

## Nagad service makes competition uneven

Opens doors to illegal transactions

**B**ANGLADESH Post Office's digital financial service platform Nagad has sent shockwaves through the mobile financial service (MFS) sector, which, till date, had been dominated by private sector players. The disproportionately higher transaction limits under Nagad will, operators believe, create a monopoly by the state. For instance, the daily transaction limit under Nagad is Tk 25,000 whereas it is Tk 15,000 for other operators. Similarly, the monthly limit for Nagad customers is a hefty Tk 5,00,000 while for private operators it ranges from Tk 25,000 to Tk 1,00,000.

Furthermore, the service provided by Nagad does not fall under the central bank's scrutiny because it is regulated by Bangladesh Postal Act Amendment 2010 and will not be governed by MFS regulations. Now, the bigger question here is, given the high transaction limit, what is there to stop the Nagad service from being misused to finance terrorist activities or to launder money? There are no stringent checks and balances or regulatory framework governing Nagad. This should be of serious concern for policymakers.

Setting such high limits for this service will surely drive existing MFS players out of business because customers will inevitably switch to the service that allows them to transact in such large denominations of money on a daily or monthly basis. The explanation given by the post office that Nagad is merely a digitalised version of money order is not enough. It is imperative that there is a level playing field for all operators in the market and they must all conform to the same regulatory policies. We are all for healthy competition but the proposed Nagad platform, in its current manifestation, is anything but healthy.

## Unpaid workers in a public hospital

Unjust practices must end

**I**T'S unthinkable that dozens of people are employed without any pay at the burn unit of Dhaka Medical College and Hospital for years (ranging from at least five to 15 years). They survive solely on tips from the patients and the attendants. A similar situation can be found of employees in other departments, too. No hospital—let alone the country's premier public hospital—can function like this.

A new burn institute, established close to the existing burn unit, is expected to employ 2,100 staff including those who have worked in the previous facility but they do not include anyone in the lowest tier.

While the coordinator of the newly built burn institute said that there's an ongoing process to regularise them, similar promises were made many times before, only to be broken. Therefore, the existing irregular workers have resorted to protests as they do not feel assured about being incorporated as normal staff.

These workers need to be regularised firstly because it's an injustice that one should work without pay for such a long period of time—that too in a large public facility. Secondly, such a practice doesn't serve the patients at all and runs contrary to the idea of free service provided by public institutions.

We find it absurd that the health ministry reportedly is in favour of continuing to "outsource" people who work as Class IV employees at the institute without any pay instead of recruiting them through a proper process. The government needs to understand that the work that these workers do is very important and oftentimes life-saving. Their contribution needs to be recognised and they must be properly compensated in order to build an institute that is truly professional.

## LETTERS TO THE EDITOR

letters@thedadlystar.net

### Is travelling at night a crime for a woman?

A video showing policemen harassing a young woman went viral on social media recently. Two policemen were seen in the footage stopping an auto-rickshaw in which the woman was travelling alone at night. An altercation broke out between the woman and the policemen, as the latter started using offensive language.

What enrages everyone is that the policemen were questioning the woman's character since she was travelling late at night. They also kept shining a torch on her face and even threatened that they could take her away if they wished.

The incident was disturbing for many reasons. Firstly, it's highly offensive to make implications about anyone just because they have to travel late at night. Secondly, the police is supposed to keep people safe, not to harass them for no reason.

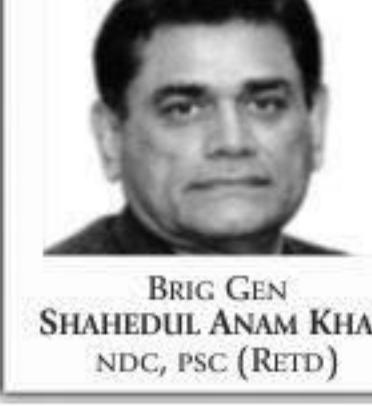
The authorities have stated that the policemen have been identified and actions would be taken against them. They should be suspended, if not sacked, for their ignominious behaviour.

Abdul Twoha, By e-mail



# The EC should be beholden to the people only

## STRATEGICALLY SPEAKING



BRIG GEN  
SHAHEDUL ANAM KHAN  
NDC, PSC (RETD)

**C**LEARLY, there is an absence of sync in the EC, and a palpable lack of internal organisation. Firstly, it seemed unnecessarily evasive about the date of the election. On September 27 and August 7, the CEC had said that the election schedule would be announced in October, and the election was likely to be held in December. Early this month we heard him say that EC had never said the national polls would be held in December this year, and that there was no certainty of elections being held at the end of January. That after we had heard one of the EC officials suggesting in a press briefing in August that the Jatiyo Sangsad polls would be held end of October which was redacted a few days ago. Now we are told that polls would be held around end-December 2019.

Such mixed messages not only create confusion in the public mind, it also creates ground for apprehensions too. Secondly, and even more disappointingly, is the obvious rift within the EC with things coming to a head when one of the commissioners left in the midst of a commission meeting with a note of dissent. According to news reports he was not given the opportunity to say his piece about the modalities he wanted to suggest regarding how the upcoming election would be conducted.

Evidently, his views were not in conformity of the majority EC members on the matter. Hence, the uproar and call from one minister for his resignation for a breach of secrecy, according to that minister, when he made public the contents of an internal EC meeting.

Understandably, the said commissioner has become the joker in the pack, for demanding to go by the book. He was, one understands, impressing on his colleagues to go by its mandate. In doing so he managed to animate one of his colleagues enough to accuse him of unconstitutionality, for suggesting things not in accord with the constitution, and speaking to the press out of turn.

Without going into the substance or merit of the statement, would it be out of context to ask, if revealing the dissenting commissioner's "unconstitutional



suggestions" to the media amounts to a similar breach of secrecy or not! As for the substance, to those who are aware of the functioning of the EC and the conduct of the members of the election commission, neither is talking to the media by different members unprecedented, nor is suggesting various ways to hold a free fair and participatory election, as mandated by the country's constitution, unconstitutional.

From what one understands, while the election commissioners do take oath of office they do not have to affirm to an oath of secrecy, like a few others holding public office. As for talking to the press, this is not the first time that an election commissioner has spoken to the media, "bypassing" the official spokesperson. And the EC does not deal with matters relating to state secrets, and what transpires in a meeting that has to do with the elections cannot be a secret to be kept out of the public knowledge. Keeping people informed about the doings of the EC cannot be unconstitutional.

As for the substance of what the dissenting member is reported to have said, even the most stringent nitpicker would find it difficult to discover anything unconstitutional in what was suggested. If one recalls, the EC under Mr Shamsul Huda had suggested to the government

in 2011 to put in place such provisions as would make it incumbent upon all the ministries to refrain from any action that would appear to, or actually, influence the elections, such as postings in and out of sensitive appointments. And if required, the EC's consent should be sought. To accuse somebody of being unconstitutional in this context is being a tad unfair. Saying something not in the constitution does not make it unconstitutional. For example, constitutional amendments are made to fill the void in the laws; the provisions of the 17 constitutional amendments were new. If one were to take the accuser seriously, then all the bills bringing in the amendments were unconstitutional. And recommending innovative ideas that would help make elections free and fair is not new.

One recalls that the EC in 2011 had recommended similar arrangements vis-à-vis the commission and ministries. The intention was not to bring the ministries directly under the EC but to accord it a supervisory role so that the ministries did not take any decision or action, or introduce new policies that might directly or indirectly influence the elections.

In this regard lessons can be drawn from India and its election commission. In India, all the ministries customarily withhold from taking actions that might



influence the elections. They in no way cede their authority to the EC but accept the EC's supervisory role. Two instances would make it clear. In the last Indian election, the EC put a cap on the government's decision to announce the name of the new chief of the army. In another instance, the EC did not allow a state government to announce the increase of the government's purchase price for rice, since that might directly influence the election.

The Bangladesh Election Commission must do whatever is required, and the constitution is quite liberal in granting it every bit of power and authority, reinforced by the HC's directive, to hold a "free, fair and neutral election ... to establish the true spirit of democracy." And as much is said by the Indian Supreme Court also to the Indian EC to do whatever has to be done for free fair and credible elections. And they do not need any Divine Blessings for it.

The EC must put its house in order and prepare to serve all the three stakeholders, the political parties, the candidates and the voters. And the only stake for the government is to see that the EC is able to fulfill its mandated task by providing it all necessary help.

Brig Gen Shahedul Anam Khan NDC, PSC (Retd) is Associate Editor, *The Daily Star*.

# Bangladesh Apparel Industry: Naive negotiation and a rat race



MOSTAFIZ UDDIN

**T**HE quote "Let us never negotiate out of fear. But let us never fear to negotiate", from John F Kennedy is a mantra that should be adopted by all of us working in the readymade garment (RMG) sector of Bangladesh when entering into price discussions with our trading partners.

Traditionally the RMG sector has been treated by foreign buyers as a value resource. Whilst the industry has enjoyed phenomenal growth since its inception in the early 1980s, the important questions we must ask are: how much of that can be attributed to having the lowest price offer on the table, and how do we, as an industry, negotiate fair prices that

the advancements that have been made in social and environmental compliance, technology and product innovation.

It is high time that companies within the RMG sector begin discussing openly with their business partners all of the improvements to their facilities that have been made and explaining (in black and white financial sheets, if need be) the cost implications associated with the adoption of compliant, ethical, environmentally sound practices.

The problem here, I believe, is twofold: firstly, the majority of companies operating in the RMG sector are beholden to their customers and do not dare question their methods of working or prices allocated for the product they are supplying. If the customer that the manufacturer is supplying to is, truly, a business partner, then there is no shame in the manufacturer



will ensure a more sustainable business model for the future?

Since the tragic events of the Rana Plaza collapse in April 2013, the industry has been under the international spotlight and subjected, quite rightly, to the most stringent ethical and social compliance measures among all garment manufacturing nations worldwide. The process of remediation undertaken by the majority of our manufacturing facilities has required huge investments but the industry has gained little in return in terms of price paid to vendors for production.

For too long the RMG industry has lain under a shadow cast by being perceived by our customers as the underdog when it comes to pricing. But this is a myth, perpetuated by those companies that would pigeon-hole Bangladesh as a "value" resource alone, ignoring

explaining the full cost of the product they are in negotiation about and, furthermore, no shame in rejecting a price offer that is untenable for their facility.

Here, I believe, a fundamental flaw lies in the inexperience and inability to negotiate, within the middle management of those working in the RMG sector. As an industry we need to ensure that these key players in business negotiations, some of whom are the only "face" of the company known by our Western customers, have the necessary negotiation skills to secure the best possible price for the products we produce. As owners and directors of apparel and fabric producing businesses, we should actively be encouraging our middle management teams to seek the necessary training and exposure to fully understand the entire negotiation process, and the ramifications of

simply agreeing to a customer's demands.

Training and education in the art of negotiation skills is sadly lacking within our industry. Given the importance of the apparel sector to the nation as a whole it is high time that both the government and companies working in the sector establish an educational system that guarantees that our middle management are equipped with the necessary knowledge and skills to face customers with confidence and the ability to negotiate the appropriate prices with the customers they deal with. After all, if we are entrusting our middle management with the task of dealing on a day-to-day basis with our business partners, is it not right that we equip them with the necessary tools to fulfil their roles?

This leads to the second point. There exists an unhealthy culture amongst manufacturers in the sector to undercut their fellow producers in order to secure business—by adopting this "rat race" approach the industry is shooting itself in the foot! How can we expect to present a united front as an industry, when price negotiations can be undermined by those manufacturers that will capitulate to every whim of the buyer?

The RMG sector needs to agree on a series of minimum price levels per product category that guarantee that production can be carried out following the highest standards of social and environmental compliance. The adoption of such practices would, I believe, eradicate the "dog-eat-dog" nature of the RMG industry. No longer would a manufacturer be able to undercut one of their apparel trade competitors, as a base price for any product produced in Bangladesh would already have been set by the RMG industry, our government and, if need be, international governments and agencies. Such a strategy would involve the support of both our government and the apparel manufacturers associations (BGMEA and BKMEA for example) whose role it is to protect the best interests of the industry and their members. Such a system does not currently exist, but by entering into a healthy dialogue with our RMG industry colleagues, our business partners, government and non-government agencies, it is possible to create a set of minimum price tariffs for product types that represent a fair market price that allows fully compliant methods of production to be observed.

I believe that the way for us to ensure the long-term future of our nation's RMG industry is to embrace the art of successful negotiation and ensure that our middle management staff are equipped with the necessary negotiation skills, to establish a system whereby a fair price is paid for any apparel product produced in safe and sustainable conditions.

Mostafiz Uddin is the Managing Director of Denim Expert Limited. He is also the Founder and CEO of Bangladesh Denim Expo and Bangladesh Apparel Exchange (BAE). Email: mostafiz@denimexpert.com.