

## Can we contain the dengue epidemic?

Preventive measures must be taken immediately and rigorously

It is alarming to know that dengue has spread to 57 districts of the country, with the highest numbers of deaths and hospitalisations recorded up until this time of the year. Ominously, we are yet to reach the peak – which might be in the August-September period – when things are expected to get worse. The miserable scenes of hundreds of dengue patients lying on hospital floors, waiting to be treated, give an idea of just how bad the situation already is. We must ask: why has a seasonal and totally manageable outbreak been allowed to go out of control? What steps, if any, have the health ministry and city corporations taken to pre-empt it?

Reportedly, Dhaka has around 60 percent of all dengue cases recorded in Bangladesh. It took several directives from the High Court to get the two city corporations to wake up and take preventive measures. Unfortunately, it was too little, too late by then. It is unfathomable that the city corporations did not start spraying insecticides months earlier to ensure that the larvae of Aedes mosquitoes were destroyed before they could spawn. Residents of many areas have reported not witnessing cleaning drives and regular spraying. Ironically, we apparently have a mosquito control department that has played little to no role in the fight against dengue. Why hasn't it been made effective given the gravity of the present crisis?

And what about the effectiveness of the insecticides used to kill Aedes mosquitoes? According to an icddr,b study released in May 2018, these mosquitoes have become resistant to regular insecticides. Have the city corporations brought new varieties of insecticides that would be effective against the dengue virus? There is still little confidence in the ability of the relevant authorities to tackle this severe public health threat.

It goes without saying that we must all work together to control this epidemic. We hope that the government's guidelines for all schools and colleges will be rigorously enforced. Care must be taken to regularly clean playgrounds and remove stagnant water from buildings. The authorities must make sure there is no stagnant water anywhere. Awareness programmes for students and residents in general are vital. The government also must conduct cleaning/spraying drives regularly, and expand the capacity of hospitals to accommodate the influx of dengue patients.

## No alternative to tax reform

Govt must overhaul our taxation system for greater impact

It is disappointing to see that the government has been consistently failing to meet its own tax collection targets. In the 2022-23 fiscal year, it failed to reach the target it had set in the budget, falling short by Tk 44,728 crore. This phenomenon has been going on for 11 consecutive years, according to a report in this daily. Clearly, our existing taxation system is not efficient enough, and something needs to change.

Granted, the last three years have been difficult economy-wise. Fallout from the pandemic and the war in Ukraine caused shocks to the global economy, the ripples of which were felt pretty strongly in Bangladesh. But what about the years before that? Why is the government still resisting calls to address the core issues that have been hindering our tax collection growth? Bangladesh's tax-GDP ratio was 7.5 percent in FY2021-22 – the lowest in South Asia, and one of the lowest in the world. Given the rate at which our economy has grown, such an abysmally low ratio is totally unacceptable.

To address these issues, experts have been suggesting an overhaul of our taxation system for a long time now. This newspaper alone published a number of analyses explaining why, and how, the system should be reformed. To this end, several recommendations have been made, such as expansion of the tax net, modernisation and capacity building of the National Board of Revenue (NBR), crackdown on tax evasion at all levels, reducing dependency on indirect taxes such as VAT and customs, finding new sources of tax revenue, etc. Reform is also crucial to meet the conditionalities set by the International Monetary Fund (IMF) for the \$4.7 billion it is lending to Bangladesh.

There is no point in delaying the reform that must happen if we want to improve our revenue growth and domestic resource mobilisation. Seeing as the government has set an ambitious tax collection target of Tk 430,000 crore for the NBR for FY2024, it must introduce systematic changes in our taxation process as soon as possible to achieve that target.

## LETTERS TO THE EDITOR

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### Reopen our closed jute mills

The Bangladesh Jute Mills Corporation (BJMC) was established in 1972 with more than 70 jute mills operating under it. But now, most of them have closed down due to losses and mismanagement. Behind these losses were corruption and management errors.

Many state-owned jute mills have closed down due to similar reasons. And in private jute factories, workers do not get the wages they deserve. Plus, some private jute mills are also closing due to bankruptcy or other complications.

But the demand for jute in the global market is increasing, and the demand for various jute products is also increasing. At such an opportune time, concrete plans should be made to renovate our jute mills and also ensure fair wages for the workers.

Md Maruf Hasan Bhuiyan  
Feni

# Authorities must first want to reform our banking sector



MACRO MIRROR

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FAHMIDA KHATUN

The banking sector in Bangladesh continues to be burdened with defaulted loans in the absence of any bold or robust countermeasures by the government over the years. Instead, good policies have been replaced with bad ones to favour defaulters and empower bank directors. It seems there exists a nexus among the policymakers, bank directors, and defaulters which facilitates the process of swindling depositors' money.

As a condition to avail a \$4.7 billion loan package from the International Monetary Fund (IMF), the banking sector has to go through reforms to reduce non-performing loans (NPLs) and improve the governance of the sector. The government agreed to comply with the IMF conditionalities in the face of deteriorating foreign exchange reserves. However, it seems the bank directors can influence the policymakers to ignore the IMF conditionalities, even though there is no visible improvement in the bleeding forex reserves.

**The authorities have shown a lack of proactivity in establishing discipline in the financial sector. Persistence of NPLs and misappropriation of bank funds are concerning indications of the government's indifference towards tackling this problem.**

The Bank Company (Amendment) Act, 2023 was passed in parliament on June 22. The amended bill includes some measures against loan defaulters. For example, it says that habitual defaulters will not be allowed to run businesses and travel abroad. Banks have to periodically send the list of wilful defaulters to the Bangladesh Bank. The banks will also have to publish a list of wilful defaulters on their respective websites and in newspapers. While these are positive moves, the proper implementation of these measures could be challenging in the current context, where powerful individuals get away scot-free while the powerless pay the price and suffer.

As opposed to these positive declarations, some changes in the amended Bank Company Act make it more regressive than its existing form.

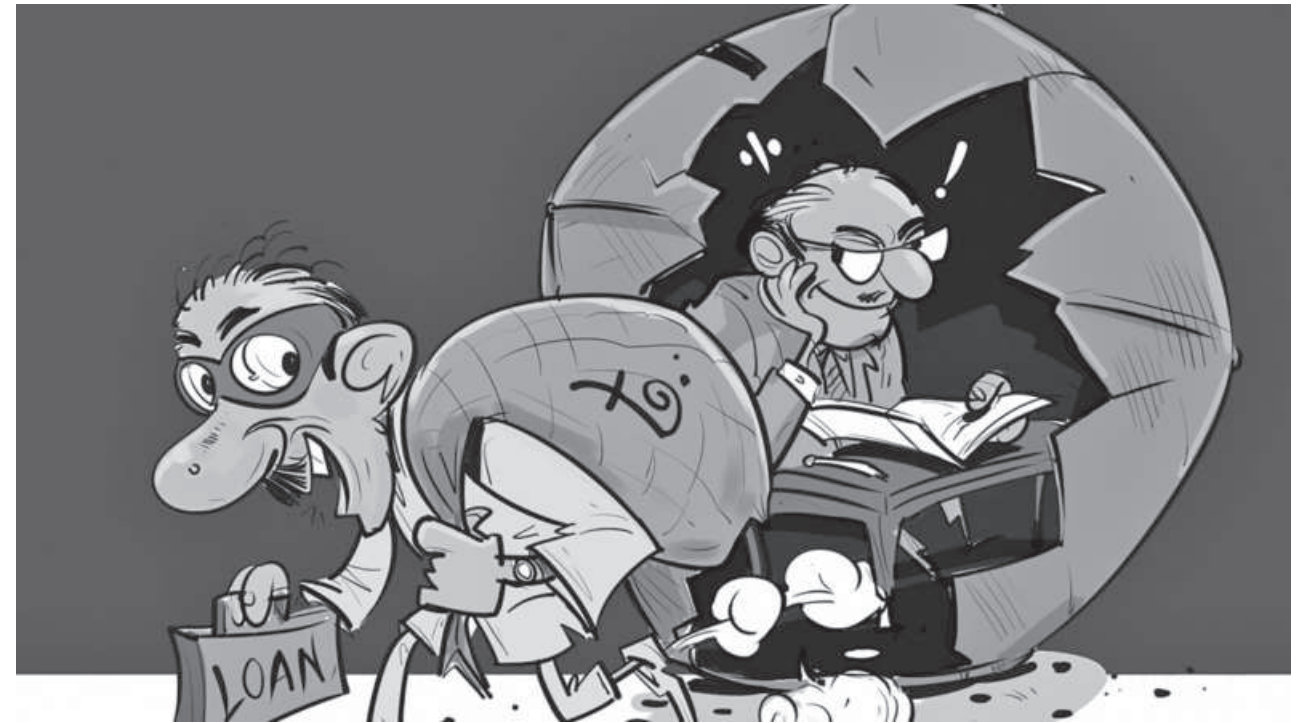


ILLUSTRATION: BIPOLO CHAKROBORTY

One may recall that the act has gone through several amendments for the wrong motives, and thus has been damaging for the governance of banks. In the Bank Company (Amendment) Bill, 2018, the tenure of directors in private banks was increased from six to nine years, and the number of family members allowed to be appointed in the boards of directors in the private banks increased from two to four. In 2003, the tenure of directors was made open, removing the bar of six years. Later, in 2013, the amended law brought down the tenure of board directors to six years. Also, the number of appointed family members was limited to two, with a view to curtail the dominance of family members and maintain corporate discipline. However, the 2018 amendment expanded the scope of family ownership in the banks, enabling up to four members to exercise increased control. This modification poses a risk to corporate governance. In the newly amended act, the number of family members is reduced from four persons per family to three, which is still more than the original rule of two members per family.

Moreover, this amended bill makes a very important change that will deteriorate the governance of the banking sector. The tenure of bank directors was raised from nine years to 12 years. Thus, directors can now stay on boards for another 12 years even if they have already served almost nine years, since their tenure will be counted

company law without any proposal from the central bank, and without any discussion in parliament by the public representatives, is unprecedented. This simply reflects the power of bank directors, some of whom are also connected to banks and have an active interest in approving biased and weak policies.

Often, large volumes of loans are given to certain groups, in violation of the rules. Hence, Bangladesh's banking sector has experienced incidences of loan fraud from many business groups and individuals. Irregularities in several banks, such as BASIC Bank, Sonali Bank, Janata Bank, and Farmers Bank led to the syphoning of huge volumes of depositors' money by borrowers, who were given leeway by the banks. A recent audit by the Office of the Comptroller and Auditor General (CAG) unearthed several serious irregularities in the state-owned Janata Bank during 2015-2020.

The banking sector now finds itself in a precarious situation, saddled with a multitude of irregularities and scams that has led to a fragile state of affairs. Unfortunately, the authorities have shown a lack of proactivity in addressing these issues and establishing discipline within the financial sector. The persistence of NPLs and the ongoing misappropriation of bank funds are concerning indications of the government's indifference towards tackling this problem. As a result, the

rescheduling of special mention accounts, the actual magnitude of NPLs may be considerably greater.

In the past, some reforms were undertaken, particularly under the auspices of the World Bank and the IMF. However, once these programmes are over, the sector starts sliding back. Unless the urge to change comes from within the government, such measures (taken in a piecemeal fashion) will not be sustainable. The government only comes forward to rescue banks when they face serious capital shortage. But recapitalisation of state-owned banks by the government has not improved their capital adequacy situation. The government also tried to salvage the troubled private banks, but no discernible success has been achieved.

Therefore, without meaningful reforms, the banking sector cannot play its role as a source of resources for private investors. Stronger internal control and skilled human resources within the banks are crucial. Reform of the judicial process is needed. In order to expedite the recovery process for defaulted loans, special tribunals can be set up for swift and efficient resolution. It is essential to increase the number of judges handling cases under the Money Loan Court Act, 2003 and the Bankruptcy Act, 1997. Most importantly, board members at the banks should be independent and selected based on their professional excellence and experience, not their political allegiance.

## Remembering Dr Zahir, my beloved senior



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M SHAFIQR RAHMAN

Dr Muhammad Zahir, the once well-revered jurist whose name has almost sunk into obscurity now, breathed his last on this day in 2013 in a hospital in Bangkok.

It's inconceivable how 10 long years have gone by since his death. He is still in my imagination vividly, as if he were here yesterday, barking out instructions to his juniors in his characteristically thunderous voice.

My acquaintance with Dr Zahir began in 2003 after I had come back from England and joined his chambers as an associate, and it lasted until his death. I was struck by the intensity and vivacity of his character. Whatever he did, he seemed to do it with every fibre of his being. He was quite sprightly for his age, and dressed with panache. He frequently out-walked us in the long verandas of the High Court.

An avid tennis player, he used to quip, "Two courts attract me most: the High Court and the tennis court."

He liked music and poetry, played the piano and guitar, sang English and Urdu songs from bygone days, and took pride in the fact that he had played with the legendary Indian playback singer Mohammad Rafi.

Always bright and breezy, he infused humour into a rather humdrum legal profession. His presence would immediately lighten up the rather sullen mood of a crowded courtroom, and would invariably elicit smiles from all, including the judges. I remember one incident when eminent jurist TH Khan (now deceased) was presenting vociferous legal arguments in court. After a long and noisy oration, he sat down triumphantly. Dr Zahir, the opponent's lawyer, stood up and, alluding to a quote from Hamlet, began, "My Lords, Mr Khan was full of sound and fury, signifying nothing." The jest was caught on right away and the courtroom roared with laughter.

Dr Zahir was a stickler for

punctuality. His unwavering devotion to work was legendary. He often preached Benjamin Franklin's age-old sermon, to "never leave that till tomorrow which you can do today." Despite having quite a few juniors at his disposal, he was the one who pulled the labouring oar in his chambers. Owing to his sturdy physique and soaring voice, with a flair for drollery, he kept his clientele captivated.



Dr Muhammad Zahir (1939-2013)

The author of an erudite book on company and securities laws, his contribution to company law was pithily incisive. He and Barrister Rafiqul Huq, now deceased, were the authors of the Company Rules now

in force. Corporate legal practice was Dr Zahir's stock-in-trade, though he is probably better remembered as a constitutional expert. In times of political crises, he frequently appeared on TV and uttered prescient warnings. Democracy and libertarianism ranked high in his thoughts. Being politically neutral, he was not trusted by any regime, and had never been appointed as the attorney general – a fact that he sometimes lamented.

He taught us many extraordinary lessons, and alerted us about the pernicious effects of cognitive biases (availability bias, confirmation bias, etc). He taught us about logical fallacies when arguing a case, and warned us about the straw man fallacy (the kind that was used by Senator Richard Nixon in his famous Checkers speech). He taught us to be aware of lexical and syntactic errors of language while drafting petitions. These lessons have guided us all throughout our lives, and we shall remain indebted to him forever.

Dr Zahir left behind his wife, a son, and a brother when he died. His wife, our beloved aunt, pined away after her husband's death, and eventually died in 2021. His former juniors are still carrying the torch of his legacy under the nomenclature "Dr M Zahir & Associates." We took up the mantle indeed, as he had always wanted us to. May the Almighty give him eternal peace.