

# National assessment of students sends ominous signals

## When will the government overhaul the education system?

We are worried by the latest National Student Assessment 2022, by the Directorate of Primary Education and Unicef, which exposes the deep fractures in our primary education system. The assessment found that over 60 percent of third graders and 70 percent of fifth graders do not have the proficiency in maths appropriate for their grades. Shockingly, 51 percent of the third graders and 50 percent of the fifth graders lack grade-level competence in Bangla. For years, education experts and stakeholders have been screaming themselves hoarse over how the primary school system needs a major overhaul. Even though many of the weaknesses have been identified, precious little has been done to address them in a comprehensive way over the decades.

The result is that the very foundation of education is weak. This has a cumulative effect as these students go to secondary school without the basic competency needed to understand and absorb the curricula in higher grades. We can only imagine the long-term consequences of such a flawed education system.

Unfortunately, the widely known problems – lack of proper classroom teaching, high student-teacher ratio, poor student-teacher interaction, inadequate infrastructure, and fund shortage – have not been solved for decades. The latest education budget, far from reaching the Unesco recommendation of 4 to 6 percent percent of the GDP, was only 1.76 percent of the GDP, the lowest in 15 years.

How does this show the government's commitment to invest in education to create the "smart citizens" of tomorrow? Twelve percent of Class 3 and 8 percent of Class 5 students have advanced proficiency in Bangla. In maths, the percentages are 11 and 9 percent, respectively. What will happen to the rest who simply have not been able to learn what they should have through no fault of their own?

What is most telling is the discrepancy in academic performance across divisions as well as geographical areas. Students in Dhaka and Mymensingh, for instance, performed better compared to Sylhet, while children in remote places and islands did poorly. This should give the government a good indicator as to which areas must be prioritised.

In the last decade or so the number of students enrolled has increased but the quality of education remains below par. The government must take immediate measures to revamp the education system. This will include increasing the education budget, employing quality teachers, providing them with proper training and salaries, and making sure classrooms are smaller so that teachers can pay attention to students as well as redesign the curriculum and teaching methods so that students learn how to be creative and independent thinkers. As Bangladesh approaches LDC graduation, there will be a huge demand for a skilled workforce. Unless the quality of education is dramatically upgraded, it will not be possible to develop such skilled human resources.

# Why is our drive against dengue so unscientific?

## It's high time we listened to our own experts

With the dengue situation in the country worsening by the day, it is truly frustrating to see the authorities resorting to the same tried-and-not-tested methods of mosquito control, without any real effort or investment into understanding whether their approaches are working. In fact, at a recent conference in the capital, noted entomologists in the country argued that the current measures undertaken by the city corporations are unscientific and farcical, and are actually contributing to the surge in dengue cases.

Experts have long warned that fogging, the most cited method of dengue control by the city corporations, is ineffective in curbing the dengue menace, as Aedes aegypti does not live inside sewerage lines or drains, and can kill at most 20 percent of the mosquitoes. Meanwhile, ad hoc measures, such as importing bacteria (Bacillus thuringiensis israelensis) for mosquito larvae control, will fail to provide a sustainable solution for dengue, and may, in fact, prove to be dangerous. The scientists pointed out that dengue control in neighbouring Kolkata was successful because they made use of their entomologists and other experts to come up with a scientific and comprehensive plan to eradicate mosquitoes from their communities. We join the experts in asking the critical question: why has Bangladesh not done the same?

It is obvious by now that the country and the institutions tasked with tackling dengue lack the necessary data and research to devise methodical solutions to the public health crisis. What is equally evident is the authorities' reluctance to listen to those with expertise to fill in their knowledge gaps. It is of urgent importance that the government bring doctors, public health professionals, entomologists, urban planners, city corporation officials and other stakeholders together to devise a coordinated action plan, not just for the immediate future, but for the long run, as by now, we know that dengue is here to stay. Investments need to be made in researching the virus, methods of transmission and serosurveillance, alongside evaluations of existing mosquito control measures. We must study and learn from the best and worst practices of other countries also battling dengue and prioritise data-driven approaches and adaptive technologies over traditional methods. Science, not bureaucracy, must be the driving force behind our fight against dengue.

# Rising risky loans and the talent of making excuses



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The Bangladesh Bank's (BB) Financial Stability Report 2022, released this month, revealed that our banking sector's risky loans amounted to Tk 377,922 crore by December 2022. This amount can be arrived at by calculating the total non-performing loans (NPLs), outstanding rescheduled and restructured loans, as well as written-off loans. It seems that the report was prepared under pressure from the International Monetary Fund (IMF), and BB was not eager to have it placed under the spotlight. Politically, it must also be embarrassing for the government as it has largely failed to rein in wilful defaulters and reduce the surge of bad loans. Economically, this culture is attributable to a gradual deterioration of Bangladesh's financial health.

The amount of advances reached Tk 1,472,112 crore as of June 2023, as data on the central bank's website suggests. The figure for risky loans counted those till December 2022. Surely, the number of delinquent loans had crawled further up by June this year. If included, we can easily assume that this amount of risky loans would have occupied over 25 percent of the total advances till June. Meanwhile, the amount of defaulted loans surged from Tk 120,656 crore at the end of December 2022 to Tk 131,620 crore by the end of March.

Thus, the amount of NPLs, though still below 10 percent of loans, has experienced positive growth. The actual share of NPLs in total loans would have crossed 20 percent had BB not loosened the definition under the tacit dictation of the finance ministry. Such allowances made for habitual defaulters have created incentives for new and old borrowers to default, and then be excused later. This trend poses a serious threat to the financial industry. Almost all of the risky loans will gradually be defaulted, regardless of BB branding them as "rescheduled" or "restructured" or "doubtful." This malignant growth of the default culture has nothing to do with the real state of the economy – which has grown at a rate of 6.3 percent between 2009-2022, as data from the World



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Bank suggests. Rather, this is solely attributable to poor governance and the political practice of pampering the superrich. Though the central bank and the finance ministry readily blame the war in Ukraine or the Covid-19 pandemic for any shortcoming on their part, the bad loans cannot be explained away as such.

Of course, new excuses can always be discovered, such as disturbances created by opposition parties, occurrence of natural calamities, side effects of US sanctions on Russia, social discontent over US visa policies and whatnot. But how far will these excuses justify the authorities' failure (both now and in the future) regarding poor loan recovery, fiscal incapacity, and foreign reserve depletion? The truth is that financial policymakers have become experts in manufacturing excuses which lack research and economic reasoning.

In its Monetary Policy Statement of July-December, the central bank went so far as to blame interest rate hikes in the US as a reason behind

percent in mid-2022. Bangladesh, whose inflation rate has been hovering near 10 percent for some time now, is failing to take such measures due to its strange policy on the interest rate cap, which favours wealthy borrowers who will eventually become defaulters or money launderers.

In its report, BB acknowledged, "Asset quality of the banking sector as a whole slightly deteriorated in 2022 as gross NPL showed a marginal rise..." But there are two errors in the statement. First, the word "slightly" may be pleasing to the finance ministry, but it is technically wrong. It should be replaced by "remarkably." Second, the asset quality dropped not just because NPLs showed a "marginal" rise, but because risky loans increased remarkably as borrowers sensed politicians' reluctance to displease looters and money launderers. Instead of superficially looking at the numbers, BB should have observed the trend and character of surging risky loans.

As the central bank asserts, "Ensuring the proper monitoring of

assuming office, and this might have been enough to signal to professional defaulters that regulations exercised by the central bank would now be lax. This was a massive blunder, and BB now has to face the consequence of being dealt more and more bad loans.

The BB report also stated that "... external issues like (the) prolongation of the Russia-Ukraine conflict and other geopolitical issues may result in slow business as well as impaired debt-servicing capacity of the borrowers, which might ultimately deteriorate the asset quality of the overall banking sector in Bangladesh." This is a roundabout way of saying that the central bank of Bangladesh will fail to recover loans and explain it away using irrelevant excuses. After all, what do rising default loans in Bangladesh have to do with the Russia-Ukraine war? Do our businessmen live in Ukraine, or have they invested in Russian assets frozen by the US? In the end, our financial authorities' talent of making excuses does not make sense in terms of economics.

# Why are we paying so much for healthcare?



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Why do we see people begging on the streets or in front of mosques? Some beg to buy clothes or food. But there are others who beg out of desperation, in order to finance the medical expenses of themselves or their loved ones.

One study, based on data from the Bangladesh Bureau of Statistics (BBS), found that the catastrophic health expenditure (CHE) among households in Bangladesh stood at 26 percent in 2016-17. A household faces CHE when its out-of-pocket (OOP) spending on healthcare exceeds 10 percent of their total income or expenditure. An estimation based on the BBS' Household Income and Expenditure Surveys shows that the CHE is rising. And, each year, around five million people in Bangladesh fall below the poverty line due to high OOP healthcare spending.

However, Bangladesh aims to achieve Universal Health Coverage (UHC) by 2030. This means that all citizens of the country would have access to quality healthcare and financial protection. Undoubtedly, this is a much-needed initiative to achieve our Sustainable Development

Goals while also ensuring the constitutional obligation of the government to provide healthcare services to all citizens.

In line with achieving this goal, the Ministry of Health and Family Welfare (MoHFW) published the Health Care Financing Strategy 2012-2032 in 2012. The strategy was designed as a framework for how the UHC would be achieved. It identified three broad challenges in health financing in Bangladesh: inadequate health financing, inequity in health financing and utilisation, and inefficient use of existing resources. The plan also proposed three key strategic interventions as a way of countering the challenges and increasing financial protection for the population.

Eleven years since the report was published, let us briefly break down the progress we have made in overcoming the challenges. The distribution of the total health expenditure in Bangladesh can be divided into out-of-pocket expenditure (from citizens), government financing, and private financing. In 2012, the government expenditure on healthcare was 26 percent, and the goal was to increase

this to 30 percent by 2032. Instead, it has declined to around 23 percent. In 2012, there was no social health protection scheme, but the target was that it would constitute 32 percent of total health expenditure by 2032. Unfortunately, a national social health protection scheme is still not in existence. One such scheme, the Shasthyo Suroksha Karmasuchi, was launched in 2016 on a pilot basis in Tangail and is only now being expanded on a limited scale to six other districts.

OOP expenditure, which constitutes the lion's share of total health expenditure in Bangladesh and is a reason why so many people face CHE, was 64 percent in 2012. The goal then was to reduce it to 32 percent in 2032. However, OOP medical spending stood at 68.5 percent in 2020. In short, we seem to have gotten worse over the last decade.

So, why have we not been able to overcome the challenges outlined in the government's health financing report? The reasons behind this are numerous and complex. According to the World Bank, there are bottlenecks in Bangladesh's public financial management system, which are hampering the implementation of the Health Care Financing Strategy. Removing the barriers in the system – which would not require much resources – can significantly improve the value for money in the government's health budget. The health budget has consistently remained below six percent over the past decade. This is problematic because the WHO's recommended allocation for this sector is 15 percent.

Moreover, the problems are further exacerbated because 20-30 percent of the allocated health budget remains unspent each fiscal year.

We need to remove existing barriers and implement the interventions mentioned in the Health Care Financing Strategy. However, we must also add supplementary innovative solutions that can help increase financing protection. For instance, the Institute of Health Economics at Dhaka University found that levying a monthly fee of Tk 21.5 on each active mobile phone subscriber can generate financial protection of Tk 500,000 for at least 60,000 cancer patients. This minimum charge can be used to provide health protection for patients of other leading non-communicable diseases as well. Similarly, CMED Health is using AI-driven health kits and trained paramedics to provide preventive healthcare through doorstep health screening in various districts of Bangladesh. Their comprehensive services can be availed at only Tk 100.

If the government can collaborate with such startups, which are providing cost-effective solutions, a lower number of households will have to face catastrophic health expenditure as they will be able to identify non-communicable diseases early on and prevent them. Healthcare financing is a crucial facet for a country aiming to obtain universal health coverage. It is time for collective efforts to be made by the government and stakeholders, and for innovative ventures to pave the way for a healthier and more prosperous future for Bangladesh.