

SC Sets Its Seal on Yunus' Ouster

Tuesday, 05 April 2011

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Yunus had convened a news conference at Grameen Bank headquarters at 5:30pm to brief the media on his reaction to the latest court ruling, but later postponed it, the bank's information and media co-ordinator Rafiqul Islam said.

At the hearing, senior Supreme Court lawyer Kamal Hossain appeared for Yunus, attorney general Mahbubey Alam argued for the government, and Tawfiq Newaz and Ajmalul Hossain for the Bangladesh Bank.

"Yunus is not the Grameen Bank managing director from now," Ajmalul told bdnews24.com after the dismissal of the Nobel laureate's appeal on Tuesday.

Yunus' lawyer Kamal Hossain, however, said, "Whether Dr Yunus will be able to continue as Grameen Bank MD cannot be ascertained right now.

"Another appeal, by nine directors of Grameen Bank is still under trial. Before its verdict, we cannot say anything conclusive."

In the hearing, Kamal Hossain said, "If an action is taken against someone, he must be given a notice. Attorney general did not present his statement through an affidavit."

"A rule must be issued if explanation of law is required. It was not done in this case," he added.

He argued that the retirement age of 60 was applicable for bank employees, not the MD, "since he is employed by the bank's governing council".

Attorney general Mahbubey Alam said Yunus' appointment letter had mentioned that he would be treated as a regular officer of this bank.

"Since he was a regular officer of the bank, the retirement age would apply to him as well."

On Mar 29, a regular bench of the Appellate Division, led by chief justice A B M Khairul Haque, ordered Yunus to seek permission for admissibility of the appeal for a freeze on the High Court order and fixed Monday the hearing, which was later moved to Tuesday.

On Mar 8, the High Court rejected Yunus's claim that his sudden sacking on Mar 2 by the central bank and financial sector regulator was arbitrary and illegal.

In its decision, the High Court had found that Yunus, 70, had no legal authority to act as the micro-lender's managing director, since its board had not obtained the Bangladesh Bank's sanction to re-appoint him beyond the bank's official retirement age of 60.

Yunus argued that Grameen Bank had been given special status and it was exempt from the rule.

He filed a petition against the order which the High Court had rejected. Later, on Mar 9, Yunus filed a petition seeking a stay on the High Court order.

Hearing the appeal on Mar 29, the Appellate Division asked the 2006 Noble laureate to file a leave-to-appeal and he did it on Sunday following the publication of the full verdict.

The removal of Yunus drew flaks from home and abroad with the US criticizing Bangladesh's handling of the affair.

Main opposition BNP also spoke highly against the decision, while his supporters said the firing was the culmination of a political vendetta against him.

Prime Minister Sheikh Hasina has accused Yunus, who briefly set up his own political party in 2007 during the military-run caretaker government, of using 'tricks' to avoid taxes and 'sucking blood of the poor' with his bank's loans.

The United States warned last month that ties with Bangladesh could be affected if a solution was not found to the clash between the government and Yunus.

PUSH FOR SETTLEMENT

Shortly after he was asked to leave the bank, Yunus tried to bargain the post of the chairman of the board of directors for himself, so that he could continue to oversee the bank after retiring.

But the government refused.

Yunus issued an appeal on Mar 7 for a smooth transition of leadership at Grameen, in first public indication that he was willing to relinquish control of the institution.

His supporters released a letter Yunus wrote last year to finance minister A M A Muhith, proposing that he step down as managing director, and suggesting the government — which selects a quarter of the Grameen board's voting members and the chairman — appoint him as chairman.

"This will ensure the continuity in the bank remains. The staff and borrowers of Grameen Bank will not get scared by the suddenness of my departure," Yunus wrote.

The bank now has 20,000 employees and 83.5 lakh customers. It has distributed Tk 60,400 crore in loans as of January 2011.

Grameen Bank recently came under media gaze after a Norwegian television documentary "Caught in Micro Debt" by Danish filmmaker Tom Heinemann on Dec 1 last year.

He claimed Yunus and his associates wrongly diverted nearly \$100m of grant money in 1996 to another company - Grameen Kalyan - which was not involved in micro-credit operations, without respecting procedures laid down by the donors.

Heinemann's report alleged that after the Norwegian authorities raised objections to the alleged transfer of funds, Grameen bank returned about \$30m. The aid money was from Norway, Sweden and Germany.

bdnews24.com was the first among Bangladeshi news media outlet to cover it.

The secret documents, which have never been published before and some of which are available on the bdnews24.com website, reveal that Prof Yunus breached the agreement on housing loans.

And when the Norway embassy, Norwegian aid agency Norad and the Economic Relations Division in Bangladesh demanded that he return the money to Grameen Bank, Yunus gave back less than some Tk 2 billion (\$30 million) of the Tk 100 million. The remainder remained with Grameen Kalyan.

The issue had been buried following a personal appeal from Yunus who had written to the Norad director general to save him from embarrassment.

In the personal letter on April 1, 1998, he said: "If the people, within and outside government, who are not supportive of Grameen, get hold of this letter we'll face real problems in Bangladesh," pleaded the man synonymous with small loans to village women.

"And Norad, the Norwegian Embassy and the Bangladeshi authorities kept their mouths shut," the documentary says. The money was from foreign grants from countries such as Norway, Sweden, the Netherlands and Germany, and the transaction took place at the end of 1996.

Later, in December last year, Yunus said he had received no undeclared benefits from Grameen, and that there was no question of corruption in the organisation.

The Norwegian government opened an inquiry. "The Government of Norway finds it totally unacceptable that aid is used for other purposes than intended, no matter how praiseworthy the causes might be," Norwegian International Development Minister Erik Solheim said in a statement.

Following the investigation, it only said the matter had been resolved and they found no evidence of a breach of its rules.

Subsequently, there was another story on Yunus' family business being managed by Grameen Bank on the bdnews24.com, which had obtained a copy of the contract handing over all management responsibilities of Yunus' family owned Package Corporation to Grameen Bank.

The government launched an investigation in January to look into the bank's affairs.

Source: bdnews24.com