

## No excuse for rising defaulted loans

### Leniency towards habitual defaulters led to this situation

In recent years, non-performing loans (NPLs), or defaulted loans, have been one of the factors crippling our banking sector. On a number of occasions, economists have spelled out the core reasons behind this growing menace and suggested targeted measures to stem its growth. Unfortunately, those suggestions have fallen on deaf ears, as we have not seen any solid efforts from the authorities to prevent wilful loan-defaulting.

The consequence is this: as of June 2023, the amount of NPLs stands at a staggering Tk 156,039 crore – a record high in the country’s history, according to Bangladesh Bank. This is without counting written-off loans and loans stuck in the money loans court; had those been included in the official figure, the amount of bad loans would have tripled, experts say.

However, our report also highlights a valid point worth considering: that there are borrowers who are simply victims of the economic challenges that the country is facing, making it difficult for them to pay off debts. To help genuine borrowers, the central bank reintroduced its relaxed loan payment facility in June this year. Unfortunately, it seems they did not foresee how habitual defaulters would take advantage of that facility, suggesting the futility of regulation minus political will to address a crisis.

Defaulters, clearly, are not the only ones to blame for this situation, with the government and the banking regulator also apparently patronising them. Over the past decade, the authorities have shown extraordinary leniency towards loan defaulters while our banks kept struggling with a liquidity crisis. The government has introduced policies allowing generous loan rescheduling and restructuring, which means bad debts kept getting converted into regular loans and big defaulters were able to stay under the radar. Then, there are the loan scams that have been bleeding our banks dry. Lending irregularities and political influence have paved the way for suspicious entities to borrow money and simply not pay back for years. All this happened because Bangladesh Bank, our banking regulatory authority, failed to enforce banking regulations and take stringent actions against habitual defaulters and loan scammers.

The authorities don’t seem to fully apprehend the gravity of the situation. Surely, the current state of NPLs does not evoke confidence in foreign investors, whom we need to help expand our economy. To the outside world, our financial health is not looking well, as evidenced by the country’s downgrading by three top credit rating agencies this year. Why, despite all the warnings, our government remains reluctant to make a strong move against big, habitual loan defaulters is a mystery to us. This shooting-in-the-foot attitude is going to cost it – and the economy – dearly unless it rectifies it. We can only hope that the government will do so before it’s too late.

## Don’t waste precious hours on self-praise

### Parliament must be a place where leaders passionately engage in policymaking

It is distressing to see the widening gulf between what people expect from parliament and what our parliamentarians actually deliver. A recently unveiled report by the Transparency International Bangladesh (TIB) has painted a damning picture of how valuable work hours were spent in the 11th parliament. According to the study, the current parliament spent only 16.7 percent of its time on debating and formulating laws – which is one of its key responsibilities – while more time was spent on self-praise. While ruling MPs spent 19.8 percent of time praising the prime minister and their own party, and 19.4 percent of time on various achievements of the government, only 0.4 percent (2.97 hours) was spent talking about corruption, which is eating away at the hard-earned achievements of the nation. Moreover, other critical issues were also hardly discussed. Therefore, we think the TIB is right to conclude that the 11th parliament has not been able to perform the role expected of it.

The fact that only around 124 hours of the total 744.13 hours were spent discussing laws passed in parliament speaks volumes about the weaknesses of the current parliament. In many countries of the world, around half the time is spent on formulating laws. For instance, in 2019-20, the UK parliament spent 49.3 percent of time on legislative affairs, while the Indian parliament spent 45 percent of time on lawmaking the previous year. Conversely, the performance of our parliament can be summed up by the fact that it took only 1.10 hours on average to pass a bill in the absence of any constructive criticism/discussion by the lawmakers.

The most obvious reason for such a situation is the absolute majority of the ruling party and the absence of an effective opposition, as also underscored by the TIB; other factors include the lack of effective parliamentary standing committees and the absence of a code of conduct for parliamentarians. If the standing committees remain inactive, who will hold the relevant ministers accountable? If the parliamentarians themselves are not aware of their role and what their conduct should be, how can we expect them to take care of their constituents?

The TIB study has laid bare a fundamental problem of our parliamentary system. We hope that incumbent MPs will take its findings seriously and hold each other accountable. The importance of this exercise should not be lost on us even if the current parliament does not have much time left. A parliament must always be the place where public interests are protected through judicious engagement by public representatives.

## NOT ALLOWING KHALEDA ZIA’S TREATMENT ABROAD

# Legal cover far from convincing



Kamal Ahmed is an independent journalist. His X handle is @ahmedkai

KAMAL AHMED

The government has turned down Khaleda Zia’s family’s application to allow her to be taken abroad for urgent treatment, which her lawyer and her party leaders have termed as a political vendetta. The government’s reasoning, as explained by Law Minister Anisul Huq, was that the application, on which the government has suspended the jail sentence of Khaleda Zia and released her from jail on two conditions, has been disposed of and has become a “past and closed transaction.” The minister also said that the decision to suspend her sentence was made under Section 401(l) of the Code of Criminal Procedure (CrPC).

This refusal to allow treatment abroad could not have come at a worse time, as the former prime minister’s continuous illness has reached a critical stage, with life-threatening conditions. Besides, political distrust and division in the country over the coming election, too, have become highly charged. Against this context,

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It is still unclear what rekindled the hope of her family and party that the BNP chief’s treatment abroad could be



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possible, despite the fact that several attempts in the past have been flatly rejected by the government, citing the same law and argument which the law minister has referred to in his latest legal opinion. Reportedly, Khaleda Zia told her partymen not to agree to participating in the next parliamentary election under the current government in exchange for her medical care abroad.

It, therefore, begs this question: was the life of a politician, of such stature, really made a bargaining chip by either of the parties? The question became even more pertinent when the law minister, responding to reporters’ queries on September 24, said that the government did not receive any application from her family seeking permission to take her abroad.

It followed the government’s decision to extend Khaleda Zia’s conditional release from prison for six more months, based on a separate application filed on September 4. As a result of the law minister’s suggestive remarks that the family had not sought permission for her treatment

whether the arguments of considering the petition “disposed of” and “a past and closed transaction” are tenable.

It is often said that the law will take its own course. But examples are plenty to prove that the incident at hand was simply political rhetoric. If someone compares the fate of the 78-year-old former prime minister with that of some other politicians, such as Jatiya Samajtantrik Dal leader ASM Abdur Rab, the irony becomes evident. The JSD leader was allowed to go to then West Germany for treatment while he was serving his prison term awarded by a martial law court. Another politician, Haji Mohammad Selim – who belongs to the ruling party – was not barred from travelling to Bangkok for his treatment despite being convicted and ordered to surrender, and having had a record of fleeing the country during the tenure of the caretaker government between 2006 and 2008.

Law Minister Anisul Haq said, “Once an application is disposed of under Section 401 of the Criminal Procedure Code (CrPC), there is no

literal, and some are mischievous or intended to create mischief.

Amid the contested claims by the government and by BNP, it would be better to read Section 401 of the CrPC and draw one’s own conclusion. Under the title “Power to suspend or remit sentences,” the law states in Section 401(l), “When any person has been sentenced to punishment for an offence, the Government may at any time without conditions or upon any conditions which the person sentenced accepts, suspend the execution of his sentence or remit the whole or any part of the punishment to which he has been sentenced.”

Additionally, Section 401(6) says, “The Government may, by general rules or special orders, give directions as to the suspension of sentences and the conditions on which petitions should be presented and dealt with.” As the literal meaning of the rule is far from convincing, it would be wiser for the government to reconsider its decision, which may help improve the current political environment in the country.

## The precarious lives of food delivery workers



Dr. Mohammad Shahidul Islam is assistant professor of Marketing at Brac University. He can be reached at mohd.sh.islam@bracu.ac.bd

MOHAMMAD SHAHIDUL ISLAM

Online platforms that deliver food in Bangladesh saw an explosion in popularity during the height of the pandemic. But due to this growth, several concerns have also come to light. These issues are mainly concerned with the socioeconomic precarity of the individuals working in the food delivery business and the behaviour of customers towards them.

A recent publication from the Institute of Chartered Accountants of Bangladesh found that food delivery occupations drew disproportionately large numbers of young males, students, and the unemployed. Sixty percent of the respondents were young adults (18-25 years), and 40 percent were either students or people without jobs looking for long-term employment. They are attracted to this industry because it is a quick alternative in a highly competitive and saturated labour market. These jobs offer financial support but are commonly characterised by low earnings, limited work stability, and no benefits. This illustrates how the gig economy may make workers susceptible to exploitation. As such, there is an urgent need to focus on the health and well-being of these

individuals, who are essential to the success of online food delivery platforms.

The dynamics of the online food delivery industry are significantly influenced by the behaviours of the customers who use these services. It is essential to cultivate a culture of respect and empathy for the people responsible for delivering food. Consumers are accountable for appreciating that the challenges faced by delivery workers frequently result from the same societal systems that contribute to the continuation of their difficulties. A change in consumer mindset toward better treatment and fair tips can improve delivery personnel’s quality of life.

The online food delivery industry is fraught with difficulties that put employees at risk. Many delivery riders in Dhaka frequently experience road accidents due to inadequate safety measures. Most don’t have access to insurance, worsening the situation. Lack of training opportunities also leave delivery workers unprepared to handle crucial jobs such as maintaining food hygiene and mediating customer conflicts. In light of these concerns, industry

leaders should take preventive measures, including training all employees in terms of traffic safety, first-aid, and customer services in general. Collaboration with insurance companies could help employees get the protection they need against illness, injury, and other hazards. By addressing these issues, food delivery platforms can increase workers’ well-being and productivity, leading

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to a more equal and sustainable workplace.

It may take the combined efforts of several different parties to develop an ecosystem for online food delivery services that is more egalitarian.

The government has an important part to play here, by implementing regulations that protect the rights of employees in the gig economy. These policies should include provisions for fair wages and social safeguards. Rating systems used by most online platforms are oversimplified and primarily concerned with client happiness, completely ignoring the complexities and obstacles delivery personnel face. This inequality highlights the need for online businesses to have fairer and more open methods of rating services. A delivery worker’s performance may be affected by several factors outside of their control, so it’s essential that the new systems not only reward good service but also take these nuances into account. This way, platforms would be able to foster a win-win environment that inspires productive relationships between their users and staff.

Online food delivery businesses’ meteoric rise to prominence in Bangladesh has caused a sea of change in the country’s dining habits. This change has become the norm in the post-pandemic era. However, the change has also introduced difficulties that must be addressed immediately, particularly regarding the health and safety of the employees who are crucial to the sector’s functionality. A sustainable and equitable industry can only be achieved via deliberate efforts to foster a consumer culture based on empathy, providing many opportunities for professional development and training, and setting up equal systems for evaluating and compensating employees.