

## One month of the Gulshan tragedy

### Record of mixed progress

A month into the Gulshan tragedy, and we can say that some progress has been made but much remains to be done. The perpetrators of the Gulshan attack have been killed, in Sholakia we have successfully thwarted the terrorists, and in Kalyanpur we have busted their hideout.

However, we are still in the dark as to the masterminds of the outfit. Also we are ignorant about their recruitment process or the motivating factors that have prompted these youths to join the ranks of the extremists, suggesting that the matter might not be under complete control.

A redeeming feature, however, is that the government has sprung into action and the nation has also been gravitated in the singular direction of combating the menace. For the government it is better late than never as it has moved on from a rather inflexible stance, which was manifested in the denial mode. It is regrettable that it had to take the lives of so many people for the government to open up to the reality.

At this stage we have the impression that there exists an incoherent if not random approach to countering the extremists at the policymaking level, causing the fear factor in the minds of the people to persist. To assuage the sense of uncertainty, we believe that the government needs to formulate a coherent strategy, and, more importantly, a centralised command needs to be set up. The order must stem from one particular point, reflecting a deliberate thought process factorising all aspects so that the operational orders are unambiguous.

A unified entity directing operations and intelligence is indeed the order of the day.

## BCL infighting in universities

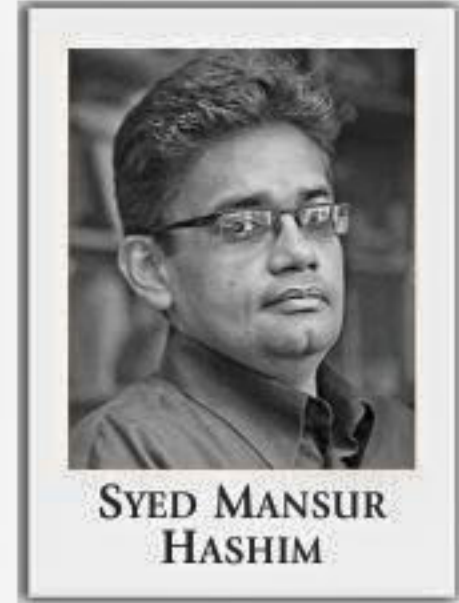
### Rein them in

THE recent incidents of BCL infighting in various educational institutions have created a worrying situation where academic activities have been seriously hindered and safety and security of general students are under threat. In the latest case of Comilla University, clashes between two factions of BCL at the campus left an activist of the BCL dead and five others injured. The university has been closed for indefinite period following the violent incident.

Since most of the universities do not have elected student bodies, student wing of the ruling party generally dominate there who have little concern for the welfare of students and educational activities of the university. In most cases, conflict emerges among various factions of the ruling student body over petty issues which often turns into deadly clashes. The university authorities in certain cases have repeatedly failed to control the ruling party student wings.

The ruling party also cannot avoid its responsibility regarding the current incidents of campus violence. They should rein in the unruly elements of their student wing. In the case of Comilla University, the authorities should investigate the issue impartially and take stern action against the guilty students. They should take necessary measures to resume the academic activities immediately. Finally, a democratic environment should be created in all educational institutions so that universities do not become hostage to any group and students can pursue their academic activities smoothly.

# Goodbye hospitality industry?



SYED MANSUR HASHIM

THE recent government decision to make residential areas residential makes sense. However, authorities seem to have gone gung ho in implementation.

While it makes total sense to remove purely commercial ventures like corporate offices from a residential area, why go after the restaurants and food joints en masse? If it has to be done then do it in an orderly manner, not bulldozing structures and using strong-arm tactics to cower investors into submission; one should be realistic that substantial investments have been made in this sector and wrapping up has to be a phase by phase effort.

A report in this newspaper on July 31 painted a bleak picture of the restaurant scene in Dhaka. Some upscale places have beefed up security with security men toting shotguns and metal detectors. But that is not the case with the so many other smaller but cosy eateries who have simply closed shop. The evenings have become dull beyond comprehension as people order in. That people do not feel as safe as they used to after the bloody carnage at Holey Artisan bakery is normal. Yes, the hospitality industry has taken a major hit. Foreigners who used to throng the restaurants can't be seen and the local clientele have thinned to a bare minimum.

While security has been tightened around the Gulshan / Banani / Baridhara areas and with people eventually feeling less insecure, the restaurants and hotels were hoping to recoup their losses in the coming months. The bad news is that all restaurants, hotels and rest houses are to be wrapped up as per government decision. These establishments are an

expensive affair and we simply cannot ignore the fact that thousands of crores of taka have been invested in the restaurant and hotel scene in the Gulshan/Banani/Baridhara areas. A rough estimate of the investments involved would provide a clearer picture of the situation. There are at least 350 medium sized restaurants (1,500- 2,000 square feet) in the Gulshan/Banani areas. The average cost of setting up such establishments is around Tk. 1.5 to 2 crores (Tk. 15-20 million). That's a net investment of Tk. 525 crore (Tk. 5.25 billion calculated on Tk. 1.5 crore as investment per establishment). At least 60 percent is bank financed, which means respective banks will be writing off a large portion of the Tk. 315 crore (Tk. 3.15 billion) as bad debt when these establishments go down under.

This is terrible news for building and property owners because the going rate per square feet (commercial) is anywhere between Tk. 200 - 270, and all business houses pay six months in advance to get space in the first place (for the sake of argument we can take Tk. 240 as average commercial rate of rental per square feet). Hence, a property owner renting out space for a medium sized eatery in these areas is looking at a net loss for paid up rental (at today's rate) to the tune of Tk. 2,160,000 (Tk. 240 x 1500 x 6) as half year's advance rent and monthly rent on an average of Tk. 360,000 (calculated on a property of 1,500 sqft). The fear is that if the government stands firm in its decision to oust all such ventures, the rental value will plummet as there will be no more commercial rate for property that are not "officially" designated as "commercial" property. And according to The Federation of Hotel, Guesthouse and Restaurant Owners' Association of Bangladesh (FHGROAB) that held a press conference on May 14, these business houses pay about Tk. 4 billion as VAT to the national exchequer, which

the government will now be deprived of. Most restaurant/hotel owners are going to go for litigation through writ petitions and the legal procedures will take anywhere between three to six months to come to a conclusion. The government will have its day. But what message are we giving out to prospective entrepreneurs and investors here? That this is not a country to invest in? That is precisely what we are saying. Where was RAJUK all this time? Did it not give permission to property owners to build structures for commercial purposes? Did it not turn a blind eye when businesses were opened/ operated in residential housing? The billions invested are now to be thrown down the drain because it is now suddenly expeditious to zone the city into residential and non-residential areas! Why are authorities not holding stakeholder meetings that involve the property owners/ business houses/ banking institutions - all of whom who have invested time and energy into building a vibrant and growing hospitality industry? These are valid questions, and sooner or later, authorities will have to answer them.

The second piece of bad news is this. People's involvement in the hospitality industry in the Gulshan/Banani area is estimated to be anywhere between 100,000 - 200,000 people (according to newspaper articles); people ranging from cooks, guards to waiters and managers. These are just the people directly involved in the day-to-day operations of restaurants, hotels/ motels/ rest houses. If we calculate that there is a family against each of these individuals (say five members including parents, spouse and two children), that's between 0.6 to 1.2 million people who will bear the brunt of a jobless family member, who may well be the sole breadwinner. We talk about employment generation and here we are putting at risk more than 100,000 people out of work for no fault of their own. Rather, it is the whimsical manner

in which our policymakers take decisions that could spell doom for a budding sector and put so many jobs and dependents at risk.

At a press conference held in the city on May 14, the Federation of Hotel, Guesthouse and Restaurant Owners Association of Bangladesh (FHGROAB) stated, "The decision to remove the hotels, guesthouses and restaurants in particular seems to be in sharp contrast with the Government's policy to promote tourism in the country. The Government has declared 2016 as the "Tourism Year". The Ministry of Civil Aviation and Tourism is reportedly working to attract 1.0 million foreign tourists in the year 2016-17. But can just a few 5-star hotels accommodate all these targeted tourists or can all of them be expected to afford the luxury of staying in those expensive 5-star hotels? The obvious answer is 'NO'. Will the other hotels located outside those residential areas with much inferior quality of service and literally no measure for safety or security be acceptable to the foreign tourists as an alternative place to stay? The answer will also be 'NO'."

Lastly, the hospitality industry in a growing industry is driven largely by young entrepreneurs and if this plan for wholesale removal goes ahead, we would be making a huge mistake. As per newspaper reports, the education system produced 1.3 million graduates last year and the "system" produced only 300,000 jobs. The support staff consisting of more than a hundred thousand who will probably not find meaningful employment elsewhere and may turn to criminal and/or terrorist activities because they have mouths to feed. This would hardly be conducive to law and order. But let us not go there. Let us sit down with stakeholders and chalk out a workable timeframe for relocation.

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## PROJECT SYNDICATE

# Turkish democracy's secret weapon

ADEEL MALIK

THE recent failed coup attempt in Turkey highlights the country's continuing vulnerability to military takeover. But it also reveals a newly developed - and highly potent - asset, one that Turkey's neighbours should also seek to cultivate: a strong middle class willing and able to mobilise against extremist threats. The question for Turkey now is whether President Recep Tayyip Erdogan will cultivate this asset. For the wider Middle East, the issue is how to build a middle class that can safeguard stability.

When throngs of citizens took to the streets of Istanbul in the middle of the night, in an effort to push back the military coup makers, it was a powerful show of collective action - one that should interest any political leader, particularly those seeking to develop their countries. Analysis of the coup has tended to focus on the rivalries within the Turkish elite, and on Erdogan's failings (which, to be sure, are plentiful). But little has been said about the structural shifts in Turkey's political economy that have empowered the country's middle classes, which form the electoral base of Erdogan's Justice and Development Party (AKP).

Over the past two decades, Turkey has made remarkable economic strides, transforming itself from Europe's sick man into one of its most vibrant economies and a new centre of gravity for trade in the Middle East. Critical to this transformation have been infrastructure investment, support for medium-size firms, expansion of regional trade, and development of the tourism sector.

As a result of these efforts, Turkey's per capita income has tripled in less than a decade, while its poverty rate has more than halved, according to World Bank estimates. This has underpinned tremendous economic mobility among Turkey's rural labour force, small entrepreneurs, and lower-income workers, taking masses of people from the margins of society to the mainstream. Even foreign policy was,



Supporters of various political parties gather in Istanbul's Taksim Square and wave Turkey's national flags before the Republic and Democracy Rally in Turkey, July 24, 2016. PHOTO: REUTERS/BAZ RATNER

wherever possible, aligned with the economic interests of the rising middle class (though the Syrian intervention reflects a shift in foreign-policy priorities).

For Turkey's new middle class, the survival of democracy could not be more important - and, as recent events have shown, they are willing to fight for it. Indeed, what has occurred in Turkey does not reflect only a power struggle between Erdogan and his challengers; it also highlights the determination of the middle class to ensure that Turkey does not revert to a political system that would damage its economic and political fortunes.

All of this suggests that, in responding to the coup attempt, Erdogan and his supporters must think beyond punishing the military faction that carried it out, though that is, of course, critical. They must also focus on strengthening the interests of the middle class that came to the government's defense.

In this sense, the real challenge facing Turkey in the coming months and years will not be from the military or foreign

conspirators. Succumbing to the temptation to consolidate power in the hands of the president, ostensibly to protect his government's authority, could limit checks and balances and restrict space for political opposition, including within his own party. That would undermine the very system for which the middle class has been fighting.

Of course, Erdogan does need to consolidate his political base, including by renewing ties with loyal supporters. And purging the military and civilian bureaucracy of possible coup supporters would undoubtedly please party loyalists. But he must also heal the political rift and forge a new consensus that supports economic prosperity.

Perhaps most important, the AKP needs to halt the dangerous unravelling of the Turkish model of regional economic integration, based on the policy of "zero problems with neighbours," originally conceived by former Prime Minister Ahmed Davutoglu but rolled back in recent years. Turkey has severed ties with virtually all of its immediate Middle Eastern neighbours.

The recent souring of diplomatic ties with Russia has further weakened Turkey's position. In the process, Turkey's status as a model Muslim democracy has gradually deteriorated and political polarisation has deepened, amid growing threats to the country's stability.

None of this is good for the economy on which Turkey's middle class - and, in turn, the AKP's electoral success - depends. That provides reason to hope that the failed coup, by highlighting the role of the middle class as a bulwark against military rebels, will spur Erdogan's government to resolve Turkey's political impasse and ensure economic growth. Turkey's middle class will not support a party that fails to advance its interests and deliver economic prosperity. But an AKP that returns to its foundational vision of enabling economic mobility - that is another story.

Importantly, as Erdogan seeks to concentrate more powers in the office of the president, he would do well to remind himself of the conditions that led to the Ottoman Empire's emergence and its eventual collapse. Much like the AKP's rise, the empire was based on the support of an emancipated citizenry in the rural countryside, particularly in the Anatolian heartland. But, upon consolidating their power in Constantinople, Ottoman rulers quickly moved toward establishing a Sultanate order that contradicted its progressive origins - and weakened it from within. With greater centralisation of powers, Ottoman rulers became uncomfortably dependent on notables at home and imperial powers in Europe.

If Erdogan's AKP hopes to avoid a similar fate, it must not continue its march toward a latter-day Sultanate order. A prosperous and inclusive democracy is the only way out for Turkey, and it would restore a model that the countries of the wider Middle East desperately need.

The writer is Globe Fellow in the Economics of Muslim Societies at the University of Oxford.

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## COMMENTS

### "EXPEDITE TERROR ATTACK CASES"

(JULY 31, 2016)

Toufiqur Rahman

Terrorism is a global phenomenon and it doesn't belong to any religion. So pointing finger to a particular religion won't do any good.

### "ANYTHING IS POSSIBLE"

(JULY 29, 2016)

Marjanul Fattah Ibne Aziz

The wisest comment ever made about the US election 2016.

## LETTERS TO THE EDITOR

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### World Day against Trafficking in Persons

On July 30, the United Nations observed the World Day against Trafficking in Persons to highlight the issue to protect millions of lives from human trafficking. Many countries of the world are being affected by human trafficking as around 21 million people are trapped in this modern day slavery. Men, women and children are being the victims of kidnapping, blackmailing or being manipulated into slavery including sexual exploitation and organ removal. Most of the cases are occurring in Africa and Asia. Establishing and supporting well-governed, safe and human rights-based migration and asylum procedures could be an important step towards ending this abhorrent practice of human trafficking. Sanaulah Samad, On e-mail



PHOTO: AFP

### Ordeal of 35th BCS viva voce examinees

Bangladesh Public Service Commission (BPSC) published its 35th BCS circular on August 23, 2014. Having completed all formalities of the preliminary and written test, BPSC completed the viva voce of 6,088 candidates on April 12, 2016. Already 112 days have passed but there is still no sign of the viva voce result. BPSC has set an unprecedented record of delay in publishing this BCS viva result by breaking the previous record of 89 days in the 34th BCS.

In the meantime, BPSC has notified that the written exam of the 36th BCS will be held on September 01, 2016. In this circumstance, those

students who appeared in 35th BCS viva voce and also got qualified for the 36th BCS preliminary are suffering from utter frustration and indecision. They can neither keep patience nor study for the 36th BCS written test. If BPSC publishes 35th BCS viva result a few days before the 36th BCS written- test, those students who will disqualify in 35th will underperform in the 36th written test.

We, the 6,088 candidates of 35th BCS viva voce, humbly request the authority to publish the 35th BCS viva result in no time. Md. AB Siddik, IBA Hostel, Dhaka