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FOUNDER EDITOR
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Factory fire kills five

Can't we take action before it's too late?

THE fire at a chemical factory in Gazipur on Saturday, which left at least five workers dead, has once again exposed the horrific vulnerability of workers engaged in hazardous work in unregulated factories. We can only speculate about the alarming extent of violations of safety regulations at this factory -- which reportedly produced a condensed substance used for road carpeting burning expired tyres -- given that it was operating illegally.

According to the ward-41 councillor of Gazipur City Corporation, the factory had been in operation for five years, flouting repeated warnings from city corporation officials. What we are at a loss to understand, however, is: Where were the authorities when the factory was being set up and workers employed? And if they were aware of the factory's existence, why did they merely "warn" the owner, rather than close off the factory permanently and take action against him? The police, too, have stated that they were in the process of filing a case against its owner. Again, we fail to comprehend why they would wait till it was too late.

The Rana Plaza and Tazreen disasters, which claimed the lives of thousands of workers, dramatically highlighted not only the negligence of factory owners, but also of regulatory bodies, in ensuring basic safety standards. Although notable progress has been made towards improving standards in many garment factories, there remain innumerable industrial units which continue to flout rules and regulations with complete impunity. It is high time that the government takes a zero tolerance stance towards these non-compliant factories and establishes good governance in the sector(s) to put an end to the untimely deaths of workers.

A strike protesting accountability?

Patients must come first

THE recent physicians' strike at private hospitals, clinics and diagnostic centres of Chittagong, in protest of cases filed against their colleagues for medical negligence, is in contradiction to the noble Hippocratic oath that all doctors are bound by. In one of the cases filed, the doctor mistakenly left the bandage inside the body of a patient during surgery. Such occurrences may be unusual but it is true that hundreds of patients have suffered or died due to medical negligence. Most patients do not file cases against medical practitioners, intimidated by the high cost of doing so and the fact that it is unlikely that the errant doctor will be punished. Now that cases have been filed against some of them for alleged negligence, doctors have gone for a punitive strike that has caused immeasurable suffering to patients seeking treatment.

Cases of negligence by any professional have traditionally been disposed of at court and through a judicial process. Why shouldn't this be the same for allegations of medical negligence? The striking doctors, spearheaded by Bangladesh Medical Association (BMA) Chittagong, have demanded a specialists' panel to investigate the allegations before any case can be filed. Such a proposal may merit discussion but not under the sword of a strike.

Over the decades, our medical professionals have acquired greater expertise in their fields to the great benefit of the people. It is therefore all the more unfortunate that instead of trying to improve standards of healthcare by making sure incidences of negligence do not occur, doctors have chosen to hold patients hostage in a bid to force their agenda. This is not what we expect from members of this noble profession.

COMMENTS

"Govt striving to build a developed nation: Hamid" (January 21, 2016)

Saif Md Shepon

This government is doing a better job than the previous ones.

"Rejected foreign oranges on sale at Burimari land port" (January 21, 2016)

Abu Dastagir-Salim

Don't worry...we will digest all the rubbish like we do in our ship breaking yards with all the health and environmental risks!

Loan default and flaunting money

MACRO MIRROR



FAHMIDA KHATUN

RECENTLY, in Davos at the World Economic Forum, the Governor of the Reserve Bank of India, Raghuram Rajan sent a strong message to the Indian businessmen who

default thousands of crores of bank money, but maintain a lavish lifestyle. He asked these defaulting companies to cut down their expenses instead of flaunting money and stop sending a wrong message to the public. He also felt that these defaulters push up the cost of borrowing for others. His statement came within a few weeks when he wrote a letter to his staff, urging them to go after the rich and powerful wrongdoers. He further added that because of the culture of impunity, these defaulters get away with far worse.

How perfectly the words of Raghuram Rajan fit into the context of Bangladesh! The culture of bank default and at the same time vaunting of money exists in Bangladesh as well. Misappropriation of bank money is also an old problem. This has existed in our society for decades. Over the years, it has only escalated further. The size and depth of the sector has increased. The number of banks, branches, customers, and the volume of bank business have all increased. But the overall performance of the banking sector is still worrying, with new problems emerging in various forms and dimensions. Indicators such as capital to risk weighted asset, non-performing loans, expenditure-income ratio, return on assets, return on equity, liquid assets and excess liquidity reflect the poor health of banks, despite several measures taken by the central bank. Reform measures taken since the 1990s to improve the performance of the sector have resulted in only partial benefits.

Following a few glaring irregularities during the last few years, the central bank has increased monitoring and inspection of the sector. However, non-performing loans have not reduced. Large borrowers are allowed to reschedule their loans on easy terms.

They are protected by the political system. Loans of some companies don't match their turnover. On the other hand, in an attempt to show their profitability, banks sometimes show some of their bad debts as current loans. They do not want to classify these loans so that they don't have to make provisions towards them and their books are shown clean. As large defaulters are mostly close to the power centre, it is also difficult for banks to

most cases, not following proper guidelines. So the damage is rarely reversed. Recent incidents of misappropriation by the Hallmark group and irregularities in Basic Bank are only some cases in point.

Though the number of wrongdoers is not very high in the country, they affect most clients through their malpractices. As it is, doing business is not so easy in Bangladesh. The World Bank ranked Bangladesh 174th among 189 countries

In addition to improving infrastructural facilities and establishing political stability, the business community of Bangladesh has been asking for lowered interest rates for long, as they find the cost of doing business going up day by day due to higher costs of borrowing, among other reasons. True, lending rates cannot be lowered due to higher deposit rates, but the interest rate spread is also high. The major reason for higher lending rates is the inefficiency of banks and high non-performing loans. Because of undue advantages given to defaulters, genuine business persons are being penalised with high costs of borrowing. The level playing field is thus rendered unstable. While the profitability of good business persons is lowered, the entry of small and medium businesses gets squeezed. Understandably, this situation can neither expedite nor sustain the growth of the economy.

But the default issue is not only related to the weakness of the banking system. It has a lot to do with the value system and cultural practice that exist in our society. We don't care about the source of money as long as we are happy with big donations to a mosque or a school or a hospital. We get charmed by the stylish lifestyle of those with embezzled money, but dare not say a word about them. But if the overseeing authorities with power cannot pronounce strong words and take measures, what can the society do? Moreover, such practices are also not officially disclosed, and so we can't really depend on the name and shame approach. There were attempts by at least two finance ministers in the past to publish lists of defaulters in the national Parliament. Such attempts at disclosure are longer made by lawmakers. The system is biased towards the rich and powerful. While well-known defaulters are often invited to important official programmes, members of the regulatory authorities are also not infrequent guests at parties thrown by defaulters. Does this reflect helplessness or a lack of moral strength of the regulators? Only they can tell.

The writer is Research Director at the Centre for Policy Dialogue.



initiate a successful recovery process. But when they pile up such loans, they cannot manage them.

There are also unholy alliances among big borrowers, bank officials and those involved in politics. Previously, this used to exist only in state-owned banks. But this has now extended to private banks as well. And even after big irregularities, it takes a while for banks to take actions against the perpetrators. Moreover, actions are taken arbitrarily in

its Doing Business Report for 2016, after looking at indicators such as, starting a business, dealing with construction permits, getting electricity and registering property. According to the Global Competitiveness Report 2015-16 of the World Economic Forum, Bangladesh ranked 107 among 140 countries. Access to finance featured as the fifth problematic factor for doing business along with corruption and inadequate supply of infrastructure.

Iran's re-entrance in the global economy

FROM A BYSTANDER



MAHMOOD HASAN

JANUARY 16, 2016 was a momentous day for Iran. On that day, the (IAEA) reported to the UN Security Council that Iran had completed necessary preparatory steps to start the implementation of the Joint Comprehensive Plan of Action (JCPOA).

On January 17, 2016 the Security Council announced that it has removed all restrictions against Iran that led to the implementation of the plan. Simultaneously, the US and the European Union lifted the sanctions that were imposed on Iran over the past decade.

The lifting of sanctions will have economic and political implications for Iran and the region.

Iran's economy was on the decline since the imposition of UN sanctions in 2006. But its resilient economy did not face a complete collapse despite crippling sanctions. With a population of 80 million and a literacy rate of 84 percent, Iran has a strong talent base, which will help drive its economic recovery. Though 2015 was a period of recession, the International Monetary Fund estimates Iran's GDP will grow by 5 percent during 2016-17.

The biggest source of cash for Iran is its oil reserves. With 10 percent of the world's proven oil reserves and 15 percent of gas reserves, Iran is considered to be an energy superpower. Multinational oil companies are ready to invest billions in Iran's petrochemical sector. Iran will hike sales by 500,000 barrels now and increase total exports to around 2.5 million barrels by 2017. Though oil prices have slumped, the country is expected to earn around \$10 billion by next year. Tehran will immediately get back \$50 billion cash reserves, out of the \$100 billion cash

reserves that were held up due to the sanctions. Infrastructure development and external businesses will thus benefit from a huge impetus thanks to such cash inflow. At a time when global economic growth is moribund, Iran's re-entry into the global economy is good news for world business.

Multinational companies and official delegations from Europe, Japan, China, Russia and other countries have been making a bee-line to jump into the rich Iranian market. Iran has already ordered 114 planes from the Airbus consortium. German and French motor companies have already reached Tehran with aggressive car sales plans while Russia is working on infrastructure projects. American companies, however, are at a

with this reversal of sanctions is Saudi Arabia. Already, there is too much oil in the world market chasing too few customers. With Iran's entry, the price of oil may fall further from its current price of \$28 per barrel, the lowest in 12 years, further reducing Saudi oil revenues.

Besides, the Sunni-Shia sectarian schism has become wider with the rupture of diplomatic relations between Saudi Arabia and Iran. Meanwhile, in an attempt to defuse the tension, Iran's supreme leader Ayatollah Ali Khamenei on January 20 publicly condemned the attack on the Saudi embassy in Tehran on January 2, as "a very bad and wrong incident". Though verbal duels continue, it is unlikely that Rouhani will provoke a situation that will jeopardise the

diplomacy with his Iranian counterpart Javad Zarif. The recent arrest and release of the US navy sailors by Iran and the prisoner swap deal are cases in point.

President Obama is upbeat about the diplomatic solution to Iran's nuclear programme, even though some anti-Iran posturing by Washington exists to appease public opinion of Israel. After the botched P5+1 nuclear talks with North Korea, Obama has a point to prove -- that patient diplomacy, rather than war, can solve even the most intractable problem.

One should not be surprised if Washington re-establishes diplomatic ties with Tehran before the end of President Barack Obama's term in November 2016. However, what will be the fate of the JCPOA after the November 2016 US presidential elections is anyone's guess, particularly if a Republican is elected to the White House.

The biggest loser of the US-Iran rapprochement is Israel. However, Rouhani has not issued any threat to Israel as his headline predecessor Ahmadinejad had done. Nevertheless, Benjamin Netanyahu continues to deride the JCPOA and peddle hatred against Iran.

The UN Security Council Resolution 2231 (2015) has recognised Iran's right to have a peaceful nuclear programme. By meeting the conditions of the JCPOA, Iran has given up the prospect of acquiring a nuclear device, at least for the next 15 years. It is unlikely that Iran will renege on the JCPOA and risk a snap-back of sanctions. Ayatollah Ali Khamenei has warned, however, that any fresh sanction will terminate Iran's compliance to the JCPOA.

John Kerry's "safer world" is not entirely correct, as the Middle East is not free from Israel's nuclear weapons. For Rouhani, January 16 was a historic day as Iran got its debilitating sanctions removed and re-entered the global economy.

The writer is former Ambassador and Secretary.

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disadvantage, as the US has no diplomatic ties with Iran and because of fresh US sanctions imposed on Iran's ballistic missile programme. But these companies are likely to enter the Iranian economy through their subsidiaries.

Iran goes to polls on February 26, 2016 to elect 310 members for the Consultative Assembly (lower house of parliament) and 100 members for the Assembly of Experts (upper house). Considering the moderate approach of "reformist" President Rouhani and his success in nuclear negotiations, it is unlikely that hardliners will dominate the Parliament. Iran's internal political stability, therefore, is not under any threat.

The country that is most disturbed

diplomatic gains that his government has made over the past three years with the West.

Pakistan's PM Nawaz Sharif has already visited Riyadh on January 18 and Tehran on January 19, in an effort to mediate between the two countries. Chinese President Xi Jinping's visit (January 19-23, 2016) to the region is expected to have a sobering effect on Saudi Arabia, Egypt and Iran.

The JCPOA is slowly pushing American-Iranian relations towards rapprochement, despite some differences. Washington is aware that keeping Tehran engaged is vital to resolve the wars in Syria and Yemen, and to eliminate ISIL. Interestingly, John Kerry continues his telephone

LETTERS TO THE EDITOR

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Poor international status of our universities

This is in reference to Dr. Ahmed A. Azad's article entitled, "The question of status over academic excellence" (TDS, January 19, 2016). I wonder if the author and the rest of the nation realise that most public universities in our country do not provide regular and adequate Ph.D. fellowships. This missing ingredient is probably the most important cause of the poor

international status of our universities. Other causes include lack of competitive research grants and central and coordinated laboratory facilities manned by trained and competent personnel.
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"Danger at level crossing"

I appreciate the photo under the above heading published in this daily on January 20. In it, vehicles were seen trying to cross Moghbazar Rail Crossing while a Dhaka bound train was about to reach the very crossing. This was not the first time that such pictures were brought to the notice of the public. We

have witnessed several deadly accidents in the past in these kinds of cases.

People should obey traffic signals and the department of railway must do more to enforce instructions on how and when to cross rail crossings.
A F Rahman
On e-mail



PHOTO: ANISUR RAHMAN

All the best to U-19 team

Within a few days, ICC U-19 Cricket World Cup will kick off in our country. The young tigers played very well in their recent series against the West Indies team. We congratulate them for their outstanding performance. Hopefully, they will continue their pace and keep on winning.
Nafis Nihal Ferdous
Anandaniketan School, Sylhet