

Banking sector holding the economy hostage

Comprehensive reforms needed to boost investment, sustain growth

For years now, the banking sector in Bangladesh has been in a state of perpetual crisis, riddled with non-performing loans (NPLs), scams, capital flights, and poor regulation. At a time when financial institutions should have been strengthened to facilitate the country's aspirations to graduate to upper-middle-income status, we witnessed corruption and poor governance eroding their very foundation, exposing the economy to untold risks. Despite repeated warnings to the government to bring about major reforms to the banking sector, the crisis has only gotten worse with time, with no visible effort to rein in the chaos and mismanagement that debilitate the system.

A recent report by the World Bank has identified that Bangladesh needs a more resilient financial sector to finance and sustain its growth in the future. Bangladesh's ratio of private credit to GDP is one of the lowest among its structural and aspirational peers, the study found, as a result of long-standing vulnerabilities in the banking sector that threaten financial stability, structural inefficiencies, weak regulatory and supervisory environment, and shallow capital markets. According to the IMF's global Financial Development Index, while peer countries such as China, Vietnam, Cambodia, and Thailand have bank-credit-to-GDP ratios that are substantially above 100 percent, in Bangladesh, this ratio has become stagnant at around 45 percent since 2016. Unless our government takes urgent steps to rectify these issues, it will simply not be possible to facilitate productive investments that are needed for the country to progress to the next level.

The WB report points out that Bangladeshi banks have the highest levels of official default loans among the country's peers, coupled with very low profitability, with at least 20 percent of the total loans in the banking system being granted to directors. Even though there are restrictions on directors obtaining loans from their own banks without the central bank's prior approval, they can easily obtain loans from other banks, either directly or through family members.

The fact that ownership and management of the banks are in the hands of influential people with political ties means they remain out of reach of regulatory bodies who are either too weak or too complicit to reign them in. Meanwhile, Bangladesh Bank continues to allow big borrowers to default on loans as and when they please, at times under external pressure from the finance ministry and in violation of all banking rules and regulations. As a result, what we have now is a conducive environment for defaulters to keep on defaulting with impunity, while discouraging private sector investments.

The government has long known of the dangers of refusing to institute much-needed reforms in the banking sector; yet, it has essentially held the economy hostage to protect the self-serving interests of money launderers, frauds and loan defaulters. It must now seriously weigh whether it is worth jeopardising the future of the nation, its legacy of robust economic development and indeed all that Bangladesh has been able to achieve over the decades, despite the myriad challenges it has faced since independence, to line the pockets of some politically connected people and businesses. It must undertake comprehensive reforms, including increasing efficiency of the banking sector, ensuring regulatory practices and laws that are in line with best international practices, and increasing Bangladesh Bank's independence so that it can deal with crises in a timely and cost-effective manner.

Prioritise safety, not profit

Health sector must reduce alarming rate of C-section

We are concerned regarding the increasing rate of unnecessary Caesarean section births taking place in Bangladesh. As a recent analysis – titled "Massive boom of Caesarean delivery (C-section) in Bangladesh: A household level analysis (2004-2018)" – found, the rate of caesarean deliveries has increased almost eight fold in Bangladesh. In 2004, the rate stood at four percent, but the analysis revealed that the rate was found to be 33 percent in 2017-18. This rate is 18 percent higher than what the World Health Organization recommends it should be of the total birth deliveries in a country. More concerning, Bangladesh's rate of caesarean section deliveries far exceeds those of its neighbours such as India, Nepal, Myanmar, and Pakistan. And, alongside urban mothers, women in rural areas have also increasingly been opting for C-section births.

While a C-section birth is needed in situations of malpresentation, failure to progress in labour, pre-eclampsia, prolapsed cord, etc, it should never be the go-to method of delivery. The fact that C-sections can also be unhealthy or even dangerous is often unknown to mothers. The most common complications for women getting C-sections are infections, fever, excessive bleeding, muscular pain, headaches, and anaesthesia-related complications. This seemingly convenient procedure also increases the risk of serious complications during one's next pregnancy, including the possibility of being unable to have children in the future.

Given the aforementioned rise in the rate of C-section deliveries in Bangladesh, it is clear that a chunk of them are done unnecessarily, only for the hospital to pocket the higher price of the procedure versus the low cost of a normal delivery. Doctors in private hospitals reportedly falsely claim malpresentation to convince mothers to go for a C-section. How can doctors be so crass regarding the health and safety of their patients? Another issue that must be addressed is the need for trained birth attendants such as midwives. If they are integrated into the referral chain, even if a mother opts for a normal birth at home, a trained midwife could recognise at one point a normal delivery is unlikely and can then recommend that the patient be taken to a hospital instead.

We urge the government and its health sector to take action against hospitals which exploit birthing mothers by performing unnecessary C-sections. We also believe it is high time for traditional midwives to become integrated into the process of child-birthing and for there to be communication between them, the government, and hospitals. While it is crucial that mothers are made aware of when they should opt for a caesarean section birth, it is up to medical professionals to prioritise their ethics and never recommend a C-section procedure for the sake of profit – as has widely become the practice. Every child deserves a safe birth, and that's what the end-goal for healthcare professionals must be.

INTERNATIONAL DAY FOR OLDER PERSONS

How can we better care for our elderly?

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Ageing is a major concern in most countries. An additional 780 million people will join the ranks of the elderly (60+ years) around the world by 2050. And Bangladesh will have an additional 20 million elderly people in 2050.

In Bangladesh, too, elderly care remains unsatisfactory. The country initiated an Old Age Allowance Programme (cash handouts to the elderly), adopted the Parents' Care Act, 2013, and finalised the Probin Unnayan Foundation Act 2017 to monitor and execute decisions made by the government. Yet, the elderly care system remains inadequate, narrow in focus, and rather disjointed. The civil society is stepping in, but they also have to go a long way to address the complex array of social, psychological, and health needs of the elderly.

The rather disjointed and uncoordinated response reflects the difficulties to accommodate the diverse elements of care for the growing number of elderly people. Elderly care is expensive, estimated to be six times more than that for the young. More than two-thirds of workers in developing countries are engaged in the informal sector without pension or health insurance facilities. At old age, they remain without healthcare coverage. The increasing demand for care can easily overwhelm a developing country's exchequer.

Developed countries are much better placed, with about four percent of their national income allocated for elderly care. But they, too, are facing increasing pressure on this count.

Atul Gawande, doctor and author based in the US, notes in his book *Being Mortal* that government funding for geriatric care in the US has been declining in recent years. Curative treatments are highly expensive, outcomes are often not rewarding, and there are shortages of geriatric care staff.

Given the inevitability of the outcomes of old-age ailments, it seems reasonable to refocus old age care to ensuring "a good life for the elderly people" rather than on "prolonging their lives." This may sound cruel, but it is a more realistic and achievable



We will have to move beyond the existing care infrastructure to look after our elderly.

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objective. The statement also points to the direction of care for the elderly in poor countries.

The care systems will have to move beyond financial assistance, consider changing the architecture of support systems and the mindset of care providers, and make services accessible to the elderly. It should go beyond the provision of medicines only, and try to improve the quality of life, assure a sense of belonging, protect the elderly against cruelties, and restore their dignity. This will require re-engineering of the care infrastructure. It cannot be achieved overnight; it will require patient and continuing efforts for meaningful change, and their acceptability in society.

As a starting point, one can consider the following steps in rebuilding the care infrastructure for the elderly in low-income countries.

Keep focus on family-based care systems: This is still visible in Bangladesh. Gradually build the infrastructure of care around it, such as providing financial help, state oversight, and societal care. Create facilities for the elderly for accessing public facilities.

Motivate younger generations to care for the elderly: The awareness-

building will have to focus on young people – those in schools – by making it mandatory for them to devote a specified time every year to take care of the elderly in geriatric care institutions (in old-age homes, hospitals or other social institutions). This will be part of their academic curriculum, add to their grades, and be a "must" for advancing to the next grade.

Organise local support system and community action: The government could develop guidelines and back them by financial support to set up local community support systems. Not-so-elderly members of a local community, including local social workers, and senior students with prior training could be induced to register as social workers for elderly support with the local authorities and form a support system in their neighbourhood. They will visit the elderly on a regular basis, inquire about their health conditions, and mobilise support as needed. They will be empowered by local authorities and backed up by law enforcers if needed. A mobile phone app could connect them with each other, the elderly people and their families, care providers, and other support services.

A preliminary menu of support

The support services could cover a wide range of activities, but it must be introduced gradually after assessment of their acceptability. The menu could include (i) collecting and updating healthcare data on a regular basis, and storing them in databases set up in the bureau of statistics; (ii) connecting the elderly with healthcare providers in case of emergencies, and on a limited basis initiating a "red button" alert system for emergency healthcare; (iii) providing the elderly with moral and legal support for any dispute settlement, and connecting them with such service providers; (iv) creating local facilities for excursions of the elderly, and arrange excursions to local parks, exhibitions, and local and national events; (v) arranging events where people of all generations get together by hosting fun and free activities for older people; and (vi) promoting fund-raising through government and voluntary contributions for setting up more old-age care homes.

The list sounds ambitious, and it is so. The facility creation is just the initial step; overcoming taboos and ensuring good living for the elderly is the tougher task. But the elders of our country deserve it.

A forgotten partition: Myanmar's long separation from South Asia



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The year 2022 is a special year in more than one way. While three countries in South Asia – Bangladesh, India, and Pakistan – observed the 75th anniversary of both partition and independence from the British Empire, Bangladesh will also celebrate the completion of 51 years of its independence from Pakistan. However, this year also happens to mark the 85th anniversary of Burma's (Myanmar) separation from British India – an occasion largely unobserved, just as the actual events of 1937 remain forgotten from public memory.

The struggle for independence and the subsequent partitions in 1947 and 1971 were momentous events which came at terribly high costs, as millions were displaced and sacrificed at the altar of bigotry. Though the 1937 separation of then Burma from British India was a muted affair, the real cost of this partition can only perhaps be measured in terms of the human tragedy that has unfolded with the genocide of the Rohingya people and their displacement from their homeland in Arakan (the Rakhine state).

On September 16, 2022, 18-year-old Iqbal Bari lost his life when a military shell fired by the Myanmar military across the border exploded at the Rohingya camp near Bandarban's Tumbru bazaar. While Bari might be the latest victim of this ongoing onslaught unleashed by the Tatmadaw (Myanmar military), it perhaps provides a moment to introspect about the long shadow of

the 1937 partition of Burma.

The partitions of 1947 and 1971 had created postcolonial states. However, what was the first partition of the British Raj in 1937 created a separate crown colony with very little representative government under the Government of Burma Act 1935. Even though Burma's separation from the rest of South Asia was a "colonial partition" brought about as an internal administrative change within the British Empire, it had far-reaching repercussions and was certainly not uncontested.

There were genuine concerns among a section of Burmese nationalists that their country's separation from India was a ploy on the part of the colonial administration to halt the advance of representative government in Burma. The Morley-Minto Reforms of 1909 had allowed for Indian representation based on separate electorates for Muslims in all the provincial councils of British India, except Burma. The only elected representation allowed in Burma was from the European community. The immense contribution of British India to the war efforts in World War I (1914-1918) meant that there was a growing pressure from the Indian nationalists to enact further political reforms. The Home Rule Movement (1916-1918) advocated for granting self-government within the British Empire. The British administration responded by introducing the Montagu-Chelmsford Reforms of 1919. These new

set of reforms introduced the concept of "dyarchy" in all the major provinces of British India.

Dyarchy allowed some aspects of governance at the provincial level under the "transferred list," such as agriculture, health, education, etc, to be managed by Indian ministers. Matters of defence, communications, and foreign affairs were retained under British control as a "reserved list" of government affairs. However, the original Montagu-Chelmsford proposal had categorically excluded Burma from the scope of dyarchy. Sir Reginald Henry Craddock, the then lieutenant governor of Burma, was tasked with finding alternative reforms for Burma. The Craddock Schemes, which were extremely limited in scope, came under sustained criticism from Burmese nationalists, particularly by the Young Men's Buddhist Association (YMBA), which ultimately led to the introduction of dyarchy in Burma from 1921.

Even though the anti-Indian riots, particularly the Saya San Rebellion (1930-1932), had given voice to separation from India among a section of Burmese nationalists, there were genuine fears that this was a mechanism to deprive Burma of any reforms that might come out of the Indian Round Table Conferences that were being held in London from November 1930. These apprehensions were not unfounded as the Simon Commission Report published in May 1930 had recommended that Burma be separated from India and a separate commission be convened to examine the scope for further political reforms in Burma. On the other hand, the Simon Commission recommended abolishing dyarchy in all other provinces of India and extending the concept of provincial autonomy.

There were fears that the British Empire was being restructured into three tiers. Through the Balfour

Declaration, the white dominions of Canada, Australia, New Zealand, Newfoundland, South Africa, and the Irish Free State were declared to be autonomous and equal in status to the UK within the British Empire at the 1926 Imperial Conference held in London. It was widely expected that India would be allowed advancement in political autonomy, if not outright granted the dominion status, at the conclusion of the Round Table Conferences. This meant the proposed separation of Burma was understood to be a device to keep Burma at the lowest rung of the empire as a Crown Colony.

The Burma Conference convened in London between November 1931 and January 1932 deliberated over the possibility of a constitution advanced enough to soothe the trepidations of anti-separatist elements. One outcome of these deliberations was the creation of Excluded Areas as a permanent feature for ethnic minorities in Burma. Although the Arakan Hill Tracts were designated as an Excluded Area under the Government of Burma Act, the rest of Arakan was integrated with Burma. Consequently, in February 1947, when Aung San (premier of the British Crown Colony of Burma) concluded the historic Panglong Agreement for a new federal arrangement, only the representatives from Shan, Chin, and Kachin Excluded Areas were signatories to the agreement.

Anticipating the exclusion from political life, the Arakanese Muslims in May 1946 petitioned Muhammad Ali Jinnah to annex the Maungdaw region of Arakan to East Pakistan. However, Jinnah refused to entertain the idea, given that the 1937 separation had firmly placed Arakan within Burma. Thus, the colonial instrument of separation 85 years ago, though forgotten, remains consequential not only for Burma, but also for the rest of South Asia.