

The Daily Star

FOUNDER EDITOR: LATE S. M. ALI

Govt must execute civil service reforms

Job vacancies should be filled regularly and transparently

It is unacceptable that more than a quarter of the 19 lakh posts in civil administration lie vacant, a major reason behind the notoriously poor public services in our country. According to data from the Ministry of Public Administration (MoPA), there are 503,333 vacancies—26 percent of the total posts—as of December 2022. The percentage of vacant posts dropped from 22 percent in 2018 to 18 percent in 2021. However, it rose to a record high in 2022.

At the Ministry of Posts, Telecommunications and Information Technology, for example, there are 9,132 vacancies, which is almost half of its 20,191 posts. The Ministry of Health and Family Welfare has the highest number of vacancies (74,574), which perhaps explains why public healthcare services continue to be so bad. The Ministry of Primary and Mass Education has the second highest vacancies (44,790). Although officials at the MoPA claim that the crisis has been created because of recruitment delays caused by Covid-19 restrictions, such an excuse is unjustifiable. The actual reason behind recruitment not picking up pace has to do with bureaucratic tangles and lack of initiatives by the recruiting organisations.

While Class 1 and Class 2 officers are recruited in a relatively fair process by the Public Service Commission (PSC), according to officials, recruitment in the lower grades is often mired in irregularities. Allegations of corruption and nepotism in the recruitment process have become so rampant that top officials in many offices are reportedly reluctant to initiate recruitments. This, ironically, leads to more irregularities as those who have to pay Tk 10-15 lakh, for example, to get a job are naturally more inclined to indulge in bribery and corruption once hired.

There are other concerns as well. The top-heavy imbalance in civil bureaucracy, where the top posts have disproportionately gone up in number while the lower tiers remain slim, has led to a lack of productivity and accountability. Moreover, it is disconcerting to see how the administration has been giving in to demands for undue perks and promotions in vital positions, instead of filling in necessary vacancies in other positions. It is time for the government to implement meaningful civil service reforms so that vacancies in lower positions are filled regularly and through a transparent process, so it is ensured that the public get services without any delay or hassles.

Are we to give up on breathing clean air?

No visible progress in curbing air pollution in Dhaka

That the quality of Dhaka's air is "unhealthy" even on the morning of a public holiday—as was the case on Monday, when schools and most offices were closed and the usual traffic was absent—says a lot about the general quality of air in this city. According to a report, Dhaka was ranked 10th among 100 cities in terms of air pollution at around 7:53am yesterday. In recent years, Dhaka has consistently scored in the range of "unhealthy," "very unhealthy," and "hazardous" in the Air Quality Index (AQI). Last week, its air was found to be "hazardous" for two days in a row. On February 20, the Department of Environment advised residents to wear masks outside, and children, elderly and physically unwell individuals to stay indoors if the air quality reaches "hazardous" level.

Dhaka's air has become progressively worse due to a plethora of reasons, including construction of megaprojects, traffic emissions, lack of greenery, etc. It is thus having a direct impact on public health: respiratory issues have increased, the number of premature births has risen, and life expectancy has been shortened by 6.8 years on average. What's the government doing to mitigate this dire situation? Apparently, nothing proactive. In fact, according to a recent report, it seems to be backtracking on decisions that it did make to reduce air pollution, which simply defies logic.

The new environment minister recently said the government was planning to launch a 100-day programme to identify sources of air pollution and formulate solutions accordingly. However, given the past records, we are unsure how effective this initiative will be. We have known for a while the prime reasons behind air pollution as well as what must be done to turn things around. What we really need right now are decisive actions, and the political will to take them. We hope that the new leadership in the environment ministry will treat air pollution with the urgency that it deserves, otherwise it risks repeating the history of failure.

LETTERS TO THE EDITOR

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More public toilets needed

In recent years, the two city corporations in Dhaka have installed several public toilets that are well-maintained and functional. However, the number is still insufficient given the size of the population in the city. Particularly in areas with high population density, where many people from lower income groups live, there is a noticeable lack of public toilets. Furthermore, the existing public toilets are not adequately equipped to accommodate elderly people or individuals with special needs. I hope the authorities will consider these issues and make the necessary changes to the public toilets to make them more accessible. They must also invest into proper maintenance and cleanliness of the toilets in the capital city as well as in other areas.

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ROADMAP FOR BANKING SECTOR REFORMS

Old wine in a new bottle?



THE OVERTON WINDOW

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ERESH OMAR JAMAL

A few days before the one-sided election of January 7, Prime Minister Sheikh Hasina asked voters to forgive her (and her party, I assume) for any mistakes that were made since the Awami League came to power, with a promise to rectify them if her party returned to office. And nothing, perhaps, requires as urgent a rectification as the AL's policy regarding the country's banking sector.

When the AL assumed office in 2009, the total defaulted loans amounted to Tk 22,481 crore, whereas at the end of September last year, non-performing loans (NPLs) stood at Tk 155,397 crore. During the last July-September period, NPLs in the banking sector decreased slightly. But that was only because Janata Bank rescheduled the defaulted loans of Beximco and S Alam, two of the country's biggest business groups that have received quite a few favours from the government. Such rescheduling tricks—which create the illusion of NPLs going down by hiding the figure from the banks' balance sheets, even though the liabilities still remain—have been at the core of the AL's banking sector policy. They have allowed the government—and vested interest groups—to continually hide the real amount of NPLs in the sector.

According to Moinal Islam, a former professor of economics at Chittagong University, "If the entire amount of the loans involved in the court cases and the written-off loans are taken into consideration, the total bad loans in the banking sector will be Tk 450,000 crore." Similarly, according to economist Ahsan H Mansur, the actual amount of bad loans accounts for around 24-25 percent of the total loans disbursed, whereas via accounting tricks, this is being shown to be below 10 percent.

This buildup of NPLs, according to the Asian Development Bank (ADB), poses a serious risk to the health of banks' balance sheets and financial soundness, reducing interest income, lowering profitability, and depleting their capital bases. They also require higher risk weights and minimum loss coverage in banks' capital requirements, putting a strain on liquidity and increasing funding costs. Hence, it should come as no surprise that the central bank has

had to provide increasing amounts of liquidity to credit-hungry banks.

According to Bangladesh Bank statistics, the central bank provided liquidity support amounting to Tk 63,347 crore to banks in June 2023. In the following month, the handouts more than doubled, to Tk 1,28,000 crore. And since then, it has been rising every month, ultimately reaching Tk 3,63,00 crore in January 2024.

According to a central bank official, if Bangladesh Bank does not "continue cash feeding to the banks as per

February 4 unveiled its roadmap for reining in defaulted loans and bringing good governance to the sector. The most obvious concern about it, of course, is how genuinely it will be implemented. Given our track record, proper implementation remains highly unlikely. Moreover, some of the action plans and policy reforms already exist or were added in the Bank Company (Amendment) Act, 2023. Yet, none of those prevented things from getting worse.

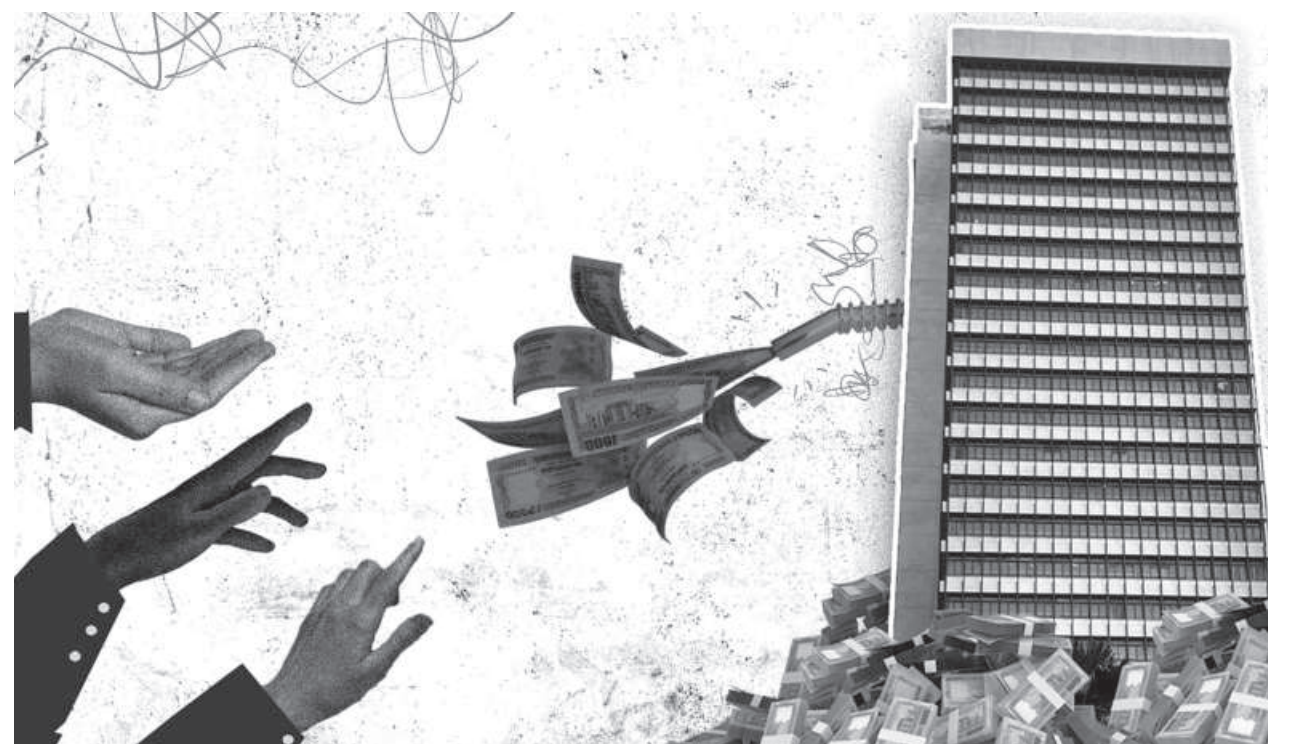
For example, the roadmap says that the banking regulator will provide necessary instructions to prevent lenders from exceeding the single-borrower limit. However, the same provision existed in the Bank Company Act for more than a decade. And yet, exceeding the single-borrower limit has become the norm in our banking industry, with around 89 borrowers of four state-run banks exceeding it as of June last year, as per a central bank

have gone up from Tk 94,300 crore to as high as Tk 1,56,000 crore.

During the discussions prior to the unveiling of the roadmap, the Bangladesh Bank governor was apparently told to bring down defaulted loans by taking any measures necessary, including ignoring political pressure. After its unveiling, former BB Governor Salehuddin Ahmed said the central bank must have enough strength to tackle political interference and pressure from influential groups to implement the roadmap.

However, what is interesting is that back in January, central bank Governor Abdur Rouf Talukder said BB's activities had never been influenced by outside forces—a blatant farce of a statement that no one in their right mind would believe.

So, if the governor does not have the courage to even admit the fact that the central bank has bowed to



VISUAL: SALMAN SAKIB SHAHRYAR

their requirements," they "will be in severe liquidity crisis." Among other consequences, the interest rate would go up to a level that may be difficult for the economy to absorb. Already, a tight liquidity situation facing both the government and banks has pushed up yields of treasury bills and bonds, as well as the lending rate, in the banking sector. And overall, there is a lack of trust in the financial sector, which is adversely impacting the country's economy.

With the banking sector in so much trouble and the authorities walking a tightrope to balance the economy and finance, the Bangladesh Bank on

report. What is worse is that, in its attempt to reduce the higher volume of bad loans in the banking sector, the roadmap further relaxed the loan write-off policy by letting banks write off from their balance sheet defaulted loans that have been in the "bad and loss" category for two years, down from three years previously. Again, this will only artificially reduce bad loans as the liabilities will remain—meaning that this so-called reform is just old wine in a new bottle.

In February 2019, the central bank lowered the timeframe to three years from five years. What has that achieved? Defaulted loans since then

political pressure time and again, has broken its own rules, and made special concessions for vested interests, how can it be counted on to have the courage to stand up to them now? And unless the Bangladesh Bank can carry out the necessary reforms by withstanding political pressure—which will most definitely be there—this new roadmap will be nothing but another failed reformation plan.

It is time for the prime minister to prove that her promises to the people are legitimate, and ensure that the regulators have her backing in carrying out the reforms—in spite of any and all political pressure.

The fallacious policy on exporting internet to India



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ABU SAEED KHAN

The Bangladesh Telecommunication Regulatory Commission (BTRC) and Summit Communication Ltd are misguiding the government with multiple telecom transit proposals under the disguise of international internet bandwidth export to India, according to a report by *The Daily Star*. Once approved, this will forever strengthen India's grip on monopolising regional international internet bandwidth and wipe Bangladesh from its existing and prospective bandwidth export deals.

The BTRC is seeking the government's consent to Summit's proposal of bridging West Bengal with Tripura through a diagonal optical fibre cable (OFC) link across Bangladesh. This will unlawfully optimise the Indian telecom carriers' cost for speedier internet across northeast India. Consequently, Bangladesh will be made an expensive bandwidth supplier for Nepal and Bhutan due to additional right of way being payable to the Indian authorities.

Under this deal, Summit will also

connect Bharti Airtel from India's Agartala with Singapore through the domestic OFC across Bangladesh. Then, the Indian carrier will illegally ride on the Bangladesh segments of state-owned undersea cables via state-owned landing stations at Cox's Bazar and Kuakata.

"It will enable faster internet services in the northeastern Indian states of Tripura, Arunachal Pradesh, Assam, Mizoram, Manipur, Meghalaya, and Nagaland," justifies BTRC, as per *The Daily Star* report.

Summit's managing director told *The Daily Star* that "it will be a good export opportunity if we could sell some bandwidth in the northeastern Indian states."

But the BTRC doesn't say what will happen to the state-owned Bangladesh Submarine Cable Company's existing export of bandwidth to the same destinations. According to *The Daily Star* report, the BTRC has pleaded to the Bangladesh government on behalf of Airtel, "At present, a distance of about 5,500 kilometres has to be covered to

reach the landing station in Chennai from the northeastern part. However, due to the mountainous nature of the region, the maintenance of fiber optic networks and the installation of new networks is relatively difficult, meaning keeping the network secure is relatively a difficult task."

But the BTRC has concealed from the Bangladesh government that Power Grid India's telecom company, Powertel, operates a 47,735-kilometre OFC and 688 supply nodes across India. Moreover, the Indian government has sanctioned 7.16 billion rupees for OFC projects across the northeastern states in this year's budget. Therefore, the BTRC's doctrine of "relatively difficult" maintenance of fibre optic networks in the mountainous region of northeast India is a false statement with fictitious objectives.

The BTRC has also concealed from the Bangladesh government that, five years ago, Airtel contracted US vendor Ciena to install a 130,000-kilometre OFC network to connect more than 4,000 towns across India. Calling it "one of the World's Largest Photonic Control Plane networks in India," Airtel has claimed it also enables super-fast broadband experiences, making the most efficient use of available fibre resources. Simultaneous press releases from Airtel and Ciena in this regard strongly prove how wrong the BTRC and Summit are in terms of India's digital health.

Besides, the Indian carriers will pay nothing for using the right of way transit corridor to Bangladesh, because Dhaka and New Delhi have

never even primarily discussed the technical, commercial, and political aspects of such a digital passage to India in the first place.

Meanwhile, Bhutan has already agreed to import a bandwidth capacity of 10 gigabits per second from Bangladesh's Akhaura border crossing two years ago. The OFC will enter Bhutan's Samdrup Jongkhar through Guwahati in India, according to the press reports in Bhutan and Bangladesh. Summit and the BTRC are now working hard to jeopardise this deal.

Nepal is also very keen to further diversify its international bandwidth supply via Bangladesh, as per a 2020 *The Daily Star* report. Earlier, Nepal linked its international internet with China, "ending India's decades-long monopoly of the Himalayan nation's cyber connectivity network," as reported by Reuters.

Officially, the Bangladesh government has done nothing whatsoever to expeditiously materialise the bandwidth export deals with Nepal and Bhutan. Unofficially, the Indian government's reluctance to give right of way to the landlocked neighbours remains the barrier to their connectivity.

Now, the BTRC has emerged in support of the vested groups to hijack the multi-government bandwidth trading export from littoral Bangladesh to landlocked Nepal and Bhutan, which will inevitably deprive Bangladesh from the great opportunities of becoming a regional internet bandwidth hub in South Asia.