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# Will the banking sector ever get out of trouble?

## Time for regulators to take their own regulations seriously

IT is concerning that default loan recovery has failed to keep pace with rising delinquent assets in Bangladesh, affecting the banks' cash flow and income. Between January and September this year, banks retrieved Tk 4,195 crore from their non-performing loans, which was Tk 3,751 crore during the same period a year ago, according to Bangladesh Bank data. However, the recovery is much lower than pre-pandemic levels, which is hampering the operations of banks as their capacity to lend is being compromised.

Banks recouped Tk 5,802 crore from their combined non-performing loans (NPLs) in 2020, in contrast to Tk 15,466 crore the year before. Despite the central bank relaxing loan classification policies since the beginning of Covid-19, it has failed to bring down NPLs. Understandably, a number of businesses have been struggling to pay back their loans due to the pandemic-induced economic slowdown. However, according to a report published by this daily on December 5, some businesses are refusing to pay back their loans despite making profits. And this brings us back to the problem of wilful defaulters.

Even before the pandemic began, the amount of leeway that was afforded to big borrowers—who were wilfully defaulting—by the central bank, sometimes under external pressure from the finance ministry and in violation of all banking rules and regulations, created an environment of impunity for habitual defaulters. By creating such an environment, the regulators did nothing short of creating the scope for others to follow suit. Other borrowers are now simply taking advantage of that—which experts at that time warned would happen.

By repeatedly violating or ignoring its own rules and regulations, the regulators have made a mockery of all banking norms. Is it any wonder, then, that our banking sector has been in perpetual crisis for years? For nearly a decade now, experts have been warning the government not to grant certain influential individuals and businesses any type of leniency—which the government has completely ignored. Therefore, the blame for the crisis that the sector is currently in falls squarely on the shoulders of the regulators.

Unless the regulators acknowledge their mistakes and seek to rectify their own policies, the banking sector will continue to slide deeper into trouble, endangering our whole economy in the process. It is time for the regulators to return to applying the banking rules and regulations uniformly for all—and to not give “special considerations” to politically connected people and businesses. Additionally, the regulators must identify the wilful defaulters and, instead of rescheduling their loans *ad infinitum*, take all legal measures necessary to try and recover their borrowings. Otherwise, it is the good borrowers who will continue to suffer—by having to pay higher interest on loans—and the economy will continue to suffer the repercussions of inefficiently utilising its resources.

# Death on the road has become our fait accompli

## Can no one rid us of this endemic?

ROAD accidents have become endemic to our system—so much so that news of mishaps and people getting killed in these incidents are considered commonplace. Nothing, regrettably, has been done to make roads safer and stem the ever-increasing procession of deaths due to road accidents.

There has been a quantum jump, both in the number of accidents as well as casualties therefrom. Maybe some statistics would help put the matter in perspective. According to a report in this newspaper quoting the police, a total of 3,095 people were killed in 3,259 road crashes in the first seven months of this year—over 40 percent higher than that of the same period last year. Meanwhile, according to data by Bangladesh Jatri Kalyan Samity, in the last three years, 64 people were killed while over 150 people were injured in road accidents every day on average across the country.

While we talk of casualties, we overlook the people who are injured. In fact, more than 90,000 people have been injured in the last three years. And no one knows how many from that number have joined the list of disabled.

Just compare the Covid-19 deaths with road accident casualties. According to WHO, in Bangladesh, between January 3, 2020 and December 3, 2021, there have been 27,986 deaths due to Covid—an average of 1,400 per year. But while we have an antidote for Covid, nothing of the kind is on offer to cure the malady that has taken an endemic form in this country.

There are long-term as well as short-term measures that can be adopted to address the issue, as pointed out by the students who have, once again, taken to the streets to urge the authorities to act urgently.

However, neither these pleas nor the alarming statistics seem to move the authorities. Despite repeated promises, the roads continue to remain unsafe. Strict control measures are woefully lacking. The road safety law is in hibernation, being a victim of pressure by the transport owners and workers. And the two have the strongest political clout. Unless we take a holistic approach and purge the sector from political control, there is very little chance that the situation will improve.

# 16 DAYS OF ACTIVISM AGAINST GENDER-BASED VIOLENCE

# Violence against women stunts our economic growth

MACRO MIRROR



FAHMIDA KHATUN

THIS year, Bangladesh celebrates its 50th birthday. These 50 years have been marked with several achievements and promises in economic and social areas. From a war-affected poor economy with low income and high population, Bangladesh now stands on a strong footing in terms of many economic indicators. Not only has the size of the economy expanded, resulting in higher per capita income and lower poverty, our social progress has also been noteworthy. Success is noticeable through reduced maternal mortality, lower child mortality, and better access to water and sanitation.

On the gender front, achievement has been visible in case of higher participation of women in the labour force over time. According to the Labour Force Survey of Bangladesh Bureau of Statistics, women's participation rate in the labour force increased to 36.3 percent in 2017 compared to 23.9 percent in 2000. Of the total female labour force, 59.7 percent are engaged in agriculture, 16.8 percent in industry, 15.4 percent in manufacturing and 23.5 percent in the services sector. Many women have joined non-traditional and emerging service sectors such as banking, insurance, telecommunications, hotel and restaurants, transport and real estate services. Higher education and improved skills have contributed to this rise as well. It is undeniable that women's economic empowerment has helped the improvement of their social status. Within their families, they are valued for their financial contribution and can express their opinions on family issues on that basis. Their income has contributed towards improving the nutritional status of their families, bettering the education of their children, reducing the number of child marriages, and lowering maternal and child mortality rates.

Bangladesh has achieved substantive progress in terms of various targets of the Sustainable Development Goals (SDGs). This progress is also evident in case of SDG 5, which calls for gender equality and the empowerment of all women and girls. Compared to South Asian countries, Bangladesh has been doing better on many gender-related indicators. According to the Global Gender Gap Report 2021 of the World Economic Forum, Bangladesh ranked 65th among 156 countries in the Global Gender Gap Index (GGGI). Though Bangladesh has slid downwards from the 50th position in 2020 to the 65th in 2021, it is still ahead of all South Asian

countries. The GGGI takes into account four indicators: economic participation opportunity, educational attainment, health and survival and political empowerment. One of the reasons for Bangladesh's drop could be the impact of Covid-19 on women.

Despite Bangladesh's impressive economic progress, violence against women is still prevalent and unstoppable. All types of violence—from verbal to physical to sexual—are present in all places. Women and girls of all ages face risks of abuse, harassment and violence in homes, educational institutions, workplaces and public places. At home, they fear facing violence from their family members. After marriage, girls often face domestic violence at their in-laws' house. At educational institutions, girls experience physical and verbal harassment by their male classmates, teachers and other officials. In workplaces, women are at risk of being harassed and violated by their supervisors and other male colleagues. And

children which teach them gender equality. Violence against women takes place due to the unbalanced power relations between women and men. This is a bigger and structural issue, and economic empowerment of women and the formulation of laws and policies are not enough to stop it. There are social, cultural, psychological, economic and political factors behind such violence. In many social spheres, women and girls are viewed as weak and less important. The cultural circumstances within which we live are unfortunately all about displaying power and undermining weaker sections. The powerful feel that they have a right to harm those they consider weaker. No one can protest if powerful people torture the weak and vulnerable ones—and this holds true across genders. Poorer men and women are in the same boat in many ways. But power relations determine one's behaviour and attitude towards other people in society. Violence against women is performed within the mental framework

they can get away with their crimes. It is this same culture of impunity which encourages men to torture and violate women.

If women do not feel safe, they will be hesitant to work outside. Their families will not allow them to go out to work, in order to protect their dignity. This is a backward move. The achievements made during the last five decades by Bangladeshi women will be lost if

*Women and girls of all ages face risks of abuse, harassment and violence in homes, educational institutions, workplaces and public places.*



Ensuring women's safety at home and outside and reducing violence against them is critical not only for their own development but also for their families and for the country.

PHOTO: REUTERS

of course, in public places, including open places and on public transport, sexual harassment, assault and even rape are too common.

When it comes to addressing such challenges, we often emphasise the need for proper laws and policies. However, what is needed is the implementation of laws and the carrying out of justice. This will not be automatic and requires a holistic approach. It is also a matter of lifelong learning and mental-shaping since the outlook and perception towards women and girls are developed from a very early age. Families have an important role to play while raising children. Schools have even more responsibility to instill values in

of them being weaker than men.

Political factors play the most important role in shaping power relations among people. In the absence of the rule of law in a society where perpetrators are not punished, crimes will continue to increase. Rapists or murderers tend to take shelter within political parties. They often find safety under politically influential members of society after committing crimes. The law enforcing agencies cannot take any action against them in that case, unless they are instructed to do so by the supreme authority. Even those who do not have any connections with powerful people commit violence against both women and men, as they believe that

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DURING the rule of HM Ershad (from March 24, 1982 till December 6, 1990), the phrase “Ershad Vacation” used to be widely used. Ershad was in power as the chief martial law administrator and the president of Bangladesh for nearly nine years. During his regime, rather than politically tackling the unified student movements, he would frequently pursue the policy of repression and the strategy to shut down educational institutions, whenever needed.

Ershad never had to take part in due political process, nor did he have to be elected. What Lt Gen Ershad did was participate in political activities while



The movement to oust Ershad and restore democracy in Bangladesh saw political parties with opposing views and ethos coming together and finding a common ground.

PHOTO: PAVEL RAHMAN

he remained the chief of army staff. On December 2, 1983, a political party was formed in his support—the “Janadal”—headed by Justice Ahsanuddin, whom Ershad had appointed as the president of Bangladesh. A few days later, on December 10, Ershad declared himself as the president by exercising his authority as the chief martial law administrator. On January 1, 1986, instead of Janadal, he formed another political party named the “Jatiya Party,” with former Awami League leader Mizanur Rahman Chowdhury as its convener. A few days later, Ershad himself

Ershad. Both of them established their authorities at all levels of their respective parties during that movement. They led two different political alliances and were also distinct in their views and ways. But during the movement against Ershad, they sat together at least three times to discuss the political situation. They held political programmes simultaneously to end HM Ershad's rule for years. Together, they called nationwide strikes at least 72 times. Besides, the Sheikh Hasina-led Awami League and the Khaleda Zia-led BNP were involved in around 250 more strikes

that were called at local levels. Ershad would frequently place the two leaders in “security custody” (in their respective homes). But they were indomitable.

In November 1983, the Awami League and the BNP, through their respective alliances, put forward a five-point demand, which included a parliamentary election under a non-partisan government. By then, the Awami League had decided to return to the parliamentary system of government, instead of the presidential system. BNP, however, preferred the presidential system, even though they had condemned the Baksal rule.

The “Manifesto of the Three Alliances”—one alliance led by the Awami League, one by the BNP, and the third one by the five leftist parties—which was unveiled on November 19, 1990, presented the formula to make Ershad step down. It said Ershad would have to hand over power to a person nominated by the three alliances. Three weeks later, he had to relinquish power to Chief Justice Shahabuddin Ahmed, who was nominated by the three alliances.

Shahabuddin served as the president of the caretaker government which oversaw the fifth parliamentary election held on February 27, 1991. The advisers to the caretaker government, appointed by the chief justice, were nominated evenly by both the Awami League and BNP. Although BNP won more seats than the Awami League in the election, it had to make an alliance with Jamaat-e-Islami to get an absolute majority to form the government. During the 1971 Liberation War, Jamaat-e-Islami not only aided the genocide, rape and looting committed by the Pakistani aggressors, but also took part in the crimes. The party and its student front, Islami Chhatra Shangha, formed the infamous al-Badr and Razakar *bahinis* who, through their violent activities, proved to be worthy allies of Yahya-Tikka-Niazi's barbaric forces.

The BNP-Jamaat collusion is considered a grave mistake in our politics. Many well-wishers of the BNP and party insiders believe that the party is still paying the price for this misstep.

After coming to power in 1991, the

BNP, with the help of Awami League, returned to the parliamentary system of government. But the fifth parliament could not become the “centre of all political activities” as specified in the manifesto of the three alliances. The Awami League lawmakers boycotted parliament sessions several times in a row. On December 28, 1994, 147 members of the Awami League, Jatiya Party, Jamaat-e-Islami and NDP resigned simultaneously, demanding the sixth parliamentary election to be held under a caretaker government.

The manifesto was undoubtedly a record of important political understanding. It contained pledges such as repealing the Special Powers Act, 1974, giving autonomy to Bangladesh Betar and Bangladesh Television, and separating the judiciary from the executive branch in order to establish the rule of law. The three alliances had also pledged to allow the local government bodies to operate in a strong and independent manner.

But clearly, the pledges were not met. Although both the Awami League and the BNP had agreed not to take in any of the “associates of the dictator Ershad,” they did not keep their word. Questions were raised against many—who later joined these two parties and got nominations to participate in the national as well as local body elections—about their loyalty towards democracy, freedom of speech, human rights as well as the ideals and values of the Liberation War.

The pledges that the three political alliances had made in their manifesto were essential for our smooth transition to democracy. The Awami League and the BNP leadership played key roles in formulating that manifesto. The student organisations then also supported that manifesto. Why couldn't they continue that political consensus in later years? There is a common term in English that goes, “A revolution betrayed.” Why the manifesto of the three alliances could not be implemented in Bangladesh should be looked into and analysed.

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