The Daily Star
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# We don't need another DSA-like law

## BTRC must withdraw its draft online content regulations

THE draft regulations for online content platforms, prepared by Bangladesh Telecommunication Regulatory Commission (BTRC), seem to be rooted in the same authoritarian worldview as the infamous Digital Security Act (DSA), in which digital security and human rights are secondary to the government's overarching need to muzzle dissent and free speech. The draft of "Bangladesh Telecommunication Regulatory Commission Regulation for Digital, Social Media and OTT Platforms" was made available early last month. Since then, it has attracted concerns that, far from offering a regulatory mechanism that is predictable, future-proof and fit for purpose, it gives one that is unsuitable, unrealistic and devoid of careful considerations.

We have already published a detailed analysis highlighting the key concerns about this draft. Now, 45 organisations have written to the BTRC, urging it to withdraw and reconsider the draft as, if enforced, it will "imperil people's freedom of expression and the right to privacy, undermine encryption, and weaken online safety."

These warnings, as we know from our observation of DSA enforcement, are almost certain to come true. Some of the major concerns expressed about this draft relate to: a) The absence of a "safe harbour" provision and the spectre of penalties for intermediaries and their employees; b) A traceability requirement that will undermine end-to-end encryption and violate privacy; c) The mandate for intermediaries to block an overbroad and ambiguous range of content, including content that is "insulting," "harmful," "offensive" or "breaches the secrecy of the government"; d) Truncated timelines to remove content; and e) The mandatory requirement for non-resident intermediaries to have local registration and appoint resident officers and representatives in Bangladesh.

The draft regulations appear to mirror many of the provisions in India's highly controversial Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021. These rules were already criticised for jeopardising human rights. A cut-and-paste exercise on the BTRC's part is, thus, deeply problematic, not least because—as an expert has pointed out—it pre-empts an authentic rule-making effort driven by the local issues, considerations and regulatory environment. The question is: Why would BTRC do it, then?

That is not to say that we don't need such a regulation. Given how widespread the use of the internet and how far-reaching its impact are these days, there should be rules to regulate online content, especially to mitigate its harmful effects. What we don't need is a hurriedly patched up law that forces an overbroad set of regulations that contravenes basic democratic principles and human rights. We urge the BTRC to withdraw its draft regulations, and engage all stakeholders to find out regulatory options best suited to their purpose and needs.

# Hear no evil, see no evil, punish no evil

## Authorities silent as entire hills disappear in front of their noses

PEOPLE with connection to powerful quarters continue to cut down hills across Bangladesh in the name of creating housing plots. It is happening this time right in the middle of Chattogram city. A detailed report in this daily highlights that the hilly areas of Chhinnomul Bazar in Chattogram's Arefin Nagar area have a number of signboards of housing projects, and that plots are being offered for Tk 7-12 lakh. It is said that the whole area surrounding Bayezid Bostami-Faujdarhat Link Road has seen mushrooming of such housing projects in recent years, where hills are being cut down on a daily basis right under the nose of the administration.

The surprising part of the story is that while entire hills are being razed, neither the Department of Environment (DoE) nor the district commissioner's office apparently has any clue of such massive activities. Hence, the pertinent question that arises is: Why does the DoE exist if it cannot exert force to protect natural assets before they are destroyed?

This daily has been consistent in reporting on how powerful people, in cahoots with some unscrupulous officials of the administration, have been levelling hills to create housing projects, especially in the hilly areas. In all the reported cases, the lack of surveillance by the competent authorities has come out in the open, but no immediate action has been taken to deter the criminals and send them to prison. Nor has any action ever been taken against those officials who have consistently turned a blind eye to these activities. It is, therefore, not surprising that housing projects in hill areas are booming, thereby spelling disaster for the environment.

We wonder: when millennia-old hills get razed to the ground defying the laws of the land, what do the DoE, UNOs, DCs and NGOs do to save them? Hills work as natural barriers to protect people from cyclones and floods. If all the hills are cut down one by one in a predominantly hilly region, the environmental calamity that would ensue will be one of dreadful magnitude. We are deeply concerned to learn that, in most cases, the Chattogram Development Authority (CDA) allows construction on condition of obtaining a "no objection certificate" (NOC) from the DoE. That means by spending money and exerting influence, anyone can obtain a certificate and go and cut down an entire hill! We believe it's high time the ministries concerned woke up and put a stop to hill-cutting under any scheme whatsoever.

# Is Dhaka beyond saving?

A CLOSER LOOK

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TASNEEM TAYEB

DHAKA, the nucleus of Bangladesh's economic success, is the most densely populated city in the country (and perhaps in the world), accommodating more than 47,000 people per square kilometre (as of 2018). The megacity alone accounts for one-fifth of our GDP and nearly half of the country's jobs. Dhaka is also the fourth least liveable city in the world, according to the Economist Intelligence Unit's annual global survey in 2021. The country's commercial lifeline has been subjected to haphazard and unplanned urbanisation, as a result of which it is now facing an existential crisis of its own.

Dhaka is plagued with high levels of pollution, unbearable traffic congestions and unplanned cluster of habitats mushrooming everywhere. The city often finds itself at the top of the Air Quality Index (AQI), with scores as high as 288—AQI score between 201 and 300 is considered "poor," while 301 to 400 is considered "hazardous."

The average driving speed of seven kilometres per hour is not only physically taxing for the commuters, but also takes a toll on the economy. A 2017 World Bank study suggests that 3.2 million working hours are lost every day due to Dhaka's traffic congestion. A 2018 study by the Accident Research Institute (ARI) of Bangladesh University of Engineering and Technology (Buet) reveals that traffic congestion costs the economy a staggering Tk 37,000 crore every year.

Given that these data are four to five years old, one might assume that the current scenario has only become worse. An article by *The New York Times* reporter Lisa Friedman, hosted on the Cities Alliance website, suggests that each year, about 500,000 people migrate to Dhaka from rural and coastal areas. With the land mass remaining constant, it is only natural that this growing population burden would take a toll on the city.

Then there are the unplanned roads and alleys, which make the city even more vulnerable to disasters and make disaster management more challenging. Let's take the fire incidents as a case in point. These incidents are a recurring phenomenon in Dhaka—for many reasons ranging from violation of Rajuk guidelines and usage of residential areas for commercial purposes, to lack of basic fire safety measure in the buildings. Managing fire hazards has been made even more difficult in many localities because of the narrow roads that are inaccessible for large vehicles carrying heavy equipment.

Moreover, the desperation of people who migrate to Dhaka from other parts of the country is often exploited by some vested interest groups, leading to criminal activities and increased pressure on law and order management. And with unemployment increasing—many employers had to lay off workers to mitigate the pandemic-induced losses—the migrants remain prone to the lures of income opportunities by unscrupulous individuals.

And people still keep migrating to Dhaka in the hopes of building a better life. And why not? Dhaka city, along with the greater Dhaka region, account for 48 percent of all the jobs in Bangladesh. All the major infrastructures of governance, including the secretariat, are based in Dhaka. The best educational institutions and medical facilities are concentrated in Dhaka. Who would not want to have these facilities?

The question is: For how long would we be able to sustain this rampant concentrated urbanisation? A report presented at the Annual BIDS Conference on Development in 2021 says our per capita income and GDP was 11 percent lower than its potential in 2017, as a result of excessive resource concentration and economic activities in Dhaka. The report further suggests that the country is losing between 6 and 10 percent of GDP because Dhaka's growth rate exceeds the optimum rate. If this continues, in the long run, Dhaka's rapid urbanisation will become a liability for the nation's growth and development.

Do we want to keep watching as Dhaka crumbles down by the burden of overpopulation?

On multiple occasions, experts have recommended the capital's decentralisation to take off the extra population load. It is time for us to act on those suggestions now. This is not only about empowering local governance, down to the district levels, with decision-making abilities, or improving the educational and healthcare services across the 64 districts, but also about creating economic hubs in all the regions.

**With almost half of the country's jobs located in Dhaka, the city is home to a population that is beyond its capacity.**

PHOTO: AMRAN HOSSAIN

Every region has its strengths, and these strengths should be leveraged to create employment opportunities for the local people. The government should consider offering incentives to industries to relocate outside Dhaka. In addition, to support the industries, the government should build the necessary infrastructure and improve connectivity to ensure smooth trade and transactions.

Moreover, medium-sized, climate-resilient secondary cities need to be developed across Bangladesh, so that people can find livelihood opportunities closer to home. People living in the coastal areas are especially prone to internal migration, and there should be a plan for their proper, constructive rehabilitation in the nearest secondary city, so that they do not find themselves lost in big cities without any livelihood support.

For Bangladesh, there is no alternative to developing secondary cities. We have big aspirations: we want to achieve all the Sustainable Development Goals by 2030, we want to become a developed nation by 2041. But without developing sustainable, economically efficient, climate-resilient cities, achieving these goals would be impossible. For a prosperous tomorrow, we need to act today, and the responsibility falls on the policymakers. It is high time they revisited their vision for Dhaka and took proactive measures to turn it into a liveable city.

PROJECT SYNDICATE

# *IMF's Unfinished Business*

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THE International Monetary Fund (IMF) is showing promising signs of changing with the times. In addition to recognising that climate change poses significant risks to financial stability, it has responded to the pandemic with a major new allocation of special drawing rights (the fund's reserve asset), while criticising the G20's inadequate framework for dealing with debt distress. Moreover, in a recent agreement with Argentina, the IMF largely abandoned the kind of austerity programmes that have long plagued its reputation, not to mention undercutting livelihoods around the world.

The IMF will have a chance to take another major step in the right direction when it reviews its stance on capital flow regulation later this month. The original rationale for such regulation, enshrined in the IMF's Articles of Agreement, was that cross-border capital flows could disrupt international financial markets, the stability of which was the IMF's *raison d'etre*.

Yet, ironically, in the IMF's darker days during the 1980s and 1990s, it made bailout packages conditional on recipients deregulating financial flows, and in the late 1990s, it even tried to change the Articles of Agreement to outlaw capital flow regulation. But the 1997-98 East Asian financial crisis, which resulted largely from capital market deregulation, sidelined that effort.

For many countries, capital flows are important for sustaining investment and growth. But some of the IMF's own research shows that international capital flows to emerging markets and developing countries (EMDCs) tend to be highly unstable—surging when interest rates are low in the United States, only to undergo "sudden stops" when monetary conditions tighten. While the surges push up exchange rates and encourage EMDC companies and households to borrow excessively, the sudden stops derail growth, weaken exchange rates, and drive debt up to unsustainable levels. The resulting crises take an enormous toll on these countries' economies and citizens.

**Given the possibility that interest rate hikes and Russia's war in Ukraine will trigger massive capital flight and a global debt crisis, it is critical that the IMF embrace capital controls and the role they can play in helping member states mitigate financial instability.**

Recent advances in economic theory have proven that capital controls can make markets more efficient, not less. In 2011, Anton Korinek published an article in the *IMF Economic Review*, showing that capital flows generate negative externalities, because individual investors and borrowers are focused only on their portfolios, not on how their decisions may affect financial stability.

The following year, the IMF issued a new "institutional view," acknowledging that capital flow deregulation is not optimal for most EMDCs, and that capital controls can indeed be effective under certain circumstances. And, to reduce the stigma, it rebranded such regulations as "capital flow management measures" (CFMs).

Yet, the effects of this shift remained limited, owing to resistance from major IMF shareholders, financial lobbies, and intransigent economists inside and outside the institution, who argued for unfettered financial markets and massive bailouts when things went awry. In the end, it became IMF policy to recommend CFMs only as a last resort, after a government had exhausted all other possibilities, even though academic economists and the IMF's own researchers have shown that capital controls are most effective when they are deployed alongside other policies, not used in isolation.

Even in the early days of the Covid-19 crisis, when EMDCs experienced massive capital flight, which predictably depreciated exchange rates and pushed many countries into debt distress, the IMF remained reluctant to advise countries to regulate capital flows. But things began to change this past December, when the IMF admitted that it should have sanctioned CFMs in its failed Argentina programme.

Another problem, however, is that even as the IMF has slowly changed its own stance on capital controls, trade and investment treaties have further curtailed the countries' ability to regulate capital flows. A recent study analysing more than 200 trade and investment agreements finds that the majority of those between advanced economies and EMDCs not only prohibit capital controls, but also allow private financial firms to challenge governments directly through dispute settlement bodies that tend to favour the firms. Worse, treaties outlawing capital flow regulation are fast becoming the norm, and cases against governments are on the rise.

At this month's review, the IMF's board should press for four reforms to the fund's capital account policy. First, the IMF must clearly advise member countries to enact permanent regulations, allowing for the rapid deployment of CFMs during surges and sudden stops. Second, it must recommend that CFMs be part of a multipronged approach, rather than used only as a last resort. Third, the IMF should advocate reforms to trade and investment treaties to grant EMDCs more policy leeway for using CFMs. And, fourth, the IMF must set aside time to train its staff to implement these policies in a consistent and even-handed manner.

Given the possibility that interest rate hikes and Russia's war in Ukraine will trigger massive capital flight and a global debt crisis, it is critical that the IMF embrace capital controls and the role they can play in helping member states mitigate financial instability. The world economy may well depend on it.