

# The Daily Star

FOUNDER EDITOR: LATE S. M. ALI

## TIB affidavit review reflects rot in politics

Politics must not be a means to wealth accumulation but to public service

The disclosures of the Transparency International Bangladesh (TIB) vis-à-vis the assets of candidates contesting in the 12th parliamentary election cannot be called exactly sensational. Over the past couple of weeks, we have seen similar, if selected, dissections of the affidavits submitted by candidates to the Election Commission. But the TIB provides a broad, comparative overview of their assets, bringing into critical focus the state of politics—and politicians—in today's Bangladesh.

For example, according to the TIB, the 2024 election is set to witness the highest number of candidates with movable or liquid assets of at least Tk 1 crore in recent history. From 274 in 2008 election and 522 in 2018 election, the number of such candidates has surged to 571 this time around. Unsurprisingly, the ruling Awami League has seen the highest surge: in 2008, 28 percent of its candidates had such wealth, which has now ballooned to 86.96 percent—constituting 235 of its 286 nominees. Moreover, the TIB report identified 18 candidates possessing assets worth over Tk 100 crore, and some possessing over Tk 200-300 crore. Some ministers and lawmakers have also seen astronomical increases in their wealth with percentages ranging from several hundred to thousands!

Unfortunately, the picture that has emerged of the financial health of candidates may only be the tip of the iceberg, as the TIB has only reviewed their movable or liquid assets, not real estates. Add to that the gross undervaluation of assets by some, presumably to evade taxes, and the tendency of not disclosing all assets, as in the case of a minister who allegedly concealed information about businesses in the UK valued at Tk 2,312 crore. All this is deeply troubling.

While wealth itself cannot disqualify a candidate, the massive surge in their number raises critical concerns about the widening economic disparity in society, fair representation, and corruption in politics. Affidavits submitted by the candidates should thus be thoroughly examined to check potential irregularities. Unfortunately, the relevant authorities, including the Election Commission, Anti-Corruption Commission, and National Board of Revenue, have yet to signal their readiness to do so. This must change. While one cannot expect much from an election that the opposition camp has already boycotted, these candidates, many among them potential lawmakers, have a big task at hands, and their honesty and integrity to serve the public must be judged for the sake of our future.

## A failure on multiple fronts

National Bank's fall to doom is the outcome of poor banking governance

As disheartening as it is to see the crisis unfolding at the National Bank Limited (NBL), we are hardly surprised by it. After its inception in 1983, the bank, first ever in the country's private sector, performed well for nearly three decades until 2013 when things started to go downhill because of various irregularities. The responsibility for its impending doom, however, cannot be placed entirely on the bank authorities as regulators, too, failed to do their part in preventing it.

According to a report by this daily, almost all the indicators regarding NBL's performance and financial health are in the negative territory. Its bad loans, for example, have spiralled out of control. As of September 2023, NBL's total bad loans stood at Tk 13,514 crore, the highest among the private banks in Bangladesh—a massive surge from Tk 489 crore at the end of 2013. At the same time, its capital shortfall stood at Tk 2,024.4 crore, and provisioning shortfall at Tk 13,797.5 crore.

Insiders say that NBL's downfall began when Sikder Group gained a greater ownership of the bank in 2009. It made headlines frequently due to an array of highly irregular activities and banking rule violations, mostly committed by certain directors—that, too, in the presence of a Bangladesh Bank appointed observer on the board since 2014. Thus, the bank deteriorated right before the central bank's eyes, yet the latter did not take any effective action.

All this is reminiscent of a pattern we have seen all too often in the banking sector, where powerful individuals often get away with various irregularities. In its latest move to salvage the NPL situation, the Bangladesh Bank reportedly reconstituted its board ousting three Sikder family members, who have been embroiled in their own controversies. Although this step has come too late, we hope some strict measures will follow soon to turn things around. It's also high time the government overhauled our banking sector, otherwise breaking this unending cycle of bad governance enabling irregularities will remain a pipedream.

## LETTERS TO THE EDITOR

letters@thedailystar.net

## Organised crime in Cumilla

We are going through a terrible situation in Cumilla due to continuous theft from the houses of the Housing Estate, Section 3. An organised gang is behind these criminal acts, and their crimes have become so rampant that they openly carry weapons and intimidate people. We, the people of this neighbourhood, are in danger even in our own homes. Despite informing the councillor and police several times, they haven't taken the necessary steps to stop this gang. On behalf of the local community, I'd like to seek the attention of higher authorities to take action in this regard as soon as possible.

Samia Rahman  
Cumilla

# Energy-poor Bangladesh and its transition obligations



Dr M Tamim is professor at the Department of Petroleum and Mineral Resources Engineering in Bangladesh University of Engineering and Technology (Buet).

MTAMIM

The 2015 Paris Agreement intended to hold the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursue efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels. Bangladesh, being a tier three country with low CO2 emission, limited land, and climate vulnerability, has no obligations in this regard. In terms of total emissions, as of 2016, China, the United States, and India held the top three positions, emitting 50 percent of CO2. Bangladesh held the 48th position in total emissions, contributing only 0.21 percent. Yet, we have committed to unconditionally reduce our CO2 emission by 6.73 percent by 2030 (using 2012 as the base year). Although our power sector is the major polluter, there is scope for CO2 emission reduction in industrial processes and product use (IPPU), Agriculture, Forestry and Other Land Uses (AFOLU), and waste.

The other international commitment includes the Sustainable Development Goals (SDG), which were set in the UN Conference on Sustainable Development in 2012, with 17 goals for different sectors. The main objective of SDG 7 is to "ensure access to affordable, reliable and sustainable modern energy for all" and was set to be achieved by 2030.

Now, any country using less than 1,000 kWh per capita of modern energy each year is usually considered energy-poor. Spending more than 10 percent of household income on energy bills creates poverty as well. In 2022, 77 percent of the population didn't have access to clean fuel for cooking. Against a global average per capita electricity use of 3,204 kWh per year, the figure for Bangladesh is 464 kWh. By all definitions, Bangladesh is suffering from severe energy poverty.

The country's aspiration is to reach an installed capacity of 60 GW by 2041, with the clean energy target being 40 percent. Currently, 99 percent of energy in the country is produced from fossil fuels, despite around 600 MW of solar installation.

Installed capacity (MW) and energy produced (MWh) from that capacity are two different things entirely. The 24 GW of clean energy will have a maximum of 5 GW of nuclear power that is capable of producing at least 4 GW for 24 hours all year round. The remaining 19 GW of solar and wind can produce energy for a maximum of six hours at varying capacities. Even if we have cheap storage by 2041, the system will require four times more renewable capacity to

serve electricity 24 hours. Of course, the grid integration of renewables is much more complex and requires high flexibility of storage (heat, water, battery, hydrogen), demand management (including interruptible large consumers), regional interconnectivity, smart grids, distributed systems not connected to the grid, load shifting, an energy-only market (instead of a capacity market), and some fossil on stand-by. Before proposing the large renewable rollout, the system operator must be consulted for a clear vision and plan. We don't even have an independent system operator (ISO). Jumping on the renewable bandwagon may create a worse mess than what we have with the rental power plants.

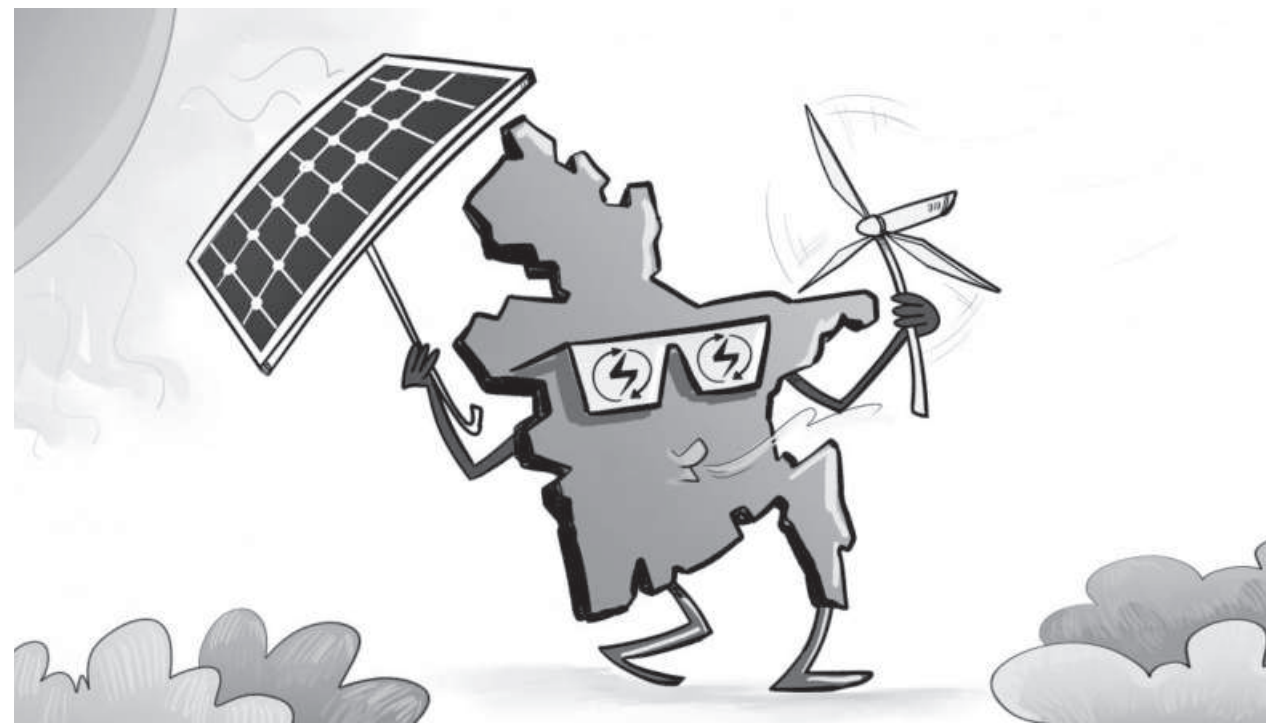


ILLUSTRATION: REHNUMA PROSHOON

Bangladesh recently achieved 99 percent electricity connectivity, which is remarkable and partially meets SDG 7 (except modern fuel for cooking). But with frequent interruptions, load shedding, and voltage fluctuation, this coverage is not reliable. Affordability is being somewhat ensured with heavy subsidies. While the average production cost in 2019-20 was about Tk 6 per kWh, in 2022-23 it went up to almost Tk 12 per kWh. With the average selling cost at the bulk level at Tk 6.7 per kWh and to general customers at Tk 7.5 per kWh, this is simply not sustainable. Providing affordable and sustainable primary energy is the biggest challenge for the

needs to be the cheapest energy and the peak has to be the most expensive. All oil-based power plants are meant to serve peak demand and should be operated on an energy basis instead of based on capacity. Unfortunately, we are still operating 2.5 GW oil-based plants for base load. Given the current supply and demand scenario, we can accommodate 2,000 MW to 3,000 MW of renewable energy during the day in our system without any major adjustments.

There will be no short-term solution to Bangladesh's energy woes unless the economy and dollar inflow improve. In the medium and long terms, the country must reduce

taken to shift our evening peak load to the daytime. This may include separate office and school schedules for the summer and winter instead of turning back the clock, mandatory shop closure by 8pm during summer, and many other measures. This is essential for renewable integration.

Renewable development must be deployed with clear planning in consultation with a competent system operator. Last but not least, our voluntary contribution to carbon emissions reduction is adequate. Bangladesh should prioritise achieving the SDG 7 of reliable, affordable, and sustainable energy for its citizens.

## Rise in child labour needs urgent attention



Farzana Munshi is professor of economics at BRAC University and a professorial research fellow at Global Development Institute of University of Manchester.

FARZANA MUNSHI

Child labour continues to persist in Bangladesh. The latest National Child Labour Survey (NCLS) reported an increase from 1.70 million in 2013 to 1.78 million in 2022. This increase is likely due to increased poverty caused by the Covid pandemic. Nonetheless, the positive economic performance of the last two decades should have decreased child labour, given that poverty is often cited as the primary reason behind child labour. Immediate policy action is required in order to reverse this increase in child labour.

Work adversely affects children's health and also human capital development, subsequently affecting future earning opportunities, and thus having an intergenerational effect. Relevant research suggests a range of harmful effects of labour on children, such as low body weight, higher rates of illness and injury, decreased self-esteem, increased anxiety and depression, and poor academic performance due to absenteeism, and

early dropouts. However, not all work performed by children is considered harmful. In many low-income countries, household chores and outside work are performed by children who are also in school. And if working hours and school hours do not overlap, working is considered mostly positive. However, the effects of child labour depend on working conditions, type of work, hours and, most importantly, whether or not work hampers children's physical and mental development.

In Bangladesh, the majority of children working in hazardous conditions are in the rural areas, where a significant number are engaged in family-based agriculture and non-agriculture businesses. It is observed that children of landless farmers work as paid or unpaid labourers, as domestic helpers, or engage in trading or apprenticeship.

Structural transformation in the last three decades has created job

opportunities in the suburbs and metropolitan areas, which has attracted many economic migrants from rural areas. Many of these households cannot manage a consistent income and end up depending on their children's earnings.

An alarming trend is the significant increase in the number of working children in the age group of 12-13 years—from 0.04 million in 2013 to 0.59 million in 2022—and their involvement in hazardous work, which has more than doubled in the last ten years. These ages correspond to the ages of students in the first year of secondary school in Bangladesh. Although many children manage to combine schooling with work (the 2022 NCLS reports that the number of child workers not attending school has declined from 1.07 million in 2013 to 0.85 million in 2022), dropout rates are still high in the secondary level, at 35.98 percent in general and 40.78 percent for girls. It should also be noted that primary education is free and compulsory in Bangladesh, but secondary and above are not and many children cannot afford the costs of schooling. Lack of quality education and anything above primary education not being free-of-cost are two factors that discourage many parents from sending their children to school. These parents prefer sending children to work

(instead of sitting idle) to acquire some skill and experience, with the expectation that this would help them find a job in future.

The vast majority of empirical literature has identified poverty as the fundamental reason behind child labour across countries. In addition, birth order is found to be a significant determinant of child labour. For example, in Bangladesh first-born children are more likely to go to work or combine work with schooling, compared to their younger siblings. Social norms may also lead to intergenerational child labour. Parents who were child labourers are more likely to send their own children to work. Conversely, when social norms internalised in a society veto child labour, societal disapproval can help keep parents from sending their children to work.

As child labour is caused by multiple factors, various policies should be implemented in order to reduce it. Ensuring inclusive and quality education for all children, as is the target of SDG 4, will require massive expansion and quality improvement of Bangladesh's education sector, both in general and technical regards. Various poverty reduction policies (such as access to credit, cash transfers, and stipends for students) will also contribute to a reduction in child labour.