesh Bank in 2000 (based on audit of the year ending December 1999) an objection was raised that permission had not been sought by GB for Professor Yunus' appointment as Managing Director. In response to this objection, Grameen Bank sent a response to Bangladesh Bank on June 20, 2001 that approval had in fact been given in 1990 by the Bangladesh Bank on the MD's appointment. On 15 January 2002, a joint meeting took place between three representatives each from Bangladesh Bank and Grameen Bank on this issue. On the basis of the decisions of this joint meeting, Grameen Bank sent another follow up report, together with the relevant documents about the appointment of MD, to the Bangladesh Bank. After reviewing the above report and documents, Bangladesh Bank considered the issue of appointment of Grameen Bank's MD as having been resolved. It should be mentioned that Bangladesh Bank inspects Grameen Bank every year but no further objection or question was raised about the MD having crossed 60 years of age. Even on this issue, the Honorable Finance Minister's statement is incorrect. It is clear from the minutes of the joint meeting that the Bangladesh Bank had accepted Professor Yunus continuing his responsibilities as MD of Grameen Bank, even after he had crossed the age of 60. Thus, there is no question of Professor Yunus remaining as MD of Grameen Bank illegally.

Honorable Finance Minister's statement: When Dr. Yunus was MD of Grameen Bank, his contribution through microcredit projects to the banking sector of the country was worth sixteen thousand crore taka. This amount has increased to thirty three thousand crore taka until last December.

Response: Does the Honorable Finance Minister mean to say that after Dr. Yunus left the post of MD, huge activities have been created in the microcredit sector of the country?

It should not be difficult for anyone to understand that microfinance's contribution to the banking sector would not be affected by Professor Yunus remaining or not remaining as MD of GB. When Dr. Yunus retired from Grameen Bank (April 2011), Grameen Bank's loans outstanding amounted to 7,073 crore takas. Currently (May 2013), Grameen Bank's loans outstanding total 8,300 crore takas. This growth is part of Grameen Bank's regular activity and operation.

Honorable Finance Minister's statement: I think Grameen Bank has 22,000 branches.

Response: This information is incorrect. Till May, 2013 the number of GB branches is 2,567. The number is only 11.6% of the figure given by him.

Honorable Finance Minister's statement: I called Dr. Yunus and told him to resign from the MD post. I will make you an Emeritus Board Member. Dr. Yunus said he would think about it. After that, I appointed a new chairman for Grameen Bank. Then Dr. Yunus said that if he leaves the post of MD, the bank will shut down.

Response: Dr. Yunus had tried to step down from Grameen Bank many times on several occasions. Each time it created a panicky situation among the Grameen Bank employees and borrowers. For this reason and in order to bring a smooth transition of responsibility, he met with the Finance Minister several times and sought his cooperation on this matter. On March 15, 2010, Dr. Yunus gave a hand-written letter to the Finance Minister stating his intentions. He took the letter to the Finance Minister's home himself and read out the letter to him. Honorable Finance Minister said that he agreed with the contents of the letter and would proceed in the way proposed. Later, when the Finance Minister had not taken any initiative on this issue, Professor Yunus called him on telephone and reminded him about this issue. The Finance Minister said he remembered and would proceed in the way discussed. But he did not proceed in that way, instead suddenly demanded Professor Yunus' resignation.

Honorable Finance Minister's statement: Grameen Telecom took loan from an institution Soros with a guarantee from the board of Grameen Bank.

Response: This is a false statement. Grameen Bank did not provide any guarantee from Grameen Telecom's loan from Soros.

Honorable Finance Minister's statement: Grameen Bank faced huge damages in the 1998 floods. Then the government assisted by giving 400 crore takas.

Response: This is a false statement. The Government did not provide assistance to Grameen Bank for damages it had suffered during the 1998 floods. Rather, Grameen Bank raised 200 crore taka by selling bonds to a commercial bank at 10% interest for a period of three years. The law required that the government provide a guarantee for this purpose. Grameen Bank repaid the 200 crores in due time.

Grameen Danone

Response: Honorable Finance Minister does not have a clear understanding of social business as a result of which he has made statements about social business that do not make sense. He has mixed up "Social Business" with "Social Investment". Explanations about what social business is have been given before to protest what he said about social business in the past.

He has said that Grameen Danone has started its business as a non-profit company and later turned into a profit oriented company. This information is incorrect. Grameen Danone has been registered as a profit-oriented company since the beginning and remains the same. There has been no change in its legal structure. All the Social Business institutions are profit oriented companies. The only characteristic is that the owners don't receive any dividends, they only receive the investment amount back.

Grameen Phone

Honorable Minister's statement: Dr. Yunus claims that Grameen Bank does not have any ownership relationship with Grameen Phone. This is false, false, false.

Response: Dr. Yunus maintains that Grameen Bank does not have any ownership relationship with Grameen Phone - this is true, true, true! Why the need for a war of words on this issue?

Government can obtain the list of names of the shareholders of Grameen Phone from the appropriate government agency and resolve this issue immediately. It is not a secret issue.

Grameen Bank not only does not have any ownership relationship with Grameen Phone, it does not have any ownership relationship with any company carrying the Grameen name. A chaotic situation has unnecessarily been created by summoning all kinds of documents of all Grameen-named companies, to establish that there is an ownership relationship with Grameen Bank.

It has been repeated many times that these institutions are all registered with the relevant government agency as independent companies. Most of the institutions do not have any owners. How could Grameen Bank be an owner of an institution which does not have any ownership structure? These issues have been explained in detail through booklets published before by the Yunus Centre. These issues have been explained to the government several times.

The names and addresses of the owners of those Grameen institutions that do have owners are available with the relevant government departments. It is not necessary to check bags and bags of documents from last 25 years of 50 organizations to establish the ownership issue.

LETTERS TO THE EDITOR

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Stop being in denial mode, please

I was so dumbfounded to find that our prime minister once again told a great lie in the House blaming Khaleda Zia's article for the cancellation of GSP. She said that Khaleda Zia in her article in The Washington Times demanded GSP cancellation. A few months ago, she said that Sohel Rana, the owner of Rana Plaza, was not a member of Awami League. But later it was proved to be false.

She should understand that Rana Plaza collapse and the murder of Aminul are the reasons behind the decision of GSP suspension. Honourable PM, please stop pretending to be innocent and stop denying the government's failures for this situation.

Asraf Ali Akash
One-mail

Residential students' plight

Article no. 39 of our constitution guarantees freedom of thought and conscience, but in university halls students are not permitted to speak out for their rights. Students face difficulties to get rooms where they can live in peace. Most of the rooms are occupied by the students with strong political back-



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ground. With the change of government, hall provisions also change. So the house tutors cannot work independently. We don't know when this bad culture will end and the rights of general students be established.

Misbah Uddin Sumon
Department of Tourism and Hospitality Management
University of Dhaka

TICFA and our benefits

We want to congratulate the cabinet's decision to approve TICFA with USA. TICFA will create a platform to settle trade disputes between the two countries. This forum will work to remove impediments to bilateral trade and investment. TICFA will play a great role in protecting the interests of our workers and expand GSP coverage in the future. Besides, the treaty will help generate employment and encourage the private sector. It will be better if the draft of the treaty is made public before it is finalised.

Md. Nahid Hosen
Zia Hall
University of Dhaka

Comments on news report, "No looting," published on July 1, 2013

Ash C.

Mr. Muhit is known to be honest. However, it does not, by any means, give him the right to stand up for the worst scammers who made 3.5 million shareholders along with an estimated 10.5 million dependents penniless with some of them committing suicide! Mr. Muhit, taking a dig at the sons of the leader of the opposition, to cover up your incompetence in dealing with laundering of thousands of crores of public money by your party men, is a sign that can be termed anything but sanity! It was arrogance.

Sidtech

He makes a complete mockery of the government every now and then.

Shahin Huq

Does the finance minister believe that people of Bangladesh are so gullible and foolish that they will trust whatever he says?

Niloufar Sarker

Very positive guy. He downplays everything. He downplayed stock market crash, Hall-Mark scam, even Rana Plaza tragedy and let me see what else... whitening black money to allow his cohorts to buy roof over their heads.

M. Ashraf

Age has its effect on vision as well as hearing, but such delusion and significant loss of ethics have not been seen.

Abul Kashem

On many occasions, ministers tried to focus that they represent Awami League, not the country. Pity for these wise ministers!

"Govt sits on setting up food courts" (July 1, 2013)

Wind

These food courts should work hard to ensure pure food. In last few decades we have seen that nothing came out.

MH Khan

The government is too busy in political mud-slinging and does not have anything else to talk about.