

Bending the rules for wilful defaulters

Match fixers can't cure match fixing

ANALYSTS again sounded the alarm on the government's lack of will to arrest bad loans which, according to the International Monetary Fund, stood at Tk 240, 167 crore as of June. Although still extremely worrying, the government's figure is much less than that but mainly because it has repeatedly eased policies for loan classification and rescheduling to artificially bring defaulted loans down on paper. And herein lies the problem—reducing it on paper doesn't actually bring defaulted loans down. And if anything, continued refusal to admit the true extent of the problem over the years has only aggravated it.

We have been talking about acknowledging this problem ad nauseum. There are basically two groups of defaulted loans—one that has been acknowledged and the other that has remained hidden. As analysts explained, the second group doesn't come up as bad loans since defaulters have been "fixing" the system in one way or another. Therefore, the acknowledged part is only half the amount of actual defaulted loans in the country. This reality poses grave dangers not only for the banking sector, but the country's economy as a whole.

As has been revealed through various newspaper reports, a handful of defaulters are responsible for an overwhelming amount of all bad loans. And most of them are wilful defaulters who are politically connected or are themselves part of the government machinery—and those who know they can get away with it, according to IMF. That is why the government's decision to repeatedly bend the rule for the sake of a handful of wilful defaulters perhaps comes as less of a surprise. Nevertheless, the decision by the regulators to allow these people to get away with defaulting on their loans has only encouraged such practices, leaving the banking sector now on the brink of disaster.

The practice of playing such games with public money should be stopped immediately. The authorities need to recognise the hole it is digging our entire economy into before the damage being done becomes irreversible.

Owning a home shouldn't be a rarity

Make a coherent and sustainable policy

SHELTER is one of three basic needs of people, apart from being a constitutional right, that governments should take as an obligation to ensure. And nobody will disagree that providing easy and affordable housing in Bangladesh, to the vast majority made up primarily of the middleclass, is by no means an easy task. And that is because of the overwhelming gap between demand and supply which is compounded even more by the acute scarcity of the most important component, the land. What we need, thus, is a coherent, well thought out plan which will be able to sustain the pressure of growing demand. And such a plan can be acceptable if the interest of all the stakeholders—the landowner, the developer, the financier and the buyer—is met.

Unfortunately, instead of tackling this critical factor, owing to bad planning resulting in ad hoc policies and initiatives that are at best piecemeal where resources are used in dribbles and often times dissipated, owning home has become a dream for the greater majority of the country's middle class. Many government projects have been catered exclusively to the most affluent and rich overlooking the need of the less affluent. The government agencies like Rajuk in the capital and the NHA for developing housing projects countrywide, have done little to make housing affordable for the middle class and the poor. And a glaring example of this is the Bhashantek project.

Our planners would do well to learn from some of the policies taken up by the neighbouring countries, particularly India where innovation and salutary steps like small unit community housing project, as in Mumbai, and providing tax breaks, have made it easier for people with limited means to own homes. It would be well also for the administration to take cognizance of the extremely relevant and doable suggestions offered at an RT on affordable housing organised by this paper on October 12, 2019.

LETTERS TO THE EDITOR

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TV and the exposure to knowledge

In this era of globalisation, foreign TV channels have given us the chance to know the world.

The young generation, these days, are obsessed with foreign TV channels. They are watching these channels and learning so many things. But they are also at the risk of being exposed to unsuitable content. Often children end up watching programmes that are not appropriate for their age, thus picking up bad manners, learning inappropriate language and absorbing wrong cultural values.

In order to address this situation, the parents and guardians must play a more proactive role by monitoring and if required, vetting the programmes they are allowing the children to watch. It is important to watch foreign TV channels because of the treasure-trove of knowledge they offer us. However, we must also be careful about exposing our children to the wrong kinds of content. The parents should also encourage the children to learn about our own culture thereby strengthening their roots.

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Evolution of the RMG sector

Why research, data and benchmarking are crucial for its growth



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the second most polluting on the planet. Says who? Well, quite a lot of people actually.

And yet, do we know that this is definitely the case? Is there concrete data to support such a proposition? No one seems to know where this data came from or how it was calculated.

Keep hold of this thought when considering Bangladesh's ready-made garment (RMG) industry. A lot is said about this sector: we are told that it lacks efficiency, we are told there is a lack of investment in research and development, we are told productivity rates are low. It may well be that the above points are true—certainly, anecdotal evidence would support such claims and we would all agree that things can be better. But can we be sure?

The problem is, we don't have enough data on the specifics. The old saying "you can't manage what you can't measure" was never so true as in Bangladesh's RMG industry. For example, it is often quoted that the industry operates at 40 percent efficiency. Where does this figure come from and how did it become common currency in the industry? Again, we simply don't know, and yet we seem to take it as validated data.

If this figure is 100 percent verified, we all know what we have to do. We have to invest in better technology, better training and better research and development. Why? Because efficiency

levels this poor would provide a clear and unambiguous business case for working towards efficiency improvements. And that's what we are talking about here: making clear business cases using confirmed, substantiated evidence.

Metrics and specifics matter. We need the ability to measure better. With proper funded research to provide an accurate measurement of productivity and efficiency in the RMG sector of Bangladesh, implementation of baselines will provide yardsticks for future measurements leading to dynamic,

Bangladesh's RMG industry.

It would be easy to become negative on this issue, but let's look at it like this: Bangladesh's RMG sector has achieved remarkable success to date without the aid of a structured, coherent approach to data and statistical insight. Imagine what we could achieve if we put those ingredients in place. This is actually a huge opportunity.

The RMG industry is so valuable to the GDP of this country that it demands its own sustainable research centre to centralise data—creating a tool for success. The sustainable research centre

and statistics and employs hundreds of people. The blueprint is there, and there is no reason why Bangladesh, the world's second largest exporter of apparel after China, should not have something similar.

We should also not forget that we *are* making progress in some areas of data collection and analysis. For instance, recent times have seen a team of researchers mapping every single garment factory in Bangladesh as part of an initiative by the C&A Foundation and BRAC University (BRACU). This is true radical transparency, the likes of which must be underpinned by



Major decisions impacting the future of the RMG industry must be built on the foundations of comprehensive research and proven facts.

PHOTO: STAR

productive, actionable benchmarks. With improved data collection processes, we stand to create paths of certainty, productivity and excellence. If data identifies weaknesses, we then know we have to make changes and try a different approach. There would be no more guessing.

A business can only make major financial spending decisions with a proven business case, and Bangladesh's RMG sector can be no different. Major decisions impacting the future of this industry must be built on the foundations of comprehensive research and proven facts. Such an approach also serves to ensure a sustainable future for

would serve to act as the market research arm supporting the RMG sector's global business practices.

What would such a research centre look like? We often talk as a country about learning lessons from China, a country whose textile industry is several years ahead of ours in terms of its development.

Research and data are two areas we can certainly work on. The China Textile Information Centre (CTIC) is a state-owned research institution in the Chinese textile industry and is managed by the China National Textile and Apparel Council (CNTAC). CTIC produces a wealth of research

painstaking research. Bangladesh is leading the way here.

But we can and must do more in the research field, and I believe we will.

Good, thorough research is costly—we all know that. But it's also a crucial piece of the puzzle. Moreover, proper research which uncovers key market insights will pay for itself multiple times over. Spending in this area will prove to be the smartest investment Bangladesh's RMG sector makes in the coming years.

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Hongkongers' search for an identity



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and protests, particularly from the millennials of Hong Kong, demanding immediate withdrawal of the law. It is not surprising that the current protests that began in June continues with violent weekend street battles with the police.

Almost all political movements have strong economic undertones. The income-curve of the eight million people living in Hong Kong is steeply skewed. Majority of the lower income group find it extremely hard to make ends meet with stagnant incomes and rising cost of living. Housing prices have tripled over the past decade and median rent has increased by almost 25 percent in the past 5-6 years.

generation has been leading this movement for democracy and social justice, which is in many ways a struggle for an identity.

According to Anthropology Professor Gordon Mathews of Chinese University, there has been a significant shift in how his students felt about their ethnicity since the handover in 1997. Most identified themselves as Hongkongers rather than Chinese. The term "Hongkonger" extends well beyond politics and nationality, and crosses into definitions of culture, ethnicity, race and morality. Mathews says the term "Hongkonger" has become synonymous with core values such as political transparency, rule of law and freedom of speech.

Dr Beatrice Oi-yeung Lam of Hong Kong University says there are different dimensions of "Chineseness". A Hongkonger identifying as Chinese may consider himself as culturally Chinese, but at the same time may have reservations about the political regime of the People's Republic of China and how "Chineseness" is framed under that political regime. She said the modern Hongkonger is a product of "a neo-liberal governmentality".

In the *Ethos of the Hong Kong Chinese* (1988), Liu Zhaojia and Kuan Hsin-chi summarised that those who claimed Hong Kong identity rather than a Chinese

Hong Kong".

Hong Kong's geographical location also has a particular influence on its people. The term "Hongkonger" is derived from a variety of sociological, cultural and economic factors. The port city of Hong Kong has had to adapt to large influx of traders and seamen from all over the world that gave them a distinct cultural identity.

The turmoil currently sweeping Hong Kong is driven primarily by four main factors: fear of Beijing's growing control; concern over erosion of its freedom and autonomy; very high cost of living; and Western "black hands" influences mainly from US, Britain, and the EU. Western media has been playing an aggressive role to project the confrontation between the protestors and Carrie Lam government—actually to discredit Beijing.

There is however no chance that Beijing will accept the demands of the protestors: universal suffrage; full democratic elections; independent inquiry into alleged police brutality. Beijing has condemned the protestors as "rioters" engaged in "colour revolution". However, Beijing has taken a wait and see policy and wants Carrie Lam to clear the mess her government has created. Beijing is currently concentrating its efforts on alleviating the economic pressures on Hongkongers. Carrie Lam's government has to focus on quickly tackling the wealth inequality, housing crisis and the high cost of living.

During the 70th founding anniversary of China on October 1, while the mainland was celebrating the occasion with pomp and grandeur, Hongkongers—in an act of defiance—came out in thousands and fought street battles with the police. President Xi Jinping addressing the nation reiterated that he will uphold the "one country, two systems" principle and integrate Hong Kong with the mainland. There is no chance that Beijing will allow this Special Administrative Region having a capitalist economy, different currency, different legal and administrative system, different passport, etc.—to secede and become another Taiwan.

The current wave of protests has done some serious damage to Hong Kong, known as Asia's financial hub. Businesses have slowed down significantly; tourism has gone down and normal civic life has been disrupted. Billions of dollars have fled to other financial centres, including Singapore. Strategically located, the port city of Singapore is expecting to benefit from the current turmoil in Hong Kong. It has good governance, stability and social harmony that are essential for pro-growth policies. Singapore is however, careful not to be seen as profiting from the unrest in Hong Kong.

Although the word "Hongkonger" does not define the nationality of the residents of Hong Kong, it gives them a cultural identity. The city's long history has helped shape this sense of identity which is yet to be established. Research and surveys conducted on the subject show that there exists an identity problem for the ethnic Chinese of Hong Kong.

The current unrest is the result of failure of China to culturally win the hearts and minds of the Hongkongers. The educated millennials are spearheading the movement not only for economic and political reforms but also to overcome the "identity vacuum".

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Colonial-era emergency laws were introduced a week ago banning face masks at public rallies.

PHOTO: AMMAR AWAD/ REUTERS

Together with economic woes, Hongkongers are also in search of an independent identity. Under the British colonial rule Hongkongers were neither British citizens nor Chinese nationals. The older generation may feel nostalgic over Hong Kong's colonial heritage but the younger millennials have little attachment with it or with mainland China. The mostly western-curricula educated younger

one, were "younger in age, more educated and higher in occupational status". They also had a more "modern political outlook" and were more "trustful" of Hong Kong government than China's. They concluded that this "identity differentiation" within Hong Kong society would continue to intensify and "inevitably have significant reverberations for future political changes in