

# Protect the Hindu community

ABBAS FAIZ

FOR anyone who has followed the news from Bangladesh since the country's January 5 elections, the last few weeks' headlines have made for grim reading. Dozens have been killed in the street protests that raged across Bangladesh during the weeks around the vote, and with the opposition boycotting the elections and questioning the legitimacy of the new government, the political crisis shows no sign of letting up.

But behind the headlines, there are hidden victims that have not gotten the attention they deserve -- Bangladesh's minority Hindu community. Comprising around 10% of the population, Hindus have become hostage to the political confrontation between governing and opposition party supporters. As these parties have violently fought each other in the streets, Hindus have been terrorised, their homes and shops set on fire, their belongings looted and their temples vandalised. Many have left their homes, some have fled to India.

Attacks on Hindus in Bangladesh are nothing new -- especially in rural areas. In May last year, I met dozens of Hindu families in Noakhali and Satkhira -- provinces in the southwest and southeast -- who had seen their homes burned down and felt terrified and powerless. All told me that the attackers were mostly linked to the opposition Jamaat-e-Islami (JI) or the Bangladesh Nationalist Party (BNP), but some also to the ruling Awami League (AL) party.

All political parties deny that their supporters are behind these attacks, and instead blame their rivals. Understandably, few Hindus are prepared to name the attackers for fear of reprisals -- making it all the easier for those responsible to hide behind a blame game.

If it is difficult to establish who exactly is attacking Hindus, the reasons behind the violence are even more complex. Tension between the Hindu and Muslim communities dates back to at least the 1947 separation of Pakistan from India, then in East Pakistan and later Bangladesh (after its independence in 1971).

Historically, attacks against Hindus have been aimed at forcing them to abandon their

land and livelihood. Such land has then been transferred to their Muslim neighbours or powerful land owners under the Vested Property Act of 1974, a law that in practice allows confiscation of Hindu land if claimants can prove the land has been "abandoned." The law itself, corruption and lack of justice, makes confiscation easy, and many Hindus have lost their properties over the years.

Hindus have also been targeted around elections, as they are seen as "safe" vote banks for the AL party. During the October 2001 elections, crowds of attackers drove hundreds of Hindu families off their land across the country, burned Hindu homes, raped dozens of women and hacked to death at least one Hindu man. The pattern repeated itself this January, when dozens of Hindu homes were vandalised or set on fire in Maloparha of Chapatola village at Abhoynagar Upazila in Jessore and other parts of the country.

Many Hindus say the attacks have been mainly by JI or BNP supporters to stop them from voting. In some cases thugs acting on behalf of a ruling party candidate unpopular with the Hindus are alleged to have attacked

families in their locality to stop them from casting their votes.

But Hindus have since last year also been attacked in connection with death penalty verdicts by the International Crimes Tribunal.

These attacks began in February 2013 and continued throughout the year. I visited Hindu families who had lost everything, and they showed me the burnt remains of what used to be their furniture and belongings. At least 300 Hindu homes and shops and more than 60 Hindu temples were damaged or destroyed between February and April 2013. Human rights activists in the area told me these attacks appeared designed to dissuade Hindus from standing as witnesses during the war crimes trials. A large number of victims from 1971 had been Hindus.

Many within the Bangladesh human rights community say that the government has not done enough to protect Hindus. Authorities have also failed to provide justice for victims of attacks -- no one is known to have been held accountable for the vicious mob violence against Hindus in recent years. This has to change, as contin-

ued impunity will only encourage more discrimination and violence.

The authorities must initiate independent and effective investigations into all these attacks, and bring to justice those found responsible, regardless of their party affiliation.

The authorities must ensure that those at risk, especially Hindus, are given the protection they need at this tense time. Police protection must be provided in areas where Hindu communities have come under attacks, and authorities must heed Hindus who warn that attacks against them might be imminent. Anyone responsible for past attacks must be held to account.

Any remaining laws that discriminate against the Hindu community, especially the Vested Property Act, should be repealed.

At the same time, it is crucial that all political leaders strongly condemn any human rights abuses against Hindus and other minorities, and instruct their supporters to not engage in any activities that would abuse their rights.

HAHSAN H. MANSUR

THE debate about real GDP growth has resurfaced with the government preparing to present its Revised Budget for FY14. The government has revised the growth projection down quite significantly recognising the disruptions in economic activity and the costs inflicted on the economy due to the prolonged hartals and blockades. This downward revision notwithstanding, the government projection for GDP at 6.3% is still considered to be significantly higher than the projections prepared by the national research organisations and multilateral organisations. This year, the debate about growth outlook has another important dimension and is receiving much more attention because of the costs inflicted on all major sectors of the economy due to political hostilities and consequent disruptions in business/economic activity. There is certainly a need for reconciling the estimates for sectoral costs with their overall impact on GDP and GDP growth, which appears to be absent in the ongoing debate.

Trade bodies -- and BGMEA, FBCCI, Center for Policy Dialogue (CPD) and Bangladesh Economic Association (BEA) have come up with estimates for economic costs incurred by various sectors due to the political conflict. In its most recent presentation, CPD made an effort to collate information from various sources and estimated the economic cost to only 4 sectors -- agriculture, transport, RMG and tourism -- at Tk. 49,000 crore (4.7% of GDP). No estimates have been provided for losses incurred by sectors like retail, wholesale, hotels and restaurants, non-RMG manufacturing which accounts for 60% of the manufacturing sector; construction and land development; and numerous other services including the financial sector. Although no such comprehensive cost estimate is available, it is reasonable to state that if all sectors of the economy are taken into consideration, based on the manner in which the estimates have been prepared by different organisations, the total cost may well exceed Tk. 1,00,000 crore.

Many business and professional bodies are coming up with estimated costs of Tk. 1,00,000 or more for the economy as a whole.

Around the same time, the finance minister significantly revised down the real GDP growth outlook for FY14 to 6.3% or more from the budget target of 7.2%. The unanswered question is whether losses to various sectors of the economy as discussed above have been properly reconciled with the revised official GDP projection. If the net losses were so high (amounting about 10% of GDP), Bangladesh economy would be contracting with negative real GDP growth. Instead, we observe that the same sources/organisations are stating that real GDP growth would be 5.5% or higher. We observe no efforts to reconcile

## GDP growth debate

the sector level losses/costs with the macro level GDP growth projection for FY14. The organisations compiling the loss estimates have failed to clarify that, in most cases, the losses were perhaps related to loss of gross sales (of goods and services) at the points of sale, or loss of sales due to cancellation of orders (in the case of RMG exports). The potential loss of value addition should be much smaller than the estimated loss of sales. In some cases, however, the losses also include destruction of assets like burning of buses and trucks, although such asset losses were primarily limited to the transport sector and believed to be relatively modest (about 1,000 buses burned or damaged with a cost of Tk. 130 crore) in the overall context.

Based on these considerations, we can substantially discount the estimated total cost (in gross terms). However, we do not know by what factor(s) the estimates should be discounted. Even if we discount the estimated losses by a factor of 1/3rd or 1/4th the loss in value addition would come to about Tk. 25,000-35,000 crore, which would be equivalent to a loss of 2%-3% of GDP. The real question is: How can we justify the growth rate to be 5.5% or more if the loss in value addition was in the range of 2%-3% of GDP?

Let's now start with a counterfactual scenario by asking the question: what would have happened to economic growth in the absence of political disturbances? Even on an optimistic basis, under such a scenario Bangladesh's growth probably could not have exceeded 7%, a rate never achieved by Bangladesh. Even with this optimistic growth assumption under the counterfactual scenario, if we factor in a very moderate loss in estimated value addition in the range of 2%-3% of GDP, real GDP growth rate in FY14 should be the lowest in more than a decade.

Accordingly, one may strongly argue that real GDP growth in FY14 is unlikely to exceed 5%.

A review of the sectoral breakdown of national accounts for FY14 is not possible at this stage in the absence of inputs from BBS. However, growth performance in all the major sectors is likely to be much worse than the 6% estimated for FY13, which may as well be revised downwards since it was done on the basis of data up to March 2013 and political unrests worsened markedly after that (particularly in April and May 2013). In the agricultural sector, it is highly unlikely that real growth would be more than 2% given the losses reported for the poultry sector and price drop at farmers' level for winter crops and potato.

As in the past, industrial sector should still record the highest growth performance, but the growth rate should be lower than in recent years. Despite many odds (Tazreen fire, Rana Plaza collapse, labour strikes and political disturbances), the export performance of the

RMG sector through December 2013 was quite impressive and indicates its resilience in coping with adverse situations. However, the increase in export proceeds may not directly translate to a corresponding increase in value addition because the entrepreneurs, even after overcoming many odds, also had to incur huge cost escalations. Air shipments entailed a tenfold increase in shipping cost, and even cost of transportation of goods from Dhaka to Chittagong increased fivefold. Many firms had to incur penalties/discounts on account of delays in making shipments. These cost escalations significantly eroded profitability and value addition from the RMG sector.

The non-RMG manufacturing sector, accounting for about 60% of the manufacturing base, has been significantly impacted by the subdued domestic demand during most of the first half of FY14. Demand for consumer goods including durable consumer goods suffered badly during the prolonged political unrest. Most people postponed purchases of these items, hurting their

domestic production, import, distribution and marketing. Even sales of normal consumer goods like clothing, shoes, cosmetic and personal hygiene products, and consumable items like packaged foods and drinks were badly hurt.

Apart from manufacturing, the other major components of the industrial sector in Bangladesh are construction and land development and utilities. Construction has been a very dynamic high growth activity in recent years, supported by private sector residential and land development activities and by government sector infrastructure projects. Because of a sharp drop in housing demand sales of newly constructed apartments reportedly have gone down by almost 60%, and unsold inventories of new apartments have surged to 23,000 units and growing. Sales of land for residential, business, and industrial uses have also reportedly fallen by 80% with most housing projects around Dhaka and other big cities facing liquidity problem. Government financed construction projects have also suffered due to political disturbances. Based on these consid-

erations, it is highly unlikely that the manufacturing sector as a whole could grow at the pace recorded in FY13, and it would be reasonable to project industrial sector growth at 6.6% (still above the level of FY10), primarily due to the strong performance of the RMG and leather and footwear sectors.

Service sector accounts for the largest share of GDP at more than 51% share and all major components of the service sector have been adversely impacted. The most adversely impacted sectors are: transport (road and rail in particular), wholesale and retail trade/sales; domestic tourism and entertainment; hospitality sector (hotels, restaurants and decorators). Even essential services like hospitals, clinics, diagnostic centres have also suffered in terms of number of patients receiving services. For months inter-district or cross country road network was at a standstill due to nationwide blockades with enormous loss of economic activity and loss of life. The financial sector (banks in particular) also took hits as many of these enterprises would not be able to service their debt and

Table 1: Sectoral Growth Projection for FY14

Selected Growth (%)	FY10	FY11	FY12	FY13	FY14 (Projected)
Agriculture	5.24	5.13	3.11	2.2	2.0
Of which crops	6.13	5.04	1.95	0.1	
Industry	6.49	8.20	8.90	9.0	6.6
Of which manufacturing	6.50	9.45	9.37	9.3	7.0
Services	6.47	6.22	5.96	5.7	5.0
GDP (at producer prices)	6.22	6.59	6.29	6.0	5.0

SOURCE: BBS, NATIONAL ACCOUNTS & PRI STAFF ESTIMATES.

would require concessions to survive. Profitability of the banking sector has already gone down, non-performing loans are likely to increase further, and private sector credit growth has declined to much less than half of the levels reached during FY10-11. Against this background, it would be difficult to expect the services sector to grow at a pace more than 5% in FY14.

The purpose of this note is not to come up with an alternative projection for FY14 GDP growth. It simply aims to highlight the need for reconciling the impact of estimated sectoral losses with the revised GDP projection in a systematic manner. Dogmatism -- such as Bangladesh has been growing at more than 6% in the past decade and so growth cannot fall below that -- should give way to rational economic analysis, whatever the outcome may be. Only through proper economic analysis the authorities would be able to adopt the right policies on the economic front.

The writer is Executive Director, Policy Research Institute.

## Doing well and doing good

JIN-YONG CAI and AJAY BANGA

NEARLY 2.5 billion people -- half the world's adult population -- lack one of the most basic amenities of modern life: a bank account. They are among the world's poorest, struggling to obtain the money they need to feed their families or start a business and create jobs.

Their exclusion from the modern financial system represents a significant obstacle in the global effort to end extreme poverty and boost shared prosperity. That's why World Bank Group President Jim Yong Kim has called for universal access to finance by 2020 -- an urgent reminder that this challenge can be overcome in this generation. Governments play a critical role but they can't do it alone. It will take a concentrated effort by the private sector, which now accounts for less than a third of global spending on financial inclusion.

Recently, the World Economic Forum asked us to lead an important initiative on financial inclusion, one that includes some of the world's largest financial institutions, as well as a diverse group of companies and organisations doing cutting-edge work in this area, with McKinsey & Company as our strategic advisor. We met with our partners in January at the Forum's Annual Meeting in Davos, Switzerland, to coordinate action. Our energy is focused on unlocking the ingenuity of the private sector to ensure that families and businesses outside the financial mainstream gain access to the full range of financial services.

We must match our ambition to the scale of the challenge. Electronic payment systems are an important part of the solution. Without them, people can't pay their bills over the phone or the Internet. It's harder to save for a rainy day or protect against the unforeseen. Modern conveniences like e-money accounts, debit and prepaid cards, and low-cost accounts can go a long way to increasing financial access, reducing poverty, and empowering the poor. For example, people who rely on government benefits can use reloadable payment cards to buy necessities, withdraw cash from an ATM, or engage in a variety of other financial transactions.

Electronic payments also have the potential to make businesses more efficient. Unlike cash, they provide essential data to those along the supply chain about what's selling and what isn't or the amount of inventory in stock. This data can also be used to build risk models that enable lenders to make sound loans to people with limited or no credit histories.

Distributors in emerging markets spend up to two hours a day just handling and processing cash. Moving to digital payments could save valuable time and money. With innovations like that in mind, we're exploring ways to boost financial inclusion through initiatives in countries where financial inclusion will achieve the biggest impact -- India, China, Indonesia, Pakistan, Nigeria, Brazil, Mexico, and Vietnam.

More than 2,000 years ago in ancient Greece, Archimedes, the father of mathematics, said: "Give me a long enough lever and a place to stand, and I will move the earth." We believe financial inclusion is one of the levers with the greatest potential for economic and social progress in the 21st century.

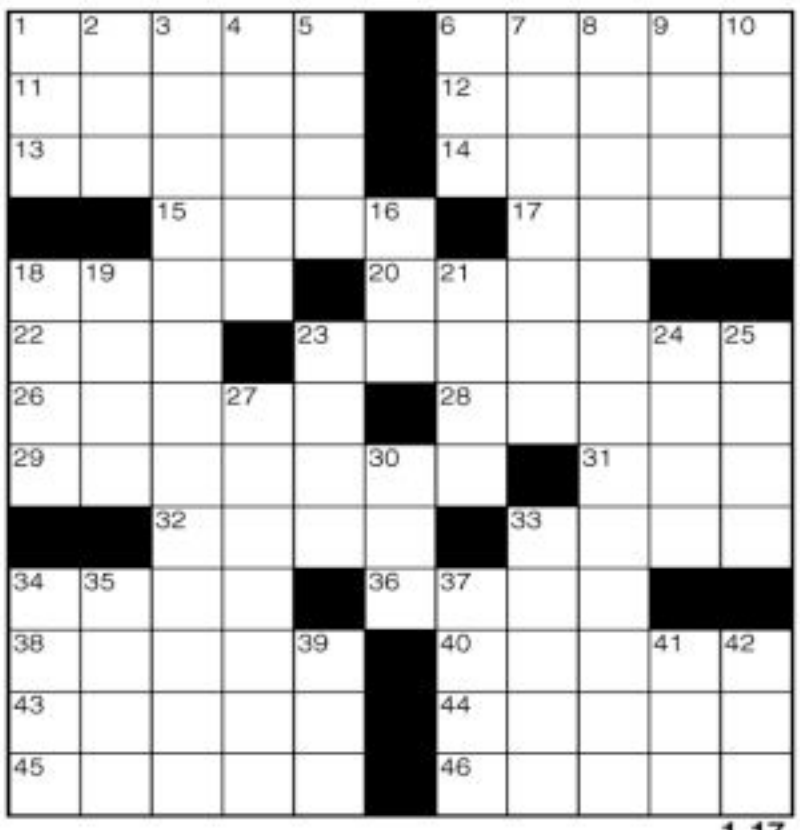
We hope the private sector seizes the opportunity -- not as philanthropy, but as part of a new model to succeed commercially while benefiting society at large. It's possible to do well and do good. Let's all strive for that.

The writers are, respectively, Executive Vice President and Chief Executive Officer of the International Finance Corporation, a member of the World Bank Group and President and Chief Executive Officer of MasterCard. (The article was originally published in *The Huffington Post* on January 28, 2014.)

QUOTABLE Quote

### CROSSWORD by Thomas Joseph

- ACROSS**  
1 Addict's program, for short  
6 Grill waste  
11 Sports spot  
12 Annoyance  
13 Rumble sides  
14 Michale of Monty Python  
15 Trick  
17 Fedora material  
18 Yearparts  
20 Bird on a Canadian dollar  
22 Pole worker  
23 Tall grazer  
26 Sleep inhibitor  
28 Sister of Anne and Charlotte  
29 Seesaws  
31 Wide shoe marking  
32 Michigan, for one  
33 Pleased  
34 Lord's wife
- DOWN**  
1 Joplin tune  
2 Important time  
3 Tom Jones creator  
4 Black cattle breed  
5 Choir member  
6 Phone download  
7 Blue-green hue  
8 Bridget Jones's creator  
9 Demonic  
10 Dispatched  
16 Peyton's brother  
18 Carscar  
19 Balm ingredient  
21 Refinery rocks  
23 Social misfit  
24 Boxer biter  
25 Looked over  
27 Stock around to see  
30 "The Crying Game" star  
33 Davis of "Beetle-



**CRYPTOQUOTE**  
ZIZTE LHZNZ SV KAZ FGHIZTDZ, ZIZG KAZ KHGHZDK UHKKUZ DGSC NTEDKQU, RQKKZTD DSRZASC  
- K. Q. MQTTSG

**Saturday's Cryptoquote:** ACCEPT WHAT PEOPLE OFFER. DRINK THEIR MILKSHAKES. TAKE THEIR LOVE.  
- WALLY LAMB

### Yesterday's answer

MATS SHINER  
OVAL TACOMA  
JOKER OREGON  
ONEUPPED  
ATE MUTES  
MOCHA SPADE  
ERA KKIT  
SALSA ABETS  
ALLEN IRA  
SKILLIFTS  
DUVAL BAIL  
ENAMEL ELMO  
NONETS SLEW

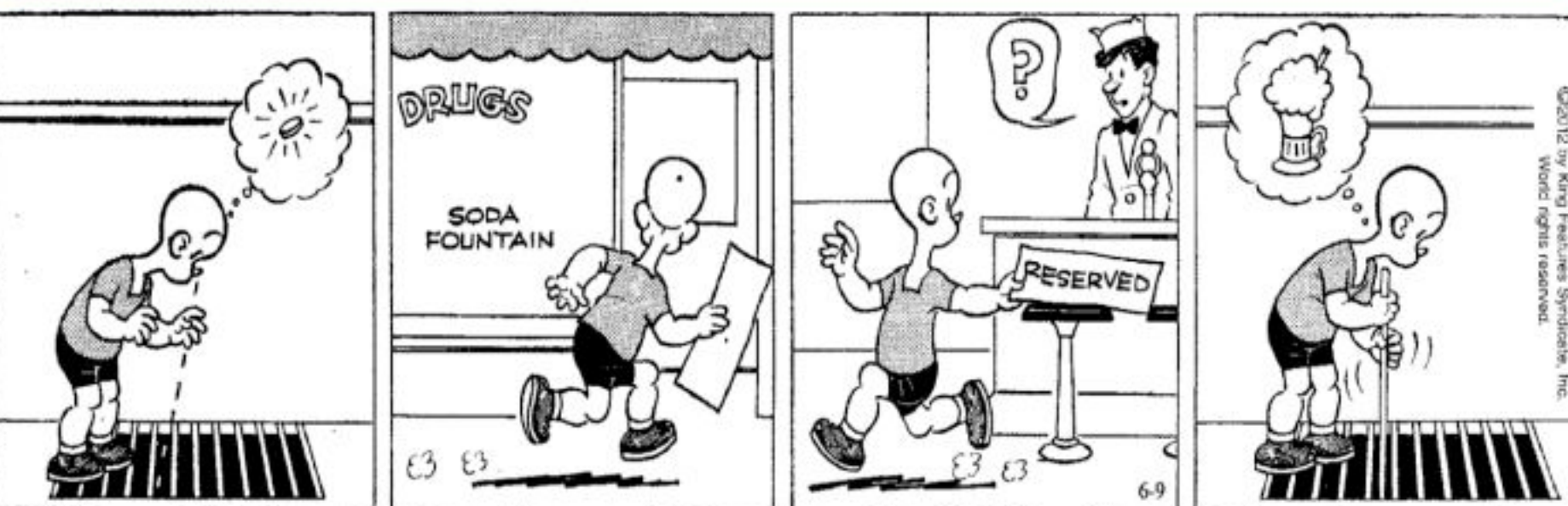
### BEETLE BAILEY

by Mort Walker



### HENRY

by Don Trachte



Take the first step in faith. You don't have to see the whole staircase, just take the first step.

Martin Luther King, Jr.