

A milestone verdict

Compensation for road crash victims

WE applaud the High Court for its landmark verdict on the compensation case filed under the Motor Vehicles Ordinance 1983, by the family of Tareque Masud for his death in a road crash six years ago. The verdict is the first compensation trial held directly in the High Court instead of a lower court. This has shown the court's recognition of the importance of paying compensation to victims who have been injured or killed in road crashes, tragedies that could have been prevented. The verdict also holds accountable, drivers, transport companies and insurance companies – as all these parties have responsibility in these accidents, a fact not acknowledged heretofore.

Bangladesh has one of the highest incidences of road crashes. Last year 6,055 people were killed and 1,600 injured in road crashes. In the first six months of this year at least 2,297 people have been killed and 5,480 injured. But very few, if at all, cases are filed for compensation for victims.

On February 13, 2012, two cases were filed before the Motor Accidents Claims Tribunal, Manikganj by the families of film makers Tareque Masud and Mishuk Munier as claimants under Section 128 of the Motor Vehicle Ordinance 1983. Considering its importance and potential to set a precedent in future, the High Court issued orders to move the cases to the HC. Thus the verdict is predicted to have long term implications. It will ensure compensation to victims as well as make drivers and transport companies more responsible and may well become a deterrent for reckless driving, unlicensed drivers and sending unfit vehicles on the road.

It is now crucial that the compensation ordered by the High Court be paid within a reasonable time and not dragged out indefinitely. We hope, moreover, that the government will set up operational tribunals in every district to try accident compensation cases.

The stench of hospital mismanagement

Take measures to ensure quality service

THE healthcare system in Bangladesh has been under a lot of scrutiny lately. In a recent drive against private hospitals and diagnostic centres in Mohammadpur on Wednesday raid by the Rapid Action Battalion and Directorate General of Drug Administration (DGDA) and Directorate General of Health Services (DGHS) found hospitals and diagnostic centres in a deplorable state.

During the raid many blatant examples of negligence in healthcare safety were found including inaccurate lab tests, facilities being run by unqualified people, poor conditions of instruments and equipment. There were blood bags that didn't bear any collection and expiry dates. Despite failing to maintain the minimum standards in their establishments, the owners were permitted to continue operations after paying the small fine. Clearly, the punishment has not been stringent enough.

In 2006, it was estimated that there are about 1683 hospitals in Bangladesh of which, 678 are government and the rest, private. The raid took place in three private hospitals in Dhaka. If these three hospitals are indicators of the state of affairs, one can only imagine how poorly the facilities outside the capital are being maintained. These particular facilities have been running for some time now. One is compelled to ask, where were the authorities all this time?

Healthcare is a basic right and necessity. The current conditions of the hospitals are more likely to cause more health hazards than provide suitable environments for healing. We hope apt measures are taken so that quality of service provided in hospitals is duly improved. There must be constant oversight and regular scrutiny so that these hospitals do not become a public hazard.

LETTERS TO THE EDITOR

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No new banks, please

Our banking sector is in disarray, as the number of non-performing loans is soaring at an alarming level. Currently, 57 banks are operating in the country. If the government gives permission to three new banks, as the finance minister has suggested, it will create further tension in the financial sector. The finance minister could not come up with a convincing reason as to why we need new banks. He naively argued that new banks could reach out to those who are not using banking service as of now, but even a novice would understand that the existing banks could do exactly that just by extending their services.

It should be noted here that nine new banks got licenses in 2013, on political consideration, some of which are in a terrible condition now. If their cases are any indication, the three new banks will suffer the same fate.

Zonaed Emran, By e-mail



Do we really need a central bank?

OPEN SKY



BIRU PAKSHA PAUL

PET doors are small portals at the bottom of doors to let pets move in and out of the house. Sir Isaac Newton once made one big hole for a cat and one small hole for its kittens in the same door. We are not sure whether Newton really made it, but the main lesson of this parable is that you don't need to

cut a separate small hole when both the big cat and the small kittens can pass through the big hole alone, making the smaller one entirely redundant.

Similarly, if the finance ministry can eventually dictate all major policy decisions in banking, do we really need a separate central bank? Why can't we make the central bank a minor wing of the finance ministry and house regulators inside the secretariat? That type of merger will be cost efficient for the government, ruling out any possibility of disagreement between these two authorities.

Recent news on how the ministry galvanised the ultimate decisions on the extended family-based directorship in banks, and the approval of new banks, created enough apprehension among professionals that we are heading towards a Zimbabwean style central bank, where President Mugabe abused the institution to make it nothing more than an obedient money-printing factory.

The recent developments vindicate how aggressively the ministry turned down all findings of

The recent debacle in Farmers' Bank is a tragic testimony to how risky it could be to permit the unbridled increase in the number of banks—an oligarchic expansion of aggressive business lobbies which are increasing risks and ignoring employment.

the central bank and did whatever seemed politically expedient. The central bank seemed no less desperate to prove its "good boy" image before the ministry by swallowing non-market irregularities such as high interest on *sanchaypatra*, augmentation of family-based directorship, and lastly, the approval of new banks. And if the central bank has repeatedly failed to be a custodian of interest-rate rationalisation and corporate development, do we really need a central bank?

The way the finance ministry is interfering in the



Bangladesh Bank's affairs is contradictory to the Bangladesh Bank Order. There was an important amendment in the early 2000s that restricted the ministry from randomly intervening in the affairs of the central bank. By law, Bangladesh Bank should enjoy a considerable amount of independence. The government must ensure that the regulator can work safely within the bounds of law. Otherwise, blaming the central bank for every failure is utterly unfair. Having realised the weakness of the central bank, greedy defaulters are taking advantage—reflected by a crescendo of bad loans. Default loans have risen remarkably since the fund heist in early 2016 when the ministry got enough "excuse" to virtually take over the residual authority of the central bank. As a result, habitual defaulters find it wise to "manage" the ministry, easily defying the central bank.

A person need not be an economist to understand that we already have too many banks (57)—adding more will simply make the industry worse as the new banks which came a couple of years ago are already grappling with loan issues and credibility with depositors. The recent debacle in Farmers' Bank is a tragic testimony to how risky it could be to permit the unbridled increase in the number of banks—an oligarchic expansion of aggressive business lobbies which are increasing risks and ignoring employment.

Politically powerful business lobbies were at the root of the 2010 stock market disaster, they forced the government to suspend the VAT law for years, and now they are enough to send the banking sector to the gallows by proliferating wilful defaults. A financial crisis is thus bubbling beneath the surface of the banking sector. And the central bank's gradual loss of independence and guts will be dominantly responsible if economic growth slows down in the near future, because the central bank still penetrates almost 40 percent of GDP through private credit, while the fiscal authority's budget or the stock market size is half of it.

The central bank must raise its voice to let other stakeholders know that the recent moves by the ministry will be counterproductive. The central

bank must convince us that its conflict with the ministry is a conflict between economic rationality and short-term political gains. If the regime plans to increase the number of banks based on billionaires, it is the central bank's responsibility to convince us that banks should not be created based on different groups, families, races, or regions. They are common platforms to conduct the nation's financial intermediation among economic agents from rich to poor, army to police, academics to professionals, and from politicians to bureaucrats.

The BIMB chief has termed the current double-digit default ratio, which has been on the rise for the last two years, simply alarming. The central bank must clarify why this is happening when economic growth is inching up every year, making the ballooning of default loans more mysterious than ever before. We need to know whether the default hike is happening for the central bank's management failure or the ministry's excessive interference. Who are the top 20 defaulters who are rattling the whole industry? It is central bank's task to alert other institutions about those delinquents.

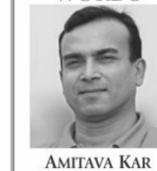
Why are speakers at BIMB raising the issue of monopolies in mobile financial services? Why are these monopolies extracting exorbitant charges for money transfers—four times higher than charges in India? It is the central bank's responsibility to prevent the unhealthy rise of monopolies in banking and financial services. It is the central bank's first task to convince the government to stay away from abnormal, non-market interest rates on *sanchaypatra* to keep monetary policy in traction. It is the central bank's task to protest the non-market rigidity of fuel prices that deprived the nation from enjoying lower inflation.

The time has come to change the style of central banking. It should be more developmental in spirit, more active in financial innovation, and more scholarly courageous in policy implementation.

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Taking activism beyond social media

IN OTHER WORDS



AMITAVA KAR

AS the world marks the centenary of the October Revolution, it is apt to study online movements and their offline results. The day

after the inauguration of President Donald Trump, an estimated 3.5 million people in cities around the US and the world took part in the Women's March protesting the Trump agenda in what

In 2011, one email started "Occupy Wall Street" addressing the issue of inequality and corruption by corporations. Within weeks, it became a movement with organised sit-ins and sleep-ins in cities around the US. But when the camps came down, "Occupy" had little to show for its agenda. No US policy has changed. Inequality has not gone down.

The contradiction with the 21st century protests is that we can easily assemble a million people with digital technology but they don't necessarily have the same impact a similar action might have 50 years ago, "because that

Protest, published in 2017.

In 1963, the March on Washington for Jobs and Freedom, attended by a quarter of a million people—Professor Tufekci points out—was the culmination of the Civil Rights Movement built over the previous 10 years. The movement brought change. One year later, Congress passed the landmark Civil Rights Act of 1964 which ended segregation in public places and banned workplace discrimination based on race, colour, religion, gender or ethnicity.

Five decades later, the ease of organising and mobilising online is

things that people can do collectively? How do "Occupy", "Black Lives Matter" and more recently, #MeToo sustain themselves and turn themselves into powerful actors that can challenge whomever it is that they want to force change through?

In her book, Professor Tufekci says that social media has a tremendous amount of power and the way algorithms are designed could decide the fate of a movement. For example, she argues, Facebook uses a computer programme to choose how to rank what it shows its viewers. So if we don't see something posted by someone, maybe Facebook isn't showing it to us. For a social movement that's incredibly important. It was significant in 2014, as protests broke out on the streets of Ferguson, Missouri, following the fatal shooting of an unarmed black teenager, Michael Brown, by a white police officer. Early on, the protests got a lot of attention on Twitter but less so on Facebook because of another viral sensation: the Ice Bucket Challenge.

That's because, Professor Tufekci argues, the goals of social media companies and social movements are hardly the same. In the end, these are platforms based on delivering ads, and they want to keep us on there with things that will keep us on there. And their business models aren't necessarily in the interests of what the movements are trying to achieve in the long run.

The lesson to take from all this isn't to stop using digital technologies. It's to recognise what they can do. But more importantly, recognise what they can't do. Lasting change is not about the ability to bring millions of protesters onto the street. It rests on deeper, structural changes that take much longer. When popular consciousness reaches its peak, without certain programmes and structures in place to take it forward, movements defeat themselves.

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may well have been the largest single-day protest in US history. The march was a powerful moment that started with a single Facebook post and grew from there. Then Monday came, and the Trump Administration went about its work as planned.

was a result of a lengthy process of organising," according to Professor Zeynep Tufekci who teaches at the School of Information at the University of North Carolina Chapel Hill and is the author of the book, *Twitter and Tear Gas: The Power and Fragility of Networked*

facing criticism. Some say it's too easy to click a link and express "likes" or "dislikes" about something. How does it translate into action? How do we take that ubiquitous but relatively shallow level of engagement and organise it so there are well-defined