

Attack on Chakma community in Rangamati

Rehabilitate victims, arrest perpetrators

LAST Friday, pictures circulating on social media showed a grim reality: families from the Chakma community fleeing to safety with what little they could carry of their possessions while their houses went up in flames. Further reports on different newspapers confirmed: at least four villages in Rangamati's Longadu Upazila were torched by Bengalee settlers. It has been claimed that at least 300 houses have been razed to the ground, while officials have maintained the number is 110. The chairman of Longadu sadar union has also said that an elderly woman was hacked to death by the attackers.

We would like to be clear: it does not matter if the number of houses burnt is 100 or 300. What matters is that centring a rumour that individuals from the indigenous community had killed the organising secretary of Longadu sadar union Jubo League, a Bengalee, settlers unleashed this barbarity. But the police have said that it is yet to be established who killed Nayan and why. And even if it were more than a rumour, mob violence cannot be condoned.

We have heard that tensions were high in the area since Thursday and law enforcement authorities had been informed beforehand. That the situation still went beyond their control is not acceptable. In a volatile area such as Rangamati, ethnic tensions are not new. Now 400 people have been sued and four arrested. Alongside, rehabilitation of the communities who have lost their houses and ensuring their safety should be a prime concern of the authorities. The onus is on them to realise that these attacks do not spark up suddenly, but are results of perpetuated conflicts in the region. Unless those are resolved and the rights of indigenous communities ensured, we cannot expect these incidents to not flare up again and again.

The ghosts of Nimtoli

Old Dhaka still vulnerable

SEVEN years have elapsed since a deadly fire ripped through Old Dhaka's Nimtoli that claimed the lives of 124, mostly women and children, and injured a further 200. It ripped apart families and for many the horrors never went away. Yet, not much has changed for other old Dhaka residents who still live in the midst of highly flammable chemicals, most of which are stocked in different areas of Lalbagh, Bangshal, Armanitrola, Moulavibazar, etc. After the tragedy, authorities had promised to free old Dhaka from chemical hazards that storage of such chemicals pose, but nothing much has happened. The Dhaka South City Corporation was supposed to launch a drive on March 1 but this was postponed for apparent lack of police support.

We wonder whatever happened to the commerce ministry's announcement made in June 2010 about the creation of a "chemical village" in Keraniganj. The ministry was supposed to acquire land and set up the physical infrastructure for the storage of hazardous chemicals. That never took place and so the hundreds of thousands of people crammed up in the various localities of old town live with the prospect of another Nimtoli-type incident happening any day.

In a country where the principal accused of the Nimtoli tragedy never got arrested, we ought not to be surprised about this clear and present danger to public health and government inaction. With little in way of safe storage and handling, an accident may happen anytime, anywhere. With so little value placed on public health and safety, the Nimtoli incident remains a footnote in a series of accidents that have never been addressed and the government bears the responsibility of this gross negligence.

BUDGET 2017-2018

What the banking sector gets and loses



OPEN SKY
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THE budget, which is basically an annual outline of fiscal policy, has over time turned into an all-encompassing document for the nation, making other national policy documents either less important or of no importance. Who cares about monetary policy that concentrates on money supply, inflation, interest rates, credit, banks, and other financial institutions? The Ministry of Planning announces the inflation rate every month, and will do so possibly every quarter from now on if they are shy of announcing it every month. The budget pre-announces the inflation target and even money supply, making the task of the central bank redundant. As a result, people now no longer believe the textbook theory that the central bank is the regulator of all banks. Rather, they see the ministry as the saviour of all banks and as a resort of last hope. As a result, they think that the budget determines the fortune of the banking sector. And we need to see what the banking sector gets from the budget for their operation and survival.

The first message the banking sector gets from the budget is that delinquency is all right, not punishable, rather adjustable. And that is why the budget has put aside Tk. 2,000 crore for the capital deficient state-owned banks in the name of recapitalisation, which mainly emerged from the all-pervasive default culture (or cancer) prevalent in state banks. Effectively, the money the budget is going to allocate for 'recapitalisation' is a rehabilitation fund for the 'innocent' defaulters - like a type of welfare fund that a benevolent governor earmarks, usually for the poor and the vulnerable.

Given the size of the FY2018 budget, which is Tk. 4 trillion with a 60:40 distribution pattern behind current expenditure and development spending, some may argue that the amount the state banks are receiving from the budget is meagre. Apparently, this is true, but the question lies somewhere else: 1) Whose money is this that we are giving to the beleaguered banks to compensate for the

wilful misdeeds of the super-rich? 2) What are we signalling to society? and 3) How long will we continue to provide such charity packages for mismanagement and corruption using taxpayers' money?

This charity from the budget to the banking sector is morally hazardous and is dangerous for the economy. But hasn't this been going on and on? The answer is 'yes.' Is there any guarantee that this practice will stop after some years? The answer is 'no.' The need for recapitalisation is on the rise without any sign of abating, of hope for moral correctness. The recent Bangladesh Bank report reveals that the actual volume of

can never stand up. And that is why all state banks are losing the strength of their backbones to stand straight.

The total budgetary expenditure for capital shortfall of such banks was almost Tk. 10,000 crore in five years since 2011. The allocation for such support was Tk. 2,000 crore for FY2017. For FY2016, the initial allocation was Tk. 5,000 crore, although eventually Tk. 1,800 crore was disbursed. Why does this capital shortfall happen? Because the banks fail to maintain a healthy and safe reserve of capital in comparison to the volume of their assets, which we call the CRAR (capital to risk-weighted adequacy ratio). Up to 2015, the ratio was 10

collapse. The overall CRAR is 10.68 percent, thanks to the nine foreign banks with a CRAR of as high as 24 percent and forty private commercial banks with the ratio slightly over 12 percent. Two state-owned specialised banks are maintaining a negative CRAR of 35 percent. The picture is clear; all the bad apples are state-owned.

The budget has not reduced the interest rate on *sanchaypatra*, the state-owned savings tool that distort the interest rate in the banking sector, deteriorates the effectiveness of monetary policy, damages hope for the bond market, turns us into a saving society by discouraging investment, and finally makes the act of deficit financing the most expensive ever. Since the government scoops up the whole amount of domestic financing from *sanchaypatras* and does not take any money from the banking sector, the banks suffer liquidity surplus and hence offer gradually lower interest rates on deposits. A non-market operation in the name of *sanchaypatra* is damaging the market for the banking sector - an inevitable consequence of the market economy.

Last but not least, the budget has imposed excise on bank deposits of Tk. 1 lakh or above - adding salt to injury. We hope the first thing the Parliament will do is torpedo this utterly unfair proposal on the very first day of the budget session.

Since revenue collection has always been the biggest challenge of the budget and will remain so in future, the Parliament should also think of creating a separate ministry for revenue that represents 12 percent of GDP, whereas there are many ministries holding 2 percent of GDP. China has a separate tax minister and we need to think of a revenue minister who will coordinate with the finance minister to achieve national goals with political aspirations. Pressurising a senior bureaucrat for this overwhelming job of revenue collection seems unfair. We could have done this job better by engaging a dedicated minister who can handle many issues more effectively through political motivation.

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capital shortage is Tk. 14,000 crore. Therefore, this palliative dose of only Tk. 2,000 crore signals that more is coming, because an incomplete dose of antibiotics will not work.

Why can't we let banks along with their regulator - the central bank - decide their way out within the Banking Company Act? Let them fix their problem in their way by issuing bonds of a special kind. Giving fiscal money to the monetary sector signals no borders between institutions and absence of independence - a gesture that damages integrity and dignity. An adult, if spoon-fed all the time,

percent. According to Basel III, an agreement of banking regulation and risk management, we need to maintain this ratio so this reserve can save the banks from sudden shocks that may otherwise throw them into bankruptcy, thus sending the depositors to the streets. From 2016 to 2019, the banks will have to maintain their capital at 0.625 percent in addition to 10 percent. The days are coming when we need to raise the CRAR to as high as 12.5 percent, whereas the six state banks are currently maintaining it at only 5.92 percent - alarmingly low to signal a

New ways to deliver good journalism



WARREN FERNANDEZ

WHEN Pope Francis met United States President Donald Trump last month at the Vatican, he urged him to be a man of peace.

True or false? Did the Pope actually comment to Mrs. Melania Trump on her husband's girth and wonder what she was feeding him?

Was Mr. Trump there to thank the Pope for his endorsement during his election campaign? True, true and false; the pontiff never gave the former American tycoon his backing, contrary to what some websites had claimed.

Herein lies the most insidious form of fake news, the commingling of fact and fiction, truths and half-truths, rumours, speculation and plain lies, some of which get repeated so often that many find it hard to distinguish what is real from what might have been and what never happened.

This goes beyond other forms of fake news - stories made up and spread for mischief (like a hoax picture of a collapsed roof of a public housing block posted on the All Singapore Stuff site); or for profit (the anti-foreigner postings on the Real Singapore site) or political gain (anti-Hillary conspiracies during the US election) - all of which have been proliferating in recent times. Inevitably, these have raised concerns about the impact of fake news on voters and societies.

This has come about in the face of a perfect storm of unrelated technological, social and financial developments, which has unleashed a major disruption of the media industry all round the world.

First, recent years have seen a dramatic shift in the way all of us consume news and information, with the inexorable drift to digital content online. More and more people are also communicating directly, creating and sharing content through social media. This has led to what has been called "disintermediation", meaning the undermining of the role of editors and gatekeepers to exercise judgment in shaping the news agenda.

Couple this with our growing addiction to our smartphones. One recent survey of Singaporean millennials aged 16 to 30 found that they spend an average of 3.4 hours a day - or about one day a week - glued to their gadgets. The upshot of this, in a listicle, is:

• shorter attention spans, as people flit from screen to screen, swopping depth of knowledge for breadth and speed;

• snacking of content, consuming content on complex subjects in small bites digestible on the go;

• a tendency to turn to sources which reinforce our own views, leaving us in "content bubbles", and making a social consensus all the more difficult to forge among an increasingly divided and distracted electorate.

Taken together, these trends are changing in significant ways how we inform ourselves about what's going on around us and make sense of it.

Now, anyone can create and spread information - and misinformation - freely, cheaply, quickly, virally, and with almost complete immunity.

In a sense, we have gone back to the future. As the *Economist* magazine noted in a survey on the industry,

the media landscape today resembles that which prevailed at the turn of the 19th century, when a mix of information, rumours and gossip, and yes, fake news, was spread from person to person, or through a web of social networks.

News organisations, as we know them today, began to emerge in the mid-19th and early-20th century. *The Straits Times* hit the streets on July 15, 1845, two years after the founding of the *Economist* in 1843, and ahead of the *New York Times* in 1851.

Around that time, news began to spread faster via the telegraph and wire agencies. New printing plants enabled mass printing, while railroads facilitated widespread deliveries. As newspaper circulations grew, they began to be staffed with growing numbers of professional journalists, committed to striving for accuracy, fairness and objectivity.

These news organisations were premised on the ability of newspapers to deliver a mass audience. Advertisers paid a premium to reach these audiences. The revenues generated enabled newsrooms to produce good quality journalism. Readers could then be served at relatively low cover prices.

As Oxford historian Timothy Garton Ash put it in a recent lecture at the St Gallen Symposium in

grapple with. To begin with, newspapers have been busy transforming into multi-media organisations. The aim is to produce content across platforms that our readers and viewers find relevant, credible and compelling, which they are prepared to pay for.

At the heart of all these efforts must remain a commitment to delivering quality journalism. Put simply, good journalism is the purposeful pursuit of information, well sourced and verified, interpreted professionally and objectively, with a mission to help people make sense of the world around them, which is especially vital in an age of major disruption and rapid change.

News groups will also have to work closely to respond to the challenge of fake news. Later this month, for example, *The Straits Times* will be hosting a meeting in Singapore, together with the World Association of Newspapers and our partners in the Asia News Network, to discuss how we are to respond collectively to the phenomenon of fake news.

Safeguarding the future of the media, however, cannot be left to journalists alone. Business and community leaders, who wield the power of the purse, will have to ensure that their advertising and sponsorship budgets go towards supporting good content, rather than relying on cheap, programmatic online advertising, which might lead to their brands appearing alongside content promoting hate, intolerance or terrorism. Parents and educators will have to think hard about how we are preparing our young to be more discerning about the content they choose to consume and share. Societies will have to figure out how to ensure we are well served by providers of good-quality content.

Can this be left entirely to markets, with news organisations driven by the need to hold up margins, dividends and share prices? This is the approach now adopted by *The Straits Times*, and some members of the ANN. It is likely to be a viable option for a few established media brands.

Or do we leave the task to media moguls, like Mr Jeff Bezos at the *Washington Post*, or Mr Jack Ma at the *South China Morning Post*? Or can we turn to mandates, with support for public service journalism coming from philanthropic foundations and trusts, as in the case of the *Guardian*, or the state, as in the BBC, in Britain?

As Prof Garton Ash noted: "Nobody has one single big answer, but I think public service media is part of the answer - foundations funding serious news, investigative reporting and foreign news is an important part of the answer."

All three approaches are playing out in a live experiment before our eyes, amid considerable flux in the media industry. It is not clear which of these will prevail; nor is it likely there will be one solution that fits all news organisations, and societies. The future of the media industry is likely to entail a hybrid of these approaches.

Ultimately, though, the need for reliable news and informed interpretation will prevail, regardless of how this is consumed. Societies will have to devise new ways to ensure that the public good of quality journalism is available to electorates, which rely on it to make sensible decisions to secure their future.

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LETTERS TO THE EDITOR

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Import of garlic seeds

We have recently been experiencing exorbitant increases in the price of imported large-sized garlic. Every year Bangladesh imports huge quantities of garlic mostly from China, spending scarce foreign currency. But production of garlic in the country could be increased many folds without increasing the use of cultivated land.

The local varieties of garlic grown in Bangladesh right now are very small in size - usually ten to twenty grams each, whereas both the size and quality of the imports from China are much better. The Bangladesh Agriculture Development Corporation could import large-sized garlic seeds and sell them to garlic farmers in Bangladesh. The farmers would be benefited from the high yield, and the government would be relieved from having to higher amount of spend foreign currency.

Md. Ashraf Hossain, Central Bashabo

Water logging in Chittagong

Following the landfall of cyclone Mora it rained quite heavily in Chittagong. Consequently, the low lying areas of the city have been inundated. The problem of water logging was so grave in Halishahar and Agrabad residential areas that people had to travel by boats. It is worrying to see people suffering so much from water logging even before monsoon has arrived. The city corporation and the concerned authorities have miserably failed to solve this problem. But as citizens who have a stake in the matter, we can stop using polythene bags which clog the drains and cause water logging. We must do our part to salvage the situation.

Zabed Wali, Chittagong