

## Plea of the distressed relatives of the missing

Hear and heed

THE whereabouts of 159 victims of what is alleged to be enforced disappearance is still unknown. These unfortunate people are among the more than 500 persons who are still unaccounted for between January 2009 and December 2018. Sixty-eight have been found dead. And since January this year, 12 people have vanished under circumstances that fit the description of enforced disappearance. Of those that have returned, most have been found to have suffered from shock and selective amnesia. They can neither remember the circumstances of their abduction or of their release, or the period in the interregnum.

This abhorrent and detestable phenomenon has continued in tandem with extrajudicial killings with extremely disconcerting regularity. Regrettably, these have seen incremental recurrences year on year over the last two decades, and very little has been done to arrest their increasing trend.

Unfortunately, the accounts of the family members of the victims in almost all cases point to the agencies as being the perpetrators. It is very difficult to believe that there are subterranean groups inside the country going about whisking away unsuspecting people from their homes or, as in some cases, from the road in broad daylight with complete impunity. And if that be so, what does it speak about the efficiency of the law enforcing agencies.

No administration can afford to view the situation with laxity or gloss over the impact these incidents have on the country's governance and human rights profile. It is for the very credibility of the administration and its agencies that they unearth the people behind the enforced disappearance and killings. Otherwise, the popular perception regarding the real perpetrators will come to be firmly established.

## BSF's torture condemnable

Nothing can justify such behaviour

WE condemn the brutal torture of a Bangladeshi man by India's Border Security Force (BSF). As this newspaper reported yesterday, Md Azim Uddin, after having illegally trespassed into India to smuggle cattle into Bangladesh, was caught by the BSF and tortured for three days. And at one point during the torture, BSF men used pliers to pull out all 10 of his fingernails. While we cannot condone the practice of illegally trespassing into another country, torturing a detainee is completely unacceptable and a reprehensible crime.

Such practices are reminiscent of medieval times and have no place in today's world. Is this how someone in the custody of the BSF is normally treated? We don't expect this type of inhuman behaviour to be the standard practice. This conduct is also indicative of a lack of discipline and accountability. It is difficult to imagine well-trained members of a disciplined security force using torture to terrify a man simply for trespassing, which could have been dealt with, and frequently is, without resorting to savagery.

Unfortunately, such heavy-handedness by the BSF against Bangladeshis, as we have seen, is not completely uncommon. Earlier this week, BSF men shot and killed another Bangladeshi youth for the same offence along the Dongaon border area in Haripur upazila of Thakurgaon.

This is not the sort of behaviour we expect from our neighbour, with whom we share a long history of good relations and mutual respect. We hope our authorities will bring the matter to the attention of its Indian counterparts. Those who have engaged in this despicable crime must be punished and prompt action must be taken so that such incidents will not be repeated. No human being, no matter what their crime, should be treated in such an inhuman way.

## LETTERS TO THE EDITOR

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### Check price hike during Ramadan

Every year, the price of daily commodities goes beyond the reach of common people whenever Ramadan comes around. Since the demand for necessities goes up, some unscrupulous and avaricious businessmen take the opportunity to hike the prices. The prices of some commodities, especially sugar, oil and vegetables, increase exponentially in Ramadan, which puts them beyond the reach of people with limited incomes.

Though the authorities every year request businessmen to keep the prices within the reach of the common people, it hardly shows any result. Furthermore, some people attempt to create artificial scarcity of daily commodities so that they can earn exorbitant profits by selling at higher price. Considering the sufferings of the common people, businessmen ought to behave in a rational way to keep the prices of daily essentials at an affordable level.

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# The biggest barrier to our industrialisation

THE OVERTON WINDOW



ERESH OMAR JAMAL

16.5 percent, according to its own data.

In its Spring 2019 edition of the "Bangladesh Development Update", the World Bank agreed that success of Bangladesh's development hinges on increased private investment and innovation. However, as the report also pointed out, this problem is largely down to the abysmal condition of the banking sector now struggling increasingly with non-performing loans (NPLs).

In fact, the main reason why interest rate of bank loan is difficult to bring down is because of the ongoing liquidity crisis in banks that is making them reluctant to give loans with the scarce funds they have, analysts say. Therefore, it can be argued that what the prime minister identified was not the main problem, but a symptom of it—and the main problem, as the Asian Development Bank (ADB) also pointed out this month, is most possibly the worsening state of the country's banking sector.

At the end of last year, total amount of NPLs stood at Tk 93,911 crore, up from Tk 73,303 crore a year earlier. The immense increase in NPLs and the liquidity crunch it has brought about has resulted in banks offering higher interest rate on deposits—which has shot up to double digits—to attract more of it, but without much success. Savers are still gravitating towards savings certificates and bonds for higher returns; and because their confidence in the wellbeing of the banking sector has justifiably declined.

Because "deposit growth in banks is lower than the credit growth", banks are adopting "a cautious lending policy," says Ahsan Mansur, executive director of the Policy Research Institute. And while "banks face criticism from different corners" when setting the "lending rate in keeping with the returns on deposits", it is simply "not viable" for them "to disburse loans at single-digit interest rate," according to Syed Mahbubur Rahman, chairman of the Association of Bankers.

In January, excess liquidity in banks came down 11.45 percent from a month earlier to Tk 67,642 crore. And aside from its more direct negative impacts, it has also adversely affected the capital market according to experts. "Liquidity crisis is a big problem that breeds higher interest rate on deposits and pushes investors to the banking sector from the stock market," said Shakil Rizvi, president of the DSE Brokers' Association. And this is apparent in the fact that this year's post-election

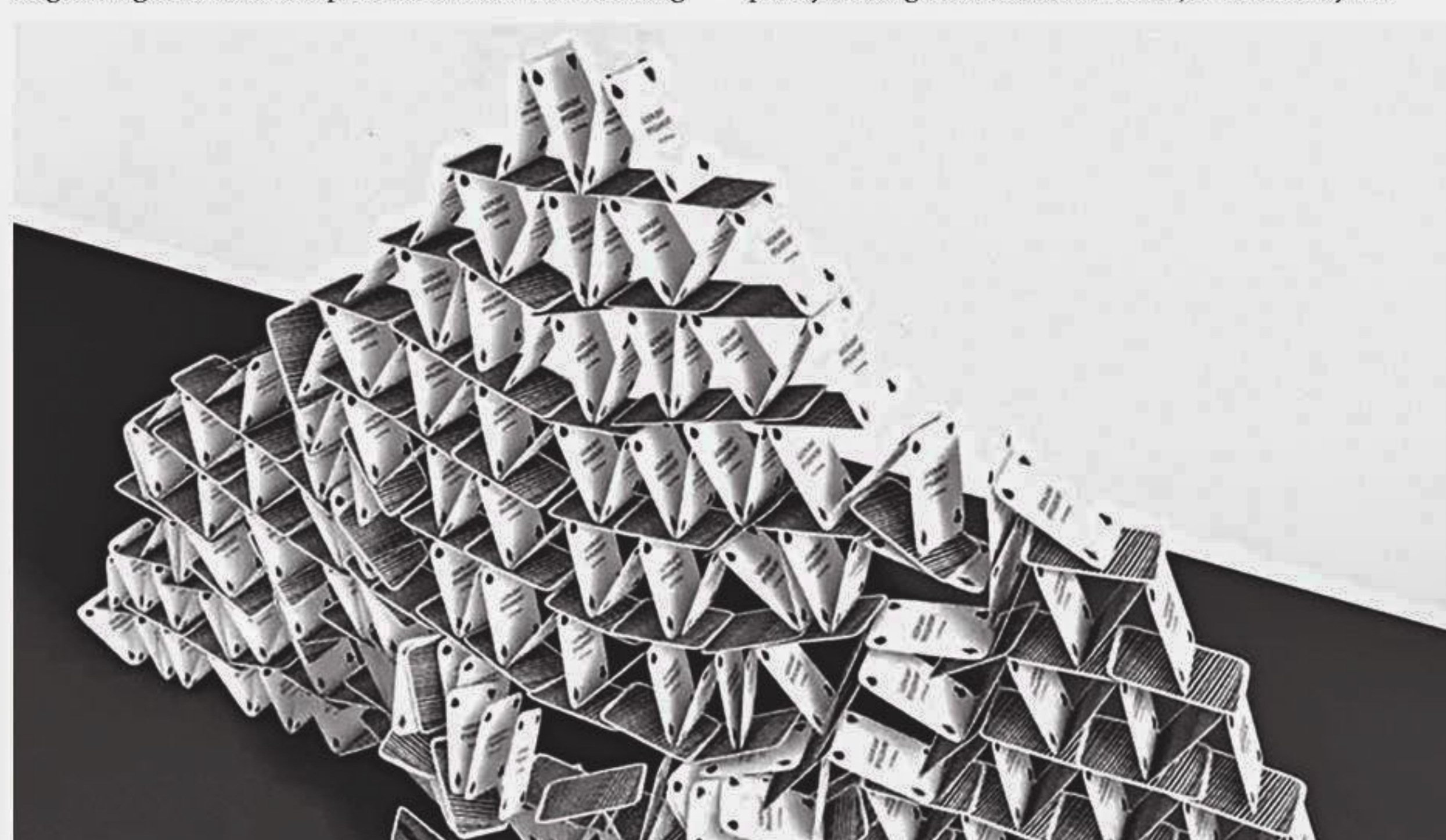
scenario in the stock market does not match with that of the last four.

Whereas the benchmark index of the Dhaka Stock Exchange shot up after the past four elections, the index shed 577.78 points or 9.71 percent of its value in the three months since the most recent one. According to AB Mirza Azizul Islam, a former chairman of the Bangladesh Securities and Exchange Commission, given the substantial market capitalisation of the banking sector, "its problems are bound to spill over into the stock market." Where its ultimate worst-case scenario may result in something similar to what happened in the west during and after the 2008 global financial crisis—which we fortunately have not yet reached.

Yet, there is every reason to be pessimistic. As in spite of growing concerns, the practice of loan rescheduling

This latest move, according to Khondkar Ibrahim Khaled, a former deputy governor of the Bangladesh Bank, is a result of "wilful defaulters compelling the central bank to revise the policy", which is "an ominous sign for the banking sector". Industry insiders and experts have said that a number of banks now are not only suffering from a liquidity crisis, but that this crisis "might become worse in the months ahead if immediate measures are not taken". Amidst such dire conditions, the BB's move to relax the loan classification rules will only create a moral hazard by encouraging many borrowers to not repay their loans on time which will further exasperate the stress banks are currently under.

What all this shows is that the biggest economic problem that we are facing is a direct result of bad policymaking and a number of major failures by the



and write-offs are continually increasing—with the central bank again approving loan rescheduling of Tk 20,000 crore last year. Whereas "extensive measures should be taken" to immediately recover default loans, according to Ahsan Mansur, Finance Minister Mustafa Kamal announced an easy loan rescheduling scheme for defaulters from May 1 only a month back.

The scheme will allow defaulters to reschedule their loans for 12 years by making a 2 percent down payment of total dues—at present loans can at most be rescheduled for 3 years with a down payment of 10 to 15 percent. Such wholesale rescheduling of bad loans, according to Zahid Hussain, lead economist at the WB's Dhaka office, is "not sustainable for banks". As all it would do "is just shrink large amounts of default loans" on paper, making the situation look better on the surface compared to what it actually is underneath.

regulators. As the WB report points out, regulatory uncertainty in Bangladesh has become a major bottleneck of "investment"—that requires "an enabling environment of which regulatory predictability is an important dimension".

In the absence of such predictability, where the central bank and the finance ministry have whimsically changed rules and refused to enforce them year after year—or implement them selectively based on partisanship—expecting any significant increase in investment is simply illogical and impractical. Thus, the decision by the regulators to pursue this path for this long is at best foolish. And at worst, intended to benefit only wilful defaulters at the cost of the entire economy.

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## PROJECT SYNDICATE

# Algeria's moment of truth



ZAKI LAIDI

served as foreign minister as far back as 1963, the year John F Kennedy was assassinated. The current Army chief of staff is nearly 80, and the current acting president is 77. It is a geriatric regime, presiding over one of the world's youngest populations.

Algeria has not fared well under gerontocracy. In Freedom House's latest report, it is categorised as "Not Free," whereas neighbouring Morocco, Mali, and Niger are all "Partly Free," and Tunisia is now considered "Free." The Algerian regime's mistake was to think that it could re-install Bouteflika, an invalid since suffering a stroke six years

ago, for a fifth term without anyone noticing or caring.

TO understand what is behind the mass protests in Algeria, it helps to remember that the country's outgoing president, Abdelaziz Bouteflika, held that office for two decades, and

on stage nor speak. This kind of sham may work in North Korea, but in Algeria, people have access to the Internet and international television channels; they can spot a farce when they see it.

Beyond Algeria's lack of pluralism and democracy is its disastrous economic performance. In the World Bank's "Ease of Doing Business" index, it ranks 157th out of 190 countries, whereas neighbouring Morocco ranks 60th. The difference is almost entirely the result of Algeria's archaic rentier-state development model. So obsessed is the government with maintaining an iron grip on the economy that Algeria remains one of the few countries not to have joined the World Trade Organization.

As a result, Algeria has lived almost entirely off oil and gas revenues, which still account for 90 percent of its export earnings. Six decades after independence, the government has yet to make a serious attempt at diversifying the economy. Outside of the hydrocarbons sector, job creation has been an afterthought. Such is the nature of a rentier state, which must maintain a monopoly over the means of

few importers and contractors who rely on public tenders. These regime clients are now among the protesters' primary targets. In addition to denying economic opportunities to everyone except the politically connected, the system has bred rampant corruption. On Transparency International's corruption perceptions index, Algeria ranks 105th out of 180, putting it well behind Morocco and Tunisia, which are hardly paragons of good governance.

If the Algerian regime can claim one success, it is in providing schooling to most of the population. And yet the quality of education is deplorable. In the Program for International Student Assessment (PISA) global rankings, the country is near the bottom in every category.

Since independence, the Algerian regime has mixed traditional Arabic patrimonialism with Russian-style oligarchy, such that power rests with a presidential clan, the security services, and loyal clients who live off the rentier state. This arrangement was largely spared from the 2010-2011 Arab Spring, most likely because the trauma of Algeria's civil war,

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reclaim power. But they are also being careful not to prevent a backlash from security forces. The pacifist nature of the movement is probably its strongest asset.

Although the regime is planning to hold the previously scheduled presidential election on July 4, continued protests and threats to boycott the election—a considerable number of mayors have said that they will not open polling stations in their municipalities—could force the regime to accept that a political transition is the only viable option. In that case, the election would be cancelled, and a three- or four-member Presidential Council could be put in place to appoint a transitional government and take legal steps in order to organise the transition, with the Army serving as a guarantor. But the precondition is a postponement of the election and the military's endorsement of this scenario.

What is already clear is that a genuine transition cannot be rushed through in just a few months. After more than 60 years of rentier-state autocracy, it will take time for democratic forces to organise and coalesce around common objectives. The goal should be for capable elements of Algerian civil society to take over administration of the state, with the armed forces being neutral. Other than that, all options are on the table. The outgoing regime still warrants suspicion, but the Algerian street now offers ample cause for hope.

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production and the creation of wealth in order to control the population.

Until now, the regime has maintained social stability by distributing resources to the population and preventing the emergence of a strong private sector that could challenge it from within. Algeria's lack of democracy and poor economic performance are thus symptoms of the same underlying malady.

The regime's attempt at economic liberalisation in the 1990s turned out to be a false dawn, benefiting only a select

which claimed as many as 200,000 lives between 1991 and 2002, still weighed heavily in people's minds. That remains true, and it may explain why the protests have been overwhelmingly peaceful.

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