

Regulators responsible for ailing banks

Punish wilful defaulters before banks' health further deteriorates

For years, experts have been warning that the health of Bangladesh's banking sector has been deteriorating. Hard data such as those on the prevalence of defaulted loans have also been indicating the same. A new Bangladesh Bank report is the latest to reaffirm this worrying trend. It says that between December 2020 and June 2023, 38 banks have seen deterioration with nine being in the "red" zone, meaning a "fragile" financial health. These banks, along with 29 others that were in the "yellow" zone, are now in need of supervisory attention.

According to experts, some banks have become very weak due to loan irregularities and scams. They alleged that some people have taken loans with no intention of paying them back and laundered the funds abroad. Issues plaguing this vital sector naturally spill over and affect the entire economy and business environment. Business leaders, therefore, have rightly demanded that wilful loan defaulters be identified, publicly shamed, and punished—something we have also called for in this column. Full disclosure is vital for clarity at every subsequent stage. Interestingly, while some former finance ministers had hinted that they would make their identities public, some notorious names were found to be absent in the disclosed lists, raising questions not only about the sincerity of the effort but also their accountability.

That the situation has not improved despite multiple government promises to address these issues—but has, in fact, worsened over the years—is the regulators' fault. The regulators have time and again dealt with wilful defaulters with kid gloves, bending their own rules to accommodate the interests of influential quarters. They have frequently overlooked irregularities and outright corruption in the sector giving rise to the issue of moral hazard—where people have been encouraged to continue resorting to irregularities in the absence of any punitive/corrective action by the regulators.

Pointing to the central bank's new roadmap for banking reform, the authorities are again promising to reign in defaulted loans. We remain sceptical, however. The issue, as always, is with the implementation of whatever strategy they adopt. Previously, we have seen regulators repeatedly ignore their own rules in the face of political pressure. So, to really bring down default loans and improve the health of our banks, the authorities must not only strictly implement the new roadmap, but also ensure compliance with all banking rules.

A worrying scenario of patient care

Govt hospitals must ensure proper meals for patients

We are quite disturbed by a recent revelation regarding the neglect shown to patients' diet in government-run hospitals. An investigation by Prothom Alo of six hospitals in Dhaka has revealed a grim picture where patients are forced to forgo hospital food because of its poor quality. This is totally unacceptable considering how proper meals are essential to the recovery process.

The first issue that came out during the investigation is the lack of attention to each individual patient's dietary needs. In one instance, a patient who required liquid meals after a tongue surgery was given solid food. When his attendants asked about it, they were told that his doctor had prescribed a "normal diet." In another instance, a patient's wife had to cook rice because the hospital was giving him stale rice. Then there is the severe shortage of trained dietitians/nutritionists in these hospitals, as well as a general lack of hygiene in their kitchens and in handling the meals.

The measly funds that the hospitals get for meals don't help either. In some, as per the report, the daily allocation for meals is Tk 175 per patient. True, hospitals are not immune to the continued heat of food price hikes, but proper management of funds, such as by preventing misappropriation or wastage, can help solve this problem. For a large segment of our population, government hospitals are the only places where they can afford treatment. Unfortunately, years of corruption and mismanagement have left our public healthcare system in a brittle state, with the lack of accountability enabling this cycle and compromising patients' well-being.

The neglect shown in providing quality food to patients is simply a symptom of this malaise. We, therefore, urge the health authorities to look into this matter and enforce strict measures so that government hospitals can't get away with serving subpar meals to patients. We also demand that they undertake the much-needed overhaul of our healthcare system to prevent deep-rooted systemic issues that are allowing widespread irregularities and hindering proper patient care.

New Message

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WTO'S 13TH MINISTERIAL CONFERENCE

Implications for Bangladesh



MACRO MIRROR

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FAHMIDA KHATUN

The 13th Ministerial Conference (MC13) of the World Trade Organization (WTO) held in Abu Dhabi from February 26 to March 2 has significance for Bangladesh. The multilateral organisation has been working on increasing trade through negotiations among the member countries on various trade-related aspects. The ongoing negotiation of the WTO is the Doha Development Round (DDR), launched in 2001 in Doha, Qatar committed to completing agreements on various issues including agriculture, non-agricultural market access, services, trade-related intellectual property rights (TRIPS) and fisheries subsidies, among others. However, the Doha Round remains unfinished due to the complexities arising from differences among WTO's member countries, particularly the larger countries.

WTO ministerial meetings always hold particular importance for Bangladesh as we have active interests on several trade issues. The MC13 is even more important now since Bangladesh is set to graduate from its LDC status and become a developing country by 2026. Another important point to note is that the MC13 was held at a time when world trade has been facing various challenges in view of the changing global economic and geopolitical landscapes. This is affecting global trade, which plays a role in economic advancement and ensuring human well-being.

Indeed, due to the lack of a common position among WTO member countries on multilateral trade issues, expectations from these high-profile meetings have been low. The MC13 was no different. Some of the key issues on the MC13 agenda included fisheries subsidies, WTO reform, agriculture, e-commerce, development agenda for LDCs, and TRIPS waiver.

In terms of fisheries subsidies, no agreement was achieved. At the previous ministerial conference—MC12—member countries had agreed on prohibiting subsidies for illegal, unreported, and unregulated fishing. However, the most damaging subsidies globally are those contributing to overfishing and overcapacity. This was to be negotiated at MC13. The worry is that the large amount of fisheries subsidies provided in the EU, the US,

China, Japan, and Korea benefit their fisheries sector immensely. Moreover, the objective was also to extend the ban on subsidies, including those for fishery-related activities like shipbuilding, labour, and fuel at MC13. India took on a leading role and argued that its fishermen should be allowed unlimited subsidies when fishing in sovereign waters. Their proposal suggested that developed countries should fully prohibit deepwater subsidies and developing countries should be allowed to continue such support for a specified period, set at 25 years.



ILLUSTRATION: SHAIKH SULTANA JAHAN BADHON

For Bangladesh, the decision on fisheries subsidies holds crucial relevance as we are a major fishing country, globally ranking third. Fishing ensures a major source of protein, employment, and contributes to the gross domestic product (GDP) of the country. Therefore, from a livelihood perspective, small artisanal fishers will require support.

There was no agreement on agriculture at MC13. The objective of the Doha Round was to work for a fair and market-oriented agricultural trading system. This was to be accomplished through significant cuts in trade-distorting domestic support for agricultural products,

enhancements in market access for agricultural goods, and the gradual elimination of export subsidies. However, reaching an agreement on agricultural subsidies has proven challenging. This is primarily because developing countries have been pressing for reforms in the trade-distorting farm policies adopted by developed nations. India demands the "peace clause" agreed upon in 2013 for agriculture to be permanent in the agriculture package. To put it simply, this clause protects countries from legal repercussions if they surpass the permitted limits for farm subsidies in their public stockholding initiatives. WTO regulations allow for the establishment of food stocks. India purchases rice from farmers at a higher price, which encourages higher production. Developed countries are against using such market price support mechanisms. From the perspective of developing countries, special treatment for their small farmers should be allowed. Countries

advocate for lifting the moratorium to allow them to collect tariffs on such services. The meeting secured a two-year extension of the moratorium, delaying the imposition of tariffs on these services until 2026. This has implications for Bangladesh and other developing countries as revenue generation from e-commerce may be affected.

In the Doha Round negotiations, the central focus was placed on "development," aiming to address the specific needs of developing countries, especially those of the LDCs. The MC13 has limited commitments for the LDCs and graduating LDCs. These countries will receive LDC-specific support, including duty-free market access, technical assistance, and capacity-building programmes, for three years after graduation. Preferential market access holds the greatest significance for Bangladesh's smooth LDC graduation. However, there is no binding commitment guaranteeing the continuation of this support after graduation.

LDCs are exempt from enforcing exclusive patents under the TRIPS agreement. However, upon graduation, Bangladesh will need to comply with patent regulations. Previously, the WTO agreed on waiving the TRIPS requirement for Covid vaccines, enabling countries to manufacture these vaccines without patent restrictions. While this waiver was approved, large pharmaceutical companies which have heavily invested in these patents are reluctant to relinquish control. A separate proposal for waiving TRIPS requirements for diagnostics and therapeutics, previously discussed at MC12, did not see any headway this time.

While the WTO director-general defended the progress achieved, critics labelled the meeting as another missed opportunity. The issue of trade's impact on the environment entered discussions. However, some argue that this broadens the WTO's agenda unnecessarily, suggesting that existing platforms like the UNFCCC and COP are better suited for climate discussions.

Developing countries like Bangladesh face a critical challenge. To comply with carbon emission reduction goals, particularly when exporting, we require access to advanced climate technologies. As of now, technology transfer to LDCs, stipulated in the TRIPS Agreement, has not materialised, leaving these countries at a disadvantage. This lack of access, coupled with the high cost of these technologies, further complicates their ability to meet stricter environmental regulations after graduating from LDC status.

Beyond the pages

Overcoming sexist textbooks to bridge the gender gap in education



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For development scholars embracing a feminist agenda, March 7 (International Women's Day) prompts a critical examination of the scholarship we produce. Given the theme of inspiring inclusion, it's imperative to ask: does academic research sufficiently inspire inclusion?

As a development economist, my answer to this question depends on two factors: gender parity among economists themselves (a matter of representation) and in the content they generate (what is researched and taught). Economics has long grappled with a gender problem, evident in the underrepresentation of women among "dismal scientists" and Nobel laureates in economic science. Yet, beyond academia's confines, economics textbooks also fall short in adequately representing women. These disparities sparked my interest in the transformative potential of education and research for societal change.

The most exciting part of being a field economist is the opportunity to learn directly from the lived experiences of respondents across diverse locales. From the Kasur district of Pakistan to climate-affected coastal regions in Bangladesh, and from Jakarta's outskirts to the semi-urban settlements of East Amman in Jordan,

I've engaged with women from varied socioeconomic backgrounds. My decade-long stint in Malaysia further enriched my research, allowing for interactions with women ranging from entrepreneurs in Kelantan's Siti Khadijah market to Kelabit farmers in Bario highland, and from Ibans in Lubok Antu of Sarawak, to ageing widows in Sabah's Papar district. Their narratives of empowerment and agency, intertwined with challenges such as poverty, dowry, child marriage, and domestic violence, paint a nuanced picture. A common thread running through the numerous conversations I have had is patriarchal traditions and norms dictating women's life choices, from career and marriage decisions to mundane activities like visiting a doctor or going to the cinema.

Consider the case of investing in female education, often hailed as a panacea for women's empowerment. Despite strides in equalising school participation across genders during the Millennium Development Goals (MDGs) era, a significant gender gap persists in labour market participation and leadership roles, even in countries with high gender parity in education.

Beyond employment, women grapple with additional barriers such as early marriage and domestic violence. Consequently, rights groups advocate for comprehensive approaches encompassing social protection provisions and legal reforms to ensure gender equality beyond educational access, a sentiment echoed in the United Nations' Sustainable

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Development Goals (SDGs) framework's recognition of this challenge through Goal 4 (ensure inclusive and equitable quality education and promote lifelong learning opportunities for all) and Goal 5 (achieve gender equality and empower all women and girls).

However, my research across Malaysia, Indonesia, Pakistan, Bangladesh, Afghanistan, and Jordan underscores that post-schooling gender discrimination is itself symptomatic of broader issues entrenched within education systems. Who teaches, and what is taught, in schools about gender roles and

responsibilities is a less researched topic. The gender gap in learning materials, exemplified by sexist textbooks, remains a pervasive yet overlooked barrier to realising the full potential of formally educated girls.

As specific examples, my research found the overall proportion of female to male characters to be grossly imbalanced in English secondary textbooks in Pakistan (24 percent) and Bangladesh (37 percent), compared to Malaysia and Indonesia (44 percent). The female share in Pakistan in pictorial indicators was as low as three percent. The use of gender-biased books remains an almost invisible obstacle to realising the full potential of formally schooled girls in countries like Pakistan and Afghanistan.

In fact, textbooks rife with gender stereotypes perpetuate anti-women patriarchal traditions, undermining the transformative power of education by limiting girls' choices in the labour market and for marriage. Conversely, gender-inclusive textbooks hold the potential to bridge the gender gap by empowering female adolescents to make progressive choices and enabling teachers to challenge gender stereotypes effectively.

As we mark this year's International Women's Day amidst the SDGs' second half, my recent collaboration with Dr Amber Webb of the UN's SDG Academy underscores the imperative of prioritising gender equality in educational content production. Let us advocate for the universal adoption of gender-inclusive textbooks in the final years of the SDGs in order to strengthen the nexus between SDGs 4 and 5, paving the way for a more inclusive and equitable future.