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FOUNDER EDITOR: LATE S. M. ALI

A risky move

Govt must think critically before going ahead with BEREC act amendment

It hardly feels like a coincidence that the government has approved an amendment to the Bangladesh Energy Regulatory Commission (BERC) Act within weeks of its staff-level loan agreement with the IMF, which came with renewed fears of harsh economic conditions. As if to validate those concerns, the cabinet on Monday approved the amendment that literally wrests control of fixing/adjusting electricity and gas prices from the BEREC "under special circumstances". Until now, the BEREC held public hearings on any proposal to increase prices and announced its decision 90 days later. The Energy Division can now do that promptly, bypassing any public hearing and without needing to go through the lengthy waiting period.

The government, while denying that the decision had anything to do with the IMF deal, says that it was necessary given the volatility in energy prices in the global market. It will enable it to quickly respond and adjust domestic tariffs when such price swings take place. The move is also being touted as a step in the direction of a dynamic pricing mechanism, which has long been a demand of multilateral lenders due to the inefficiency of the existing subsidy-reliant, administered pricing mechanism.

Coming against this backdrop, the amendment may seem to be a pragmatic decision in a changing market reality. But what it means for the future of ordinary consumers – now bereft of whatever control they had on such decisions – remains to be seen. Experts, however, were less than enthused. One of them called the decision to shift price-setting authority from the regulator to an implementing agency "a brutal attack on the basic principle of the law," one that will leave consumers without a voice. Although the government says the BEREC can still adjust prices as before unless it is a "special circumstance", how this arrangement will work out is unclear. Will the government be as interested to use this clause to bring down gas, electricity and fuel prices as it most likely will be to push them up? Can it refrain from taking arbitrary decisions? Past experience doesn't inspire confidence.

Another expert also questioned the government argument that it takes too long for BEREC to make price changes in line with changes in import prices. "There is no guarantee that allowing the energy ministry to set prices through gazette notification will enable more timely response of domestic prices to changes in import prices." Even in a so-called automated pricing mechanism, eliminating the exercise of arbitrary bureaucratic discretion will be a big challenge. For that mechanism to succeed, it will require a structure that supports both public interests and competitive pricing.

We are told that the approved ordinance will first be applied in the case of electricity tariff. From next month, the electricity price at the producers' end would be 19.92 percent more, and the six state-owned distributors have applied to BEREC to hike prices at the consumers' end. Now, this will most likely come into effect sooner than allowed under BEREC's jurisdiction. Whatever happens in the coming days, we just hope public interests will be given the highest priority.

Form committees to address sexual abuse

Complaint committees are a must to ensure safety of working women, students

It is unfortunate that even after more than a decade of a High Court directive on establishing sexual harassment complaint committees at workplaces and educational institutions, and frequent demands raised by students and rights activists since then, not much progress has been seen in this respect. If run properly, such committees can help ensure redress of sexual abuses at the institutional level.

Back in 2008, the Bangladesh National Women Lawyers' Association (BNWLA) filed a Public Interest Litigation with the court, requesting guidelines to protect women and girls from sexual harassment in workplaces and educational institutions. One year later, the HC issued a directive with a set of guidelines, urging employers and administrators to form a seven-member complaint committee in their respective institutions, headed by a female employee. However, so far, according to a recent estimate by the BNWLA, only 71 percent of educational institutions and 39 percent of workplaces have formed a committee as per HC guidelines. Further, only 44 percent of these committees are effective, while 57 percent of them do not have complaint boxes to report incidents.

For example, at the Jahangirnagar University, the anti-sexual harassment cell remains almost non-functional even after a decade of inception, with no office and no visible activities, according to a report published in June. Some female students, who have been victims of sexual harassment on the campus, claimed to have received no assistance from the cell after registering complaints. Female students even said that they had never received any sort of redress from the committee whatsoever. This is alarming.

Such institutional inaction is being reported at a time when incidents of harassment and violence against women, including female students, have risen alarmingly in the country. A recent study conducted by Plan International revealed that around 74 percent of female students face violence and harassment at their educational institutions. According to another study, most working women are also often sexually harassed at their workplaces. Under such circumstances, it is high time that all such institutions established proper mechanisms to record and address sexual harassment allegations so that sexual abusers can be brought to book.

The fact that there has been no proper follow up on the HC directive over the last 13 years speaks volumes about the lack of institutional accountability in Bangladesh. It is imperative that no more time is wasted in this regard. The authorities, both of institutions and regulatory agencies, must comply with the court's guidelines and form properly equipped, staffed and functional complaint committees so that working women or students around the country can fight sexual harassment. Students and workers should not have to come down on the streets every time there is a sexual harassment case, or worse, stay silent because of lack of institutional response. It should be something automatically addressed.

Financial sector reforms necessary to get rid of default loans



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AHSAN H MANSUR

Default loans are not something new when it comes to the country's banking sector. The problem has persisted ever since Bangladesh's independence, and attempts have been made on numerous occasions to resolve the issue. Back in the 1990s and in 2001 or 2002, the problem was reduced to some extent by introducing a number of financial reforms. The downward trend in default loans continued till 2011.

However, in later years, due to the shortcoming in governance, and lack of discipline in the financial sector, scams of a massive scale involving default loans were identified. This eventually re-established the culture of default loans in the country once again.

Even though the amount of our default loans is over Tk 130,000 crore, according to the government accounts, IMF suggests it is almost over Tk 300,000 crore. However, what remains outside of the government's calculations is the thousands of crores of money currently stuck at the country's ports, which the banks can never recover.

Another excluded element is the political influence used by loan defaulters. Politically influential defaulters do not repay their loans on time; however, by using their influence, they can reschedule the deadline of repayment and turn the schemes into medium or long-term loans. Under such an arrangement, an unpaid loan taken over 20 years ago does not fall under the category of default loans, as the loanee clears a small portion of the repayment – a mere two to five percent – but never repays the full amount.



ILLUSTRATION: BIPOLOB CHAKROBORTY

This was the case a few years ago when such loans were systematically prevented from going under the default criteria. However, the crisis only aggravated after that.

Some other catalysts have also been added to the crisis. During the Covid-19 pandemic, over Tk 200,000 crore was given as loans under an incentive scheme by the government. However, the money was distributed by banks, whereas the government only provided some subsidies. This huge amount of money eventually turned into default loans, where the loanees have shown their reluctance in repaying the money

they got as "incentives."

These loan defaulters remain free of consequences as the government continues to stay silent and take no actions against them. They roam freely, in both the country and abroad, where they continue to buy property with smuggled money.

And that is a massive amount of money that we are talking about. We

The weaker banks need to be taken over by the government to get rid of corrupt decision-makers. If need be, these banks have to be merged into one, or just the number can be decreased by giving back the money to depositors. These banks will only weaken the entire banking sector if left without any intervention.

In my opinion, if we want to revive the country's economy, we need to pay attention to our financial sector, which is one of the most backward sectors in the country. The banking sector itself is in a disastrous position. The return on assets is decreasing, so is the return on equity – which has seen a massive decrease from the previous 26 percent to a current 4.5 to 5 percent.

Investors who have invested in the banks' stocks are not getting proper returns. Banks are being used as a tool of economic oppression, where the directors are sharing the money among themselves but the real investors are being deprived of the benefits.

At this moment, the government needs to introduce major reforms. If we fail to ensure good governance, we will fail to make economic development a reality. The financial sector has a big role to play in this regard. The stock market, along with the banking sector, and the bond and insurance markets need massive



development. If the banking sector is reduced to a mere tool of economic oppression and exploitation by a chosen few, there is no hope for us to take the country forward.

Transcribed and translated by Nahaly Nafisa Khan.

Incompetence, complacency and freed militants

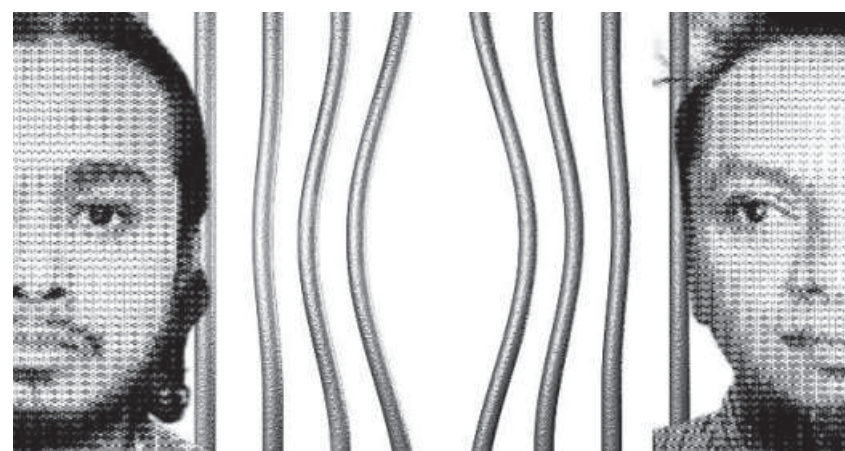


A CLOSER LOOK

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TASNEEM TAYEB

On November 20, 2022, there was nothing unusual in or around the Dhaka Chief Judicial Magistrate (CJM) court premises. Around 11 in the morning, a police team produced 12 militants – death row convicts and also accused in the high-profile murder cases of Faisal Arefin Dipan, Avijit Roy, Xulhaz Mannan, Mahbub Rabbi Tonoy and Nazim Uddin – before the Dhaka Anti-terrorism Special Tribunal at CJM for hearing. It was when these 12 convicts were being taken to the prison cell at the court – about 100-yards from the tribunal – that chaos ensued. A band of militants from Ansar Al Islam's military wing attacked the police personnel who had been escorting the convicts and



VISUAL: STAR

In the internal investigations, it should be thoroughly scrutinised if there are moles compromising our national security. In the meanwhile, people at high risk should be kept under watch and security around the country should be beefed up.

managed to whisk two of them away.

Later, it was revealed in media reports that Ansar Al Islam's military wing chief Ayman, alias Mashhur Rahman, had orchestrated the operation with a team of 12 to 18 criminals, with the aim to secure four of the convicts – Arafat Rahman, Abdur Sabur, Abu Siddiq Sohail and Moinul Hasan Shamim – with the latter two successfully managing to escape. Counter Terrorism and Transnational Crime (CTTC) officials told this daily that Ansar Al Islam's motive behind securing release of these four convicts is to involve them in a plan to launch a major attack in

the country. The four are said to have expertise in various skills including the use of firearms and sharp weapons and military training.

One might be pardoned for asking why was Ayman not arrested earlier – especially after he quit his job in March 2020 – and how could a person harbouring pro-militant thoughts be a member of government service, specifically assistant director of the Public Service Commission? Was this another case of intelligence failure?

While this gross breach of security at the court area is an indictment against the law enforcement agencies entrusted with the responsibility of safeguarding the integrity of the space, it also raises important questions about the ability of our intelligence and security agencies.

First of all, a very obvious question to ask is, why were there only four police personnel responsible for guarding 12 death row convicts, that too, those involved with a notorious militant outfit. Secondly, what were the on-ground security personnel doing when the attackers were taking position and waiting for their queue or even conducting the operation to free the criminals? Were the law enforcers and surveillance teams so naive and imperceptive that such movements evaded their radar?

Earlier in February this year, a robber named Harunur Rashid fled

from the Dhaka Court area. That should have been a key lesson for the law enforcers and surveillance teams in the area, since more than 600-700 criminals are taken to the court every day. But that clearly does not seem to have been the case.

Moreover, in the media reports, it has been suggested that transportation guidelines for militants and dangerous

voices, and with these criminals at large, and Ansar Al Islam planning to carry out major attack in the country, everyone should be on alert. This is especially applicable for the family, relatives, friends and close associates of the individuals murdered by these convicts.

At the same time, with elections looming next year, there have been warnings from various groups that certain vested quarters are trying to create unrest in the country to sabotage democracy. Could Ansar Al Islam be one of those rouge actors? This daring operation should also be analysed from this perspective to assess potential threats and adopt remedial measures.

The success of Ansar Al Islam in freeing these two prison-bound militants sends a dangerous message to the other militant and terrorist outfits operating inside the country. Although law enforcement agencies are on the hunt for the two escaped convicts and both the police and home ministry have formed multiple committees to investigate how this happened, without substantial results, these would be of no use. The law enforcement agencies should launch a comprehensive crackdown operation against Ansar Al Islam to not only catch the two who got away, but also apprehend the other members and their leadership, to extract information from them about their plan of action.

In the internal investigations, it should be thoroughly scrutinised if there are moles compromising our national security. In the meanwhile, people at high risk should be kept under watch and security around the country should be beefed up. Law enforcers working at different checkpoints should be instructed to be more active and vigilant and public gatherings and crowded places should be carefully monitored for any suspicious movements.

This operation should also serve as a wake-up call for our intelligence agencies that their game plan (if any) is not well-planned or effective, and that they must do more to keep an eye on the movements of rogue, militant elements in the country.

Militancy is one of our biggest national security threats. It should be dismantled and neutralised, as had been done in the past. We must turn every stone, explore every possibility, to root out terrorism from the country, and create a safe space for all our citizens.