

## Prisoner and fugitive at the same time!

*Investigation and coordination needed to set the record straight*

A report published by this paper on Saturday about Kamol Khan, who was arrested for double-murder in 2004, raises many troubling questions. Jail documents show him to be in jail for 12 years, while case documents state that he is a fugitive. The trial has been proceeding in absentia, even though according to jail authorities, the accused is still physically present in the jail.

Proceedings of the case only began in 2013, 11 years after the murder took place. Kamol, who is also accused in other cases, was produced in court when directed according to jail authorities. However, the double-murder case file states he is absconding since 2011.

A bigger question which this incident raises is inhumanity of prisoners languishing in jail without any conviction. Kamol's name came up when the Supreme Court Legal Aid Office submitted a report about 462 people in jail for more than 5 years awaiting disposal of their cases. When a petition was filed by the District Legal Aid Office to secure bail for Kamol due to the unwarranted delays, the court declared that the prisoner was absconding.

On top of the long delay in proceedings as the prosecution failed to produce witnesses, the bail petition was not granted due to the erroneous paperwork on some end. The legal aid office too failed to look further into the matter and clear the confusion. That different authorities are stating contradictory facts highlights the lack of coordination between them. The authorities must open an investigation to correct the paperwork and proceed on to the matter of dispensing with the case. 12 years in jail without conviction cannot be the norm.

## Govt. silent on river pollution

*What happened to the green tax?*

ENVIRONMENTALISTS are not wrong when they say that the rivers that feed Dhaka are dying. With relentless dumping of industrial effluents that are going into our rivers, we are suffering from a shortage of fresh water and dwindling of fish stocks; not to mention the serious health hazards posed to public health. The Shitalakkhya in Narayanganj for instance, now sports pitch black water thanks to continuous dumping of untreated chemical waste from factories and industrial units located on its banks despite there being anti-pollution laws. This has been going on for decades with authorities turning a blind eye to the practice while cases of hepatitis-A and E, typhoid are on the rise that eventually lead to liver failure.

It is interesting to note that the National Board of Revenue (NBR) has been mulling over a "green tax" to be imposed on polluting industries over the last few years. Yet, the system of paying this tax that was supposed to come into effect on July 1, 2014 doesn't seem to have gone anywhere. Indeed, according to media reports back in 2014, hundreds of polluting industries in Dhaka had been shortlisted; the whole thing apparently went on the backburner because it was thought, by some, that such a move would hurt our "export" prospects.

That is not the way to go about addressing an unfolding environmental and ecological disaster. A "green tax" would certainly wake up owners of polluting industries that they have to take responsibility for the environment. We hope that the government will take steps to safeguard public health and not merely count taxes collected from industry.

## LETTERS TO THE EDITOR

letters@thedadlystar.net

### Safeguard the aspiration of "Tree Samad"

Congratulations and a big thank you to *The Daily Star* for 26 fantastic years of service to the country. I also express gratitude for honouring "Tree Samad" from Faridpur for his contribution to our country by planting trees everyday of his life. However, this initiative is not going to last if our government agencies continue to neglect the need for preservation of nature.

Last October, I managed to save 3 out of 7 trees near my boundary wall when the lake development authorities started on their "beautification" of the North Gulshan 2 lake behind road 50. I had written a letter in October requesting the mayor to prevent the slaughtering of trees in the area. Nothing came of it. More trees are slowly being cut down in the area this month.

These trees bordering the lake are not obstructing roads or highways. Surely, the beautification of the lake can take place without harming them. Replanting trees by killing existing matured ones is not a reasonable initiative. The planning authorities should mark the existing trees and then work around them where possible. This may not be possible on the roads, but is certainly possible by the lakeside.

I implore *The Daily Star* and the people of our community to convince RAJUK to save the trees, given that the lake development program is under RAJUK's jurisdiction. Initiatives such as that of "Tree Samad" deserve more than being rewarded just for their contribution, only to have those works trampled on through acts of neglect. We need to help preserve their contributions if we want to truly honour them.

A concerned citizen

# Sanchaypatra: The Titanic will sink



**OPEN SKY**  
BIRU PAKSHA PAUL

**I**n 1971, my father took us to Meghalaya where our painful refugee life began. We were on daily rations. As a little boy, I used to stand in the queue and sometimes rations ran out before I reached the counter. Allegedly, some people in the distribution of rations changed their fortune overnight by expropriating a huge amount of aid and relief, which the Indian government targeted for the subsistence of the devastated Bangladeshi refugees. The National Savings Certificates (NSCs) or *Sanchaypatra* is a similar case, exemplifying a travesty of justice. The government designed the saving instrument to support the poor, widows, and have-nots of society. Now it is serving as the biggest governmental charity for the upper-middle class and the super-rich, ensuring a gradual but drastic decline of the vulnerable in the relative share of the fund. What a sweet parody!

*Sanchaypatra*, whose net annual sale was less than Tk. 1,000 crore, did not deserve to be a pressing issue even a few

**Since the stock market cannot offer that return, a conservative or moderately aggressive investor will find it more lucrative to invest his fund to purchase *Sanchaypatra*.**

years ago. No one at that time ever thought that the government-sponsored scheme would one day turn into a monster to eat up a major share of the government budget. A once tiny fund has now turned into a Titanic and it will sink soon for sure unless we fix it. Although the government has estimated less than Tk. 20,000 crore to be the net sale of



IMAGE: GOODRETURNS.IN

*Sanchaypatra* for the fiscal year of 2016-2017, the actual net sale may hit as high as Tk. 50,000 crore as the tide signals.

Not only will ballooning of the interest liability endanger the budget, but it also creates a moral hazard in that the government is backing mostly the privileged. More damagingly, the *Sanchaypatra* directorate is massively turning the potential investors into idle savers by offering them sky-high and non-market interest rates on NSCs. We are gradually turning into a saving society by depositing more fat in the name of saving. Now the 31 percent saving-GDP ratio is higher than 29 percent investment-GDP ratio – a bad sign of baby fat a developing economy should not display. Rather, the saving-GDP ratio can be 4 to 5 percent less than the investment-GDP ratio for a developing economy like Bangladesh, while the low-rate foreign borrowing can fill the gap.

The *Sanchaypatra* scheme is also debilitating the stock market indirectly. No one would like to venture in the risky capital market when you can earn a guaranteed return over 11 percent by purchasing saving certificates. This abnormally high return is double the inflation rate of 5.53 percent and thus renders a real return (= nominal return - inflation) of 5.5 percent which you never see in any comparable country around

us. In a growing economy where risks are high, investors expect higher risk premium, say around 5 to 8 percent, on top of the risk-free rate. If *Sanchaypatra* already offers a risk-free rate of over 11 percent, investors are happy to remain lazy savers. They may consider rushing to the stock market only if the market delivers return from 16 to 19 percent.

Since the stock market cannot offer that return, a conservative or moderately aggressive investor will find it more lucrative to invest his fund to purchase *Sanchaypatra*. Thus, the NSC scheme is deliberately killing the animal spirit of the investors, and helping the adolescent economy be lethargic with premature fat. The private credit growth, which reached close to 17 percent in June 2016, is now below 15 percent – a sign of premature weakness. The market capitalisation in Bangladesh is around 20 percent, which is more than 60 percent in the Indian counterpart. A saving-encouraging society can never have a vibrant stock market.

High *Sanchaypatra* rates are also ruining the future of a bond market, which the government must endeavour to develop for the future funding of infrastructure. The five-year bond rates are over 6 percent. Even a child will not go to the bond market when saving certificate rates are over 11 percent. India had similar *Sanchaypatra*-type

instruments, which they targeted for the poor, women, retirees, lower middleclass people, and peasants. But they tagged the saving instrument rates with the bond market, and the interest rates on those instruments maintain a slimmest margin by around 50 basis points over the bond rates so that the bond market remains quite operational and attractive.

Any distortive interest rate is harmful for the smooth functioning of the market economy. This is more so when the rate is coming from the omnipotent government that signals severe stubbornness by ignoring all lessons of economics. The damage has a far-reaching effect particularly on the banking sector whose recent excess liquidity is largely attributable to the high-yielding *Sanchaypatra*. In the FY2016, the saving certificate sale went unexpectedly high. It prevented the government from borrowing Tk. 30,000 crore from the banking sector. The overall banking health would have been tight and robust had the government soaked that excess liquidity. The budget indicated to take around Tk. 40,000 crore from the banking sector this fiscal year, but that is impossible when the floodgate for NSC sale is completely open, and people perceive NSC rates as *manna* from heaven.

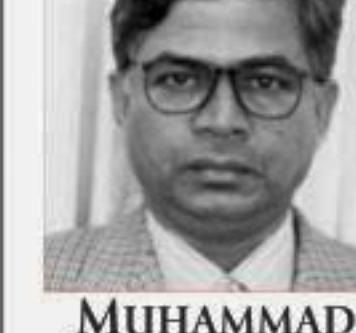
The government should not use *Sanchaypatra* as a welfare-making instrument. There are other ways such as pension funds or social safety support to do so. Even direct donation to the target group would not hurt the economy the way saving certificates are affecting it. It ruins the basic functioning of a market economy while the country has been reaping maximum benefits from deregulation and the market economy since the early 1990s.

If *Sanchaypatra* rates are injuring an already problem-ridden banking sector, the bond market, and the capital market, the best way to find a solution is to dismantle the saving directorate and give the task of deposit mobilisation in the hands of the banking sector. We need this consolidation so the government can borrow from the banking sector directly. The only way to keep NSCs supportive to the effectiveness of monetary policy and market efficiency is to tie their rates with the bond rates by a clear-cut rule. Otherwise, paying for the phenomenal growth in NSCs will be unsustainable and partly unethical, limiting our resources for speedier growth and development.

The writer is Associate Professor of Economics at the State University of New York at Cortland and a guest faculty of the Institute of Business Administration, Dhaka University. Email: birupakshapaul@gmail.com

## Babul's ordeal and our faltering institutions

### STRAIGHT LINE



MUHAMMAD NURUL HUDA

**T**HE heart-rending episode of Mohammad Babul's 25-years-long imprisonment and acquittal thereafter without the charge being proved as reported in the media is by all means an indelible slur on our civilised existence. The tragedy is that after 24 years from the commencement of trial, only four witnesses out of eleven could be examined and even then the charge against Babul could not be established. The irony, however, is that none of those responsible for failure to produce the witnesses have been punished.

Quite clearly, the State stands accused of snatching 25 precious years from Babul's life and nobody seems to care about his predicament. Babul has been spared from criminal prosecution after inordinate delay but the State does not intend to suitably compensate him for

the damages caused to his honour, dignity and to make up the financial deprivation suffered over such a long period.

Must we forget that while in every criminal prosecution the State is the complainant, it cannot be oblivious to the sufferings of citizens caused by the negligence, inefficiency or ill intentions of those working in the regulatory and adjudicating institutions of the State apparatus? The under-trials have to face their case in court and are presumably innocent until convicted. By being sent to jail they are, by contamination, made criminals – a custodial perversity which violates the test of reasonableness and of fairness constitutionally stipulated.

In Babul's case, there has been a clear infraction of his liberty. When the rights of the prisoner either under the Constitution or under other law are violated, the writ power of the court can and should run to his rescue. Judicial vigilance of prisoners' condition demands our attention.

It needs to be understood that whether inside prison or outside, a person shall not be deprived of his

guaranteed freedom. This is so because a prisoner wears the armour of basic freedom even behind bars and that on breach thereof by lawless officials, the law will respond to his distress signals through "writ aid".

The compounding tragedy in Babul's case is that whereas the accusation of the offence of dacoity against him could have resulted, if convicted upon proper trial, in a 10-year sentence, he has actually been imprisoned for 25 long years and then let off without the charge being proved. One can see quite clearly that the stony and mindless inactions of responsible officials have irreparably ruined the life of a young man.

What is really worrying is that according to a report of the Legal Aid Committee of the Supreme Court, there are at least 462 prisoners in 25 jails across the country who are suffering for five or more years of imprisonment without the benefit of trial. The BBC reports that in Kashimpur prison, 30 under-trial accused persons have been suffering for more than five years. There is no information about the condition of similar prisoners suffering in the

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remaining 42 prisons of the country. The issue that should bother caring citizens is that it seems some lives in Bangladesh are expendable and a supposedly democratic society should remain silent spectator in the face of such blatant violation of human rights. There is no point in blaming the so-called deficiencies in the criminal justice system and preaching for reform and overhauling. The system that is in place in the procedural legislation and connected regulations is adequate to detect and correct the slips. The institutions, along with the delinquent individuals involved, should be held to account and where applicable, exemplary punishment should be meted out.

While the State is expected to streamline its defaulting institutions, it needs to look sympathetically into the predicament of the victims of negligent action. In the case of Mohammad Babul, he should be adequately compensated for the years of his irregular incarceration.

The writer is a former IGP and a columnist of *The Daily Star*.



SOURCE: VPRO.NL