

Jailing rights defenders sends the wrong message

Instead, investigate and stop human rights violators

A Dhaka tribunal has sentenced two top officials of rights body Odhikar to two years’ imprisonment each in a case under the ICT Act. The case was filed for a “distorted” report and “doctored” images about the May 5-6, 2013 police action on a Hefajat-e-Islam rally in Motijheel, Dhaka. Apparently, the report “tarnished” the image of the country, government, and law enforcement agencies, by claiming that 61 people had died that day – which was much higher than the official count. It can be mentioned that, at the time, there were discrepancies in the number of deaths reported by various organisations, while Hefajat itself alleged the deaths were in the thousands, a claim that was found to be completely false. But no cases were filed against it for this.

While we cannot comment on the merit of the recent verdict, we are concerned about the implications it will have on human rights defenders in general. Soon after the verdict, 48 eminent citizens of the country rightly demanded the immediate release of the two officials, stating that the incident would create obstacles to ensuring human rights and also prevent rights defenders from doing their jobs. Many abroad have also expressed similar concerns.

We cannot but feel a sense of unease at the timing of this verdict, coming as it does in an atmosphere of hostility towards dissenting voices. We have seen in the past the practice of politicising the legal system to harass and intimidate whoever the government of the day deemed an opponent. When governments changed, hundreds of cases filed by the previous administration disappeared because they were seen to be “politically motivated.”

Interestingly, in 2013, after their rally in Motijheel – which resulted in arson, vandalism and assault by Hefajat activists – at least 83 cases were filed against Hefajat, later accusing 3,416. Many senior Hefajat leaders went into hiding, fearing arrest. Only five years later, however, the government helped the same group to hold a rally in Dhaka; the mayhem caused during its last rally apparently forgotten. It should also be noted that the Human Rights Watch has pointed out that prosecutorial action on the Odhikar case did not take place until 2021 – after US sanctions were placed on Rapid Action Battalion (Rab) for its alleged involvement in enforced disappearances and extrajudicial killings.

In this connection, we must add that the speed with which individuals have been arrested and sent to jail in recent years – first under Section 57 of the ICT Act, and then the Digital Security Act – has created a culture of fear among people critical of government activities. This contributes to the overall uncertainty faced by the more active citizens, including journalists and human rights defenders. This cannot continue indefinitely.

We urge the authorities concerned to review the Odhikar case. The government should focus more on investigating the allegations of human rights violations, rather than clamping down on those trying to report on these incidents. Jailing human rights defenders will not improve our image abroad. It is not in the best interests of our people either.

Why set price caps if no one complies?

Prices of onions, potatoes, and eggs continue to remain unstable

What's the point of setting price caps if the authorities cannot ensure compliance of said caps? The futility of such regulatory interventions, however well-intentioned, has once again been laid bare after the commerce ministry set the prices of three essential commodities – onions, potatoes, and eggs – on Thursday. According to media reports, the initiative hasn't had the desired impact as most traders, in the absence of effective monitoring and enforcement, were selling those at higher prices the next day. This happened not just in Dhaka but across the country, too.

In the capital, according to a report by this daily, most grocery shop owners were reluctant to comply with the price caps. For example, the government set the price of onions at Tk 64-65 per kilogram, but market prices ranged from Tk 70 to Tk 95. Similarly, the price of potatoes was capped at Tk 35-36 per kg, yet consumers had to pay Tk 45 to Tk 50. And even though some shops were seen adhering to the government-set price for eggs, most were demanding Tk 13.50 instead of the stipulated Tk 12 for each egg. The resistance from shopkeepers is mostly a result of their suppliers not lowering prices simultaneously. In other words, the lack of compliance was near-total, extending to even the wholesale and cold storage levels.

This is quite frustrating. It shows how powerful market forces continue to exert their influence, leaving consumers to bear the brunt. The Directorate of National Consumer Rights Protection did, however, fine 90 companies across the country for failing to adhere to the government-set prices. But it was nowhere near enough to translate the initiative into real relief for consumers. In the past, we have seen how similar caps were imposed on the prices of other commodities, including LPG gas, edible oil, and sugar, only for those to fall flat quickly.

What this shows is a glaring gap in our regulatory framework – the lack of an effective mechanism to ensure compliance with not just the government's price caps, which is a special measure, but even general rules and regulations governing the market. What, then, we need is not quick fixes, however appealing they might seem. The authorities must establish a functional monitoring and enforcement mechanism to ensure that unscrupulous traders and companies controlling the food supply chain cannot manipulate prices.

Do we really need digital banks?



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The \$460 billion economy of Bangladesh is overburdened with 61 banks. While banks should be approved based on financial and economic viability, some were granted based on political consideration. Such a growth created unhealthy competition among banks.

Their asset management did not improve over time. The poor management of assets resulted in a huge rise of non-performing loans (NPLs), which stood at Tk 120,649 crore at the end of 2022. The central bank's Financial Stability Report 2022 showed that total risky loans stood at Tk 377,922 crore. Of course, the performance of the banking sector has declined tremendously. The growth of NPLs calls for increasing provisions, which a number of banks failed to maintain. As per Bangladesh Bank data, the amount of required provisions was Tk 86,270 crore in June 2022 against which Tk 73,050 crore was maintained. This produced a provision maintenance ratio of nearly 85 percent.

In addition, the fall of asset quality requires a corresponding increase in equity capital, as set by Basel Accords. While banks are required to keep at least 12.5 percent capital of their risk-weighted assets, as of June 2022, the capital adequacy ratio for all banks was 11.2 percent. Foreign commercial banks had a ratio of 26.4 percent, more than double the required. In contrast, state-owned commercial banks (SCBs) could maintain only 6.4 percent, half the required rate. But the worst situation was of specialised banks (SBs), which had a capital adequacy ratio of -35.8 percent.

Furthermore, non-performing assets also deteriorated bank profitability because provisions have to be maintained from profit. This decreased the amount of profit which eventually reduced the average return on assets (ROA) to only 0.5 percent and return on equity (ROE) to 9.4 percent, as per BB's June 2022 report. In comparison, the ROA and ROE of SCBs stood only at 0.2 percent and 5.4 percent, respectively. Even worse, the rates for SBs were -3.3 percent and -13.7 percent, respectively.

Some banks with high NPLs have also failed to attract new deposits. Consequently, at times, they could not even honour small denomination checks let alone sanction fresh loans, creating a credit crunch.

Instead of solving these problems, the country's banking sector brought



VISUAL: REHNUMA PROSHOON

considerable improvement in agent-banking operating in remote areas and mobile banking through apps. As such, BB recently invited applications for digital bank licences.

Digital banks, being convenient and efficient, primarily operate online through digital channels such as websites and mobile apps. It is argued that digital banks would bring financial services to a wide range of Bangladeshis by reducing the cost of banking and making banking services easily accessible. However, with limited digital infrastructure, low internet penetration, low financial literacy, lack of information technology (IT) awareness, and high cybersecurity threats, the potential may not be reaped fully. Rather digital banking may prove to be a disaster if cybersecurity cannot be maintained. Every system has its own weakness, which is not thought of during its development.

In February 2016, our own Bangladesh Bank came under the country's worst cyberattack, with tens of millions of dollars robbed and still remaining unrecovered. Many lessons may be learned from this. But what about the money lost? It is doubtful that it will ever be recovered.

is easily accessible to banks and difficult to access for hackers is a real challenge. Although app developers want to be one step ahead all the time, in reality, hackers are usually one step ahead of them instead.

The economic system of a country can be broken down by one cyberattack on its banking system. While there are dedicated hacktivists and cybercriminals for the sole purpose of robbing money, many of them engage in hacking not because they want to make money but because they see it as a challenge. But what is sport to hackers is certainly disastrous for customers of banks. Moreover, there is no guarantee that the app engineers themselves will not be involved in hacking.

Hence, digital banks must have strong encryption to protect information from internal and external threats. To this end, bankers should be trained on the workings of the system regularly. The security system of a digital bank has to be updated regularly. Customers must have some level of financial literacy and should be educated about the security features of digital banking. To provide flawless service, digital banks will have to work in cooperation with

of financial discipline. Long-standing poor governance is reflected in an increasing number of financial scams. Operational inefficiency is evident from a high expenditure-income ratio over the last decade. A few banks appear viable only on paper, with the NPL rates of several banks being more than 35 percent.

BB's priority should be to streamline the banking system by addressing these issues. Online banks in Bangladesh are fertile ground for looting money. And the approval of digital banks without proper preparation could be a step in the wrong direction for the entire banking sector. Any lack of awareness on any ground may create enormous security risks for digital banking. Weak security systems may turn digital banks into platforms for plundering the money of depositors – the weakest section of banks' stakeholders.

In order to approve a digital bank licence, Bangladesh Bank may use a benchmark for applicants that will improve the country's overall economic condition. For example, if the applicants are banks, their NPL rates (the benchmark) must be less than five percent and they should have decent online banking operations.

Why do villagers bear the brunt of loadshedding?



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The country's people, regardless of where they live, are witnessing an unbearable summer this year. According to the Dhaka Met office, temperatures are an average 2-3 degrees Celsius higher than those of the past decades. Amid this situation, the government is not being able to provide the amount of uninterrupted electricity that people expected to escape from the heat. Those who live in rural areas are suffering the most, as they have no alternative electricity source at home like city dwellers do.

The dollar crisis has hindered the import of coal and gas. As a result, the Bangladesh Power Development Board (BPDB) and Rural Electrification Board (REB) carried out a lot of loadshedding in June and July this year. The REB is mainly responsible for supplying electricity to villages.

According to media reports, the REB had 30 percent less electricity than the demand, causing 8-10 hours

of loadshedding in a day, especially in rural areas, during the two months. This has greatly affected everyday life. Although the situation has improved a little, there are still a lot of power outages in the northern districts, especially at night.

Strangely enough, although the government is unable to meet power needs, it pays thousands of crores to government and private power plants as fixed charges or capacity charges every month with taxpayers' money.

On September 5, in response to a question in the parliament, State Minister for Power, Energy and Minerals Resources Nasrul Hamid said during the last 15 years (three terms of the Awami League government), the government paid over Tk 1.04 lakh crore as capacity charges to 82 private and 32 rental power plants.

Interestingly, the government seems to have enforced planned loadshedding in rural areas rather than in urban

ones, as large factories, important offices, specialised industrial zones, and, of course, VIPs are situated there. That is why electricity supply has been higher in urban areas. No matter how bad the loadshedding situation may be, none of the helpless people in rural can pressurise power stations to improve the situation; they can only wait and hope in silence.

As an alternative source of electricity, most houses, offices, industries, and residential areas in the cities have generators or IPS (instant power supply) devices. But village homes have no choice but to rely on the grid, as the residents cannot afford these alternative facilities.

In the last 20 years, rural areas have developed a lot. But due to the power crisis, residents cannot fully enjoy the benefits of this development. For example, most village homes have refrigerators now. In place of traditional clay stoves, people now use electric rice cookers. And light bulbs have now become ubiquitous. Irrigation systems were also not as dependent on electricity as they are now.

No electricity means disruption of sleep during the hot, humid summer. It means land cannot be irrigated, and students cannot study. When upazila towns don't have electricity, the health complexes cannot perform critical

surgeries.

On top of this, people have to deal with absurdly high electricity bills. For example, a farmer whose bill is usually Tk 300 to 400 per month suddenly receives a bill 10 to 20 times the regular amount. If they have three months of dues, their connection is cut off. Many influential people or government offices, however, don't bother paying the bills for years, and nothing happens to them. For example, Social Welfare Minister Nuruzzaman Ahmed, his son, brother, and late father did not pay their electricity bills – amounting to Tk 9 lakh – for the last few years. And yet, Northern Electricity Supply Company (Nesco) did not take any initiative to collect their dues.

However, every month, this very company warns residents of villages and upazila towns using loudspeakers, that those who have bills due for more than two months will have their supply disconnected. This is a clear abuse of power, the likes of which we see too often.

The bottom line is that the electricity boards are entrenched in malpractices and lack accountability, which lead to unbearable sufferings for citizens who pay to get electricity. The policies centring power production and distribution must be changed immediately to relieve people of this misery.