

A year that revealed the faults In 2024, let us work towards the country's betterment

At the start of 2023, we hoped for a better future, one in which our people would thrive. To realise that future, many of this country's plagues—such as rampant corruption, economic volatility, and political hostility—needed to be addressed. While we have made strides in some respects, the country witnessed some of the worst crises this past year owing to the longstanding systemic faults.

The general election was the centre of attention in 2023, and we saw increasingly violent incidents as the months passed. The horrifying clash on October 28, during a BNP rally, turned Dhaka into a battlefield. This event, along with the series of arson attacks, once again illustrated how barbaric our politics can get. Mass arrests of opposition members have snatched away the prospect of a democratic contest in which people would be able to exercise their voting rights properly.

Speaking of rights, our ready-made garment (RMG) workers fought for theirs this year when the government was scheduled to increase the minimum wage. What transpired was a violent suppression of protests that only sought to realise a liveable wage. It's clear that the government, even after so many years, has failed to ensure the most basic of rights, like that of peaceful protests.

This was as fair as a demand can get, because in 2023, our people saw their money eroding away. The inflation rate kept breaking records, reaching a five-month high of 9.93 percent in October. Food inflation remained above 10 percent, as evidenced by the fact that onions and eggs went beyond the reach of the average citizen. Amid all this, financial irregularities showed no sign of being reined in, as defaulted loans hit an all-time high. Healthwise, there was no respite for our people either, as they suffered from the worst dengue outbreak in history, taking the lives of over 1,700 people.

While infrastructural development, like the elevated expressway in Dhaka and Karnaphuli tunnel in Chattogram, has shone rays of hope, such achievements lose their shine amid countless incidents of deforestation, land grabbing and sand-lifting. But despite all this, we must not feel defeated. On the first day of 2024, we once again hope for a better future, and for that to take shape, we must address the things that are wrong in our country while striding forward.

Don't let this be a failed experiment

Challenges with the new school curriculum must be urgently addressed

Unsurprisingly, the newly introduced competency-based curriculum for primary and secondary schools is still creating a number of challenges a year after it was introduced. While educationists were mostly positive about shifting to a skills-focused curriculum, the concern lies in its implementation, as well as whether there are too many experimentations going on with our education system. And parents have the right to express such concerns, given the number of changes we have seen made to the system over the last decade and the disappointing outcomes they have produced.

One of the main challenges that have emerged in regard to the new curriculum is that teachers feel the training they have received is too disjointed. This was also one of the biggest issues when previous changes to the system were made. The authorities, therefore, should have taken cognisance of previous experiences and done a better job of providing training to teachers before rolling out the new curriculum. On the other hand, parents have expressed concerns that their children are not studying enough, and questioned whether they will develop the necessary competencies particularly due to the changed nature of their assessment. In that regard, the authorities should have held more dialogues with parents to explain to them the nature of the changes being introduced to alleviate their concerns.

It is laudable that the authorities are trying to move away from the traditional rote memorisation-based education system. However, the apprehension of parents and teachers show that the involvement of different stakeholders in the preparation for shifting towards the new system was inadequate. The level of infrastructural support necessary for the new system is also missing in a number of schools, and this is something that the authorities should have fixed beforehand.

Past experiments with our education system did not work as expected because the basic conditions for implementing them were not present in our school system. It is imperative that the same does not occur with the new curriculum. And this is what is most important for the authorities to realise. Another failed experiment this time will have a larger consequence for the future of our children as well as the faith in our education system. Therefore, it is essential for the authorities to urgently address the challenges and fix the structural problems in the sector.

LETTERS TO THE EDITOR

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Trapped in a never-ending scroll?

Imagine your life as a never-ending buffet of distractions. You scroll through social media, mindlessly munching on endless feeds. Netflix throws one titillating show after another at you while work emails chirp incessantly. This, my friend, is the trap of excessive consumption.

It's a cycle that feels good momentarily, but the consequences lurk beneath the surface. We chase that fleeting dopamine hit, that burst of pleasure, with each scroll, sip and

click. But true joy, the kind that lasts, requires more than these fleeting distractions. Our ancestors never had to deal with notifications popping up or the temptation of an entire world in their pockets. We are not built for this constant feast.

Breaking free from the cycle of excessive consumption requires awareness. Take a step back and observe your patterns. Are you scrolling just to numb out? Is eating your go-to stress reliever? Do you need something new

and exciting every minute to feel alive?

Once you acknowledge these patterns, it's time to reclaim your agency. Choose quality over quantity. Disconnect from the digital drip feed and reconnect with the real world. Nourish your body with wholesome food, not empty calories. Find joy in quiet moments, in nature, and in meaningful conversations.

Remember, moderation isn't deprivation, it's liberation. It's stepping off the treadmill of consumption and

rediscovering the richness of a life lived with intention. It's about saying "no" to the never-ending buffet and building a feast of your own, a feast for the senses, the mind, and the soul.

So, put down the phone, step out of the virtual buffet, and take a deep breath. It's time to reclaim your brain, time, and life.

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What to expect from Bangladesh economy in 2024



MACRO MIRROR

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The year 2023 was indeed one of the most difficult ones in the recent history of Bangladesh, as it exhibited its weaknesses on various fronts. Supply disruptions and the spike in the prices of fuels and other commodities in the global market—caused by global events—pushed up costs worldwide, leading to high inflationary pressure. However, although several countries have now been successful in reining in inflation through appropriate policy measures, Bangladesh is still struggling to do the same. Additionally, the country is now faced with multiple challenges such as a fragile banking sector, financial account deficit, volatility in the exchange rate, and depleting foreign exchange reserves. Due to these challenges, the macroeconomic stability that Bangladesh enjoyed for a long time due to high growth, relatively low inflation rate and strong external sector has been weakened.

Though external factors initially had some contributions to the economic challenges, there was delay in taking corrective measures to control inflation and exchange rate volatility. There are also several structural issues that have been ignored by our policymakers for long. Absence of appropriate and effective policies, poor implementation, and a lack of capacity to implement essential reforms domestically have exacerbated these challenges.

Looking into 2024, our policymakers will have to work towards addressing the immediate issues such as controlling inflation, increasing revenue collection, stabilising exchange rate and improving forex reserves. Without enough fiscal space, the government will not have the flexibility to support the poor and low-income families who are suffering due to high inflation.

Globally, uncertainties will continue, which will affect growth. The International Monetary Fund (IMF) has projected global growth to be 2.9 percent for 2024. The growth outlook for Bangladesh for the 2023-24 fiscal year by international organisations is projected to be lower than that by the government. Notably, the government ambitiously projected that GDP growth would be 7.5 percent for FY24 even though there were difficulties towards the end of FY23. However, the IMF projected that our GDP growth would be six percent, while the World Bank estimated it would be 5.6 percent in FY24. Given the current realities of the economy, Bangladeshi policymakers should also review the government's GDP growth target to make it realistic and achievable, given the performance of various sectors of the economy such as agriculture, industry and services.

Inflation has been hurting the common people for more than a year. The monthly average inflation was 9.02 percent as of June 2023. In October 2023, there were significant increases in both food and non-food inflation rates—at 12.56 percent and 8.3 percent, respectively—and the overall inflation stood at 9.93 percent. The consistent rise of inflation rates has substantially increased the cost of living, resulting in a reduction of consumer purchasing power. An analysis of the daily prices of 34 essential items, collected from the Trading Corporation of Bangladesh (TCB), reveals that the price increase for some items was exorbitant. For example, the price of



VISUAL: SALMAN SAKIB SHAHRYAR

local garlic soared by 400 percent and local onions experienced a spike of 282 percent between January 1, 2019 and December 20, 2023. Pajm rice experienced the lowest increase at nine percent per kilo. Therefore, the average inflation rate fails to capture these details of price movements.

In FY23, the revenue-GDP ratio stood at 8.2 percent, falling short

of the targeted 9.8 percent as per the finance ministry data. Notably, this ratio was also lower than the 8.4 percent recorded in the preceding fiscal year. Due to the declining trend in revenue collection, the IMF lowered its target for FY24, reducing it by Tk 55,000 crore. One may recall that, as a condition for its \$4.7 billion loan to Bangladesh, the IMF imposed several requirements including quantitative targets on improving revenue collection and forex reserves.

The implementation of Annual Development Programme (ADP) was also not impressive in FY23. The expenditure on ADP as a percentage of GDP decreased from 4.7 percent to 4.3 percent. This decline can be attributed to lower implementation of ADP, which was 77.5 percent in FY23, a decrease from the 82.6 percent observed in FY22.

The banking sector is grappling with a large amount of non-performing loans (NPL), which shows no sign of coming down. As per the Bangladesh Bank's annual reports, NPLs in the banks amounted to Tk 22,480 crore in 2009. However, in the fourth quarter of FY23, the amount rose to Tk 156,039 crore. The actual NPL amount would be much higher if distressed assets, loans in special mention accounts, loans with court injunctions, and rescheduled loans were included. It may be noted that with distressed assets in banks counted, the amount was nearly Tk 378,000 crore as of December 2022, as per the Financial Stability Report

behind the accumulated problems in our banking sector.

Over the past few years, the banking industry has witnessed multiple instances of wrongdoings involving various corporate entities and individuals. These transgressions have led to the misappropriation of significant funds from multiple banks, amounting to thousands of crores of taka. The CPD has compiled publicly accessible news reports outlining 24 significant irregularities within the banking sector spanning from 2008 to 2023. The combined impact of these events has resulted in an exceptionally substantial total of Tk 92,261 crore. This is equivalent to two percent of GDP of FY23 and 12 percent of the national budget for FY24. It should be noted that these are only a few instances when the irregularities were unearthed. The actual amount of money taken out of the banking system through frauds and irregularities could be much more.

The major macroeconomic challenge in FY23 came from the external sector. The Bangladesh Bank undertook some measures to enhance the balance of payment and stop the decline in forex reserves. For example, it restricted imports of luxury consumer items to improve the balance of payment and reduce current account deficit. This has improved the trade and current account balances in the later part of 2023 (or early months of FY24). However, this has restricted the imports of capital machinery and intermediate goods, which are essential for production. If this trend continues, lower imports will have cascading negative effects on GDP through low investment, employment and production.

Understandably, policymakers are resorting to this strategy under special circumstances when the forex reserves are declining continuously, and the Bangladesh Bank is under pressure to achieve the forex reserve target set by the IMF in the coming years. One of the challenges of improving the forex reserve situation is low remittance flow. Though the number of migrant workers is increasing, remittances are not. Large remittances are sent through informal channels like hundi despite a 2.5 percent incentive for the remitters through the banking channel. This is because the difference between the formal and informal channels is large. Indeed, the multiple

exchange rates have proven to be difficult and unsuccessful in stabilising the exchange rate. A sound exchange rate management through a market determined rate is essential to remove the current confusion.

The economic challenges observed during the last six months of FY23 and first few months of FY24 do not provide much hope that these could



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