

Assaults on anti-graft efforts must cease

Proposed restriction on ACC’s access to suspects’ tax files is unacceptable

The proposed Income Tax Bill 2023, which contains a section that restricts officials of the Anti-Corruption Commission (ACC) from accessing tax files of suspects under investigation without a court order, serves as yet another threat to the fight against corruption in Bangladesh. This provision, if enacted, would unnecessarily complicate and lengthen investigations, potentially allowing corrupt individuals to exploit legal loopholes and evade justice. While speaking to *The Daily Star*, some ACC officials have rightly expressed their frustration, saying they don't know for whose benefit is the anti-graft body's investigative power being curtailed.

That is precisely our question as well. Tax returns play an important role in uncovering illegal wealth and serve as crucial evidence in investigations. Under the current system, the ACC initiates an investigation upon receiving a complaint regarding illegal wealth. ACC officers obtain tax returns from the National Board of Revenue and cross check the information provided in the wealth statement of suspects. They also verify the details of movable and immovable properties through records from banks and other relevant organisations. If any irregularities are detected, they proceed to file cases. But the proposed restriction seems to benefit the very individuals the ACC is tasked with investigating, thus undermining its ability to tackle corruption.

As some have pointed out, it also contradicts article 20(2) of the Constitution, which criminalises unearned income, and even overrides the ACC Act itself, which empowers it to access information from government organisations during corruption inquiries. Why then, we must ask, are the authorities empowering potentially corrupt individuals when they should be empowering the ACC? The latest move comes at a time when its investigative authority stands severely diminished. In the past years, we have seen various efforts, legal and administrative, to curtail the power of the ACC in investigating corruption, especially high-profile cases. We have seen how it has been virtually turned into a “toothless tiger”, its track record marked by woefully low conviction rates and a backlog of unresolved complaints/cases.

The proposed income tax bill is only the latest assault on the ACC and its investigators. And it is totally unacceptable. The fight against corruption requires a strong, independent, and empowered ACC that can hold the corrupt accountable, regardless of their influence and standing. We urge the government to recognise the ramifications of this provision, and drop it from the bill.

Another life lost to political violence

Police must follow due diligence and bring Hafizur’s killers to justice

As shocking as it is to learn that a young working man has been beaten to death in public, what we find equally distressing is the reason behind his violent demise. A report by this daily quoted witnesses saying that several individuals fatally beat 27-year-old Hafizur Rahman – who ran a chicken fry cart near the Mirpur 10 roundabout – on Monday because he did not take part in a Jubo League rally! Allegedly, Hafizur had been “instructed” by local ruling party men to attend the rally, but he decided to run his cart instead. The question is, why would choosing his livelihood over appeasing political leaders cost him his life in a country that is claimed to be democratic and respectful of citizen rights?

Apparently, it is “mandatory” for most street vendors to attend political events held by the AL and its affiliates, according to Hafizur's brothers, as well as several locals in the area who spoke to this daily. If this is indeed the case, it's totally unacceptable. With the general election only months away, we strongly suggest that the central AL leadership rein in their unruly grassroots leaders and activists so that they cannot employ such fear tactics. Such politics is not acceptable in a functional democracy, and will not help them in the election.

We also find the police's role in this incident quite dubious. The case statement that police have filed says a completely different story: that a brawl broke out between Hafizur and some customers over a torn bill, and they attacked him. A younger brother of Hafizur's, who filed the case, alleged that police prepared the statement and made him sign it. When contacted, the local OC denied the allegation and said the facts would come out during investigation. We sincerely hope that they do, and urge the police to do their due diligence in bringing the true culprits to book. It is the public that they are duty-bound to, and it is the public that they must serve above anyone else.

New Message

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Bangladesh’s bumpy digital finance voyage



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In the ever-evolving realm of global finance, the transition towards cashless societies has emerged as a transformative force, unlocking a myriad of benefits for nations embracing digital currencies. From bustling metropolises to remote corners of the world, countries have witnessed the power of digital finance in fostering economic growth, enhancing financial inclusion, and streamlining transactions. Amidst this global shift, Bangladesh finds itself at a crucial juncture, where the pursuit of a cashless future holds immense potential. However, critical analysis reveals both missed opportunities and challenges in the government's policies, including the ambitious Central Bank Digital Currency (CBDC) programme.

The numbers underscore the urgency for change. In Bangladesh, approximately 45 percent of the population lacks access to traditional banking services, resulting in financial exclusion and limited opportunities for economic growth. However, recent advancements in mobile banking and digital payment solutions have shown promising signs. For instance, bKash, a leading mobile financial service provider in the country, had registered over 45 million users by the year 2021, showcasing the growing demand for digital finance in Bangladesh.

Despite these achievements, we face significant hurdles on our path to becoming a cashless society. The CBDC programme, introduced by the Bangladesh Bank, is aimed to digitise the national currency, fostering financial inclusion and facilitating seamless transactions.

The emergence of Central Bank Digital Currencies gained significant attention after several decades, driven by factors such as the decline in cash usage, the rise of cryptocurrencies, and the need for central banks to maintain control over their financial systems.

Currently, more than 114 countries, accounting for over 95 percent of world GDP, have either launched or are considering launching CBDCs. However, a growing number of politicians and central bankers are raising questions about the necessity of CBDCs, particularly in countries with advanced banking and payment systems. Despite this scepticism, CBDCs could still play a crucial role in modernising cross-border payments and influencing the development of new currencies. Their success will



ILLUSTRATION: BIPOB CHAKROBORTY

largely depend on their design. CBDCs that have been fully launched, like the Bahamian sand dollar and Nigeria's e-naira, share common features such as user holding caps, zero interest rates, and no transaction fees. These measures aim to prevent significant outflows from commercial banks to CBDCs.

However, these early experiments have witnessed limited adoption. For example, China's e-CNY pilot has faced low uptake due to existing well-established and convenient payment systems like Alipay and WeChat Pay.

Despite these challenges and the modest adoption rates, some governments are offering incentives to promote the use of CBDCs in order to drive adoption and enhance financial inclusion. Nigeria, for instance, provides discounts for e-naira payments, specifically targeting the unbanked population. The programmable nature of CBDCs is considered a unique feature, enabling the implementation of smart contracts and facilitating more efficient control over the economy.

Nevertheless, it is still early in the development of CBDCs, and many possibilities and potential cases of use remain experimental. CBDCs have the

potential to revolutionise cross-border transactions and reduce reliance on the dominant dollar system. However, at present, CBDCs remain in the realm of experimentation, similar to the cryptocurrency industry. Critical evaluation reveals several challenges that undermine the effectiveness and feasibility of the programme.

One of the primary concerns revolves

around infrastructure readiness. Bangladesh's digital payment ecosystem is still in its nascent stage, with limited coverage and accessibility, particularly in rural areas. According to a report published in 2022 by the World Bank, only 53 percent of the population in Bangladesh has access to a bank account, indicating the need for substantial improvements in digital infrastructure to enable a smooth transition to a cashless system.

Moreover, privacy and security concerns surrounding the CBDC programme must be addressed. As a central bank-issued digital currency, individuals would be required to conduct transactions directly with the central bank, potentially compromising their privacy and raising cybersecurity risks. Safeguarding the integrity and privacy of financial transactions is paramount in order to build public trust and widespread acceptance of digital currencies.

To pave the way for a successful transition, Bangladesh must adopt a multi-faceted approach. Firstly, the government should prioritise strengthening the existing digital payment ecosystem and enhancing financial literacy to promote the

adoption of digital finance solutions such as mobile banking and digital wallets. These initiatives would lay a solid foundation for a cashless future and foster financial inclusion at a broader scale. Additionally, the government should focus on addressing the existing challenges in infrastructure, connectivity, and digital literacy. Investments in technology and telecommunications infrastructure,

particularly in rural areas, will be pivotal in bridging the digital divide and ensuring equal access to financial services for all citizens.

While our CBDC programme may face challenges, alternative strategies can harness the potential of digital currencies. Collaborative efforts with private sector players and international organisations, such as the World Bank and the International Monetary Fund, can offer valuable insights and guidance in formulating a comprehensive roadmap for a cashless future.

Bangladesh stands at a critical juncture in its pursuit of a cashless future. While progress has been made through mobile banking and digital payment solutions, there are still significant challenges to overcome. By addressing infrastructure gaps, prioritising privacy and security measures, and fostering financial literacy, we can unlock the power of digital finance to drive financial inclusion, economic growth, and improve the lives of citizens.

The journey towards a cashless society requires concerted efforts, innovative solutions, and a commitment to meeting the evolving needs of the nation.

The circular economy requires nurturing



RMG NOTES
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In recent years, global fashion brands have placed growing emphasis on textile recycling, circularity, and the circular economy. The more effectively the industry utilises existing resources, the less strain there will be on finite resources such as virgin cotton and man-made fibres like viscose, which contribute to CO2 emissions. As the world strives to reduce emissions, it is vital that we recognise the seismic changes taking place and their implications for clothing production.

While the private sector in Bangladesh has shown increased interest in textile recycling, we cannot rely solely on their efforts to transition to a circular economy. To truly transform our industry, the government must play an active role, too.

Governments have the power to promote and support textile recycling initiatives in several ways. First and foremost, they could launch awareness campaigns to educate citizens about the importance of textile recycling, the environmental impact of textile waste, and the benefits of recycling. These campaigns can employ various media such as advertisements, workshops, and educational materials distributed

in schools, community centres, and on online platforms.

Financial support is another crucial lever for governments. By providing grants, subsidies and/or tax incentives to businesses and organisations involved in textile recycling, governments can facilitate the establishment or expansion of recycling facilities, the acquisition of necessary equipment, and the development of innovative recycling technologies. In cases where commercial viability is uncertain in the short term, government intervention is even more important.

Infrastructure development is a pressing issue for textile recycling. Governments should invest in the development of recycling infrastructure, including collection centres, sorting facilities, and recycling plants. Some of these investments can be made through public-private partnerships. By establishing a comprehensive and efficient recycling infrastructure, governments can make recycling more accessible for citizens and encourage businesses to participate in the process. The availability of high-quality feedstock is crucial for textile recycling, emphasising the importance of well-located sorting facilities.

Additionally, recycling-related legislation and regulation are areas where only governments can pave the way. Governments can introduce or strengthen laws and regulations related to textile recycling, relax planning restrictions if necessary, and streamline the granting of recycling permits. This can also include mandating the implementation of recycling programmes, setting recycling targets, or imposing landfill bans on textiles.

By establishing and enforcing regulations, the government can create a supportive framework that encourages textile recycling practices. It can also utilise this regulatory framework to gain a competitive advantage over alternative textile recycling regions.

However, it is crucial for our government to collaborate with the RMG industry and fashion brands on textile circularity. This collaboration involves partnering with textile manufacturers, retailers, and other industry stakeholders to promote sustainable practices and encourage the use of recyclable materials. This can be achieved through setting standards for eco-friendly manufacturing processes, encouraging the utilisation of recycled textiles, and fostering partnerships between recyclers and textile producers. Although Bangladesh has already made progress in these areas, there is still a long way to go.

Innovation, research, and development play vital roles in advancing recycling technologies. Governments can invest in research and development efforts focused on

textile recycling by funding research projects, establishing research centres, and encouraging collaborations between academia, industry and government agencies.

Advancements in recycling technologies can lead to more efficient and cost-effective methods of textile recycling. In this regard, government support (such as grant funding and access to loans) becomes crucial. Additionally, the government can consider funding academia to develop courses in recycling research and new circular technologies.

As textile recycling is a global industry, international cooperation is essential for its progress. Our government should actively participate in international initiatives and agreements aimed at promoting textile recycling and reducing global textile waste. By working together with other countries, our government can share best practices, exchange knowledge, and collaborate on research and development efforts across the global textile value chain.

I firmly believe that increased circularity will be one of the most profound changes we will witness in textile manufacturing during my lifetime. It presents a significant opportunity for Bangladesh to take the lead and gain an early adopter advantage in the competitive global economy. However, for garment makers to maximise these opportunities, the Bangladesh government must provide the right legal and commercial environment and develop the necessary infrastructure.