

## Trump’s return raises cautious optimism

Govt, businesses should take proactive measures in light of the new reality

Donald J. Trump’s second term as US president is expected to bring significant changes to the world’s political and economic order, as reflected in his inaugural speech and the executive orders he signed on Monday. We look ahead to the next four years with cautious optimism, given the unpredictability of his actions during his first term in office (2017-2021).

Trump’s re-election to the top seat of a superpower and the continued rise of the ultra-right in the US sends a strong message. It signals a shift in America’s view of the world and its international commitment to uphold human rights and promote peace and stability. As before, Trump’s America-first policies may significantly impact international affairs where belligerent competitiveness may outweigh reason and compromise. On the other hand, there is hope that Trump, who took credit for brokering the ceasefire deal between Israel and Hamas, may influence an end to the Russia-Ukraine war as well—two biggest international crises in recent years. We, however, hope that his recent scepticism about this ceasefire will not result in another unfair deal for Palestinians, who have already suffered decades of repression by Israel with the support of the US’s one-sided policy.

Sadly, America’s own track record of human rights violations does not inspire confidence. Trump’s pardoning of 1,500 rioters involved in the 2021 Capitol Hill attack signals the supremacy of personal loyalty over the rule of law. What does this act say about the US stance on justice and fairness—values it prescribes to other countries? Moreover, Trump’s pledge to launch a “tariff war,” his idea of a universal tariff on all foreign goods, and his withdrawal from the Paris Climate Accord and the World Health Organization are quite concerning, especially for countries like Bangladesh. However, the recent meeting between the new Chargé d’Affaires of the US Embassy and Chief Adviser Muhammad Yunus has left room for hope as the former renewed the pledge to support the interim government on issues including development.

In the meantime, the business community and the government should take proactive measures such as exploring and diversifying markets and products, engaging in diplomatic initiatives, and strengthening regional and bilateral ties with other nations. The government should also engage with the Bangladeshi expatriate community in the US to build a stronger relationship with the Trump administration.

Finally, the prominent presence of tech giants at Trump’s inaugural ceremony should be taken seriously. The re-emergence of an ultra-nationalist leader could have serious consequences for the world, particularly in a nuclear and tech-driven era. This is especially alarming for smaller nations like ours. We can only hope that the superpowers will see the bigger picture and that good sense will prevail in building a cooperative world.

## New uniform won’t fix a broken force

Police must focus on substantive changes instead

The decision to change the uniforms of Bangladesh Police, along with Rapid Action Battalion (Rab) and Ansar, reflects an attempt to distance these forces from the stigma attached to their current attire. After years of being used as political instruments by the Awami League government—most notably during the bloody July uprising—these uniforms have become symbols of fear, oppression, and corruption. A new dress represents a break from that past and also a fresh start. However, it does nothing to address the real issue at hand: the need for institutional reforms. It is no surprise then that the decision has left citizens unimpressed.

While uniform changes have historical precedents in this country, the timing of the move—amid a persistent economic crisis and ongoing discussions about police reform—raises questions. First, outfitting approximately 2.14 lakh police, 5,000 Rab, and around 51,000 Ansar and 17,000 Battalion Ansar personnel will come at a significant financial cost. These funds can be better spent on modernising their training, improving their investigative capacity, and equipping them to better serve citizens. Second, giving Rab a new uniform while its very necessity is under review seems like a pre-emptive move. Third, can a simple change of colours erase the deep-seated public distrust associated with these uniforms?

What our law enforcement agencies need is a shift in culture, not just in clothing. While announcing the decision, Home Adviser Jahangir Alam Chowdhury himself acknowledged that “the change in uniforms symbolises the need for a shift in law enforcers’ mindset and behaviour.” One of the first demands raised by police personnel after the August 5 changeover was to abandon their old uniforms—perhaps to shed the stigma attached to them. However, restoring public trust will require much more than a makeover; it will require concrete proof of transformation through everyday action. Just recently, we saw how police used water cannons, sound grenades, and batons to disperse a protest against attacks on Indigenous rights activists. Such heavy-handed tactics echo the pre-uprising era when excessive force was routinely used against demonstrators.

Evidently, a mindset shift will not come through a uniform change. What the police need is a fundamental transformation in their operations, accountability mechanisms, and interactions with the public. The Police Reform Commission has already proposed a range of measures to the government. While these proposals await decisions based on stakeholder feedback, law enforcement agencies can, at the very least, adhere to established rules and regulations without succumbing to undue pressure. That is where their focus should be.

## THIS DAY IN HISTORY

### Roe v. Wade ruling

On this day in 1973, the U.S. Supreme Court issued one of its most momentous decisions, ruling in *Roe v. Wade* that a Texas statute criminalising abortion in most instances violated a woman’s constitutional right of privacy.

# Impact of rising debt on our socio-economic future



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At the end of June 2024, the total debt burden—both domestic and external—of Bangladesh was Tk 18,000 billion. Since the population of Bangladesh is about 180 million, this implies that the debt burden on each Bangladeshi citizen is Tk 100,000. No, this is not our personal debt, but it represents our liability as citizens of Bangladesh. If we cannot repay this debt, it will become a liability for future generations. Looking at it from a different perspective, every child born in Bangladesh today is born with a debt.

Truly speaking, the amount of Tk 18,000 billion is enormous. However, the current situation was not created in a day or two. About four years ago, the country’s debt burden was around Tk 11,000 billion, roughly equal to the national budgets over the past three years. Of the total debt, domestic debt amounts to about Tk 10,000 billion, representing 56 percent of the total debt, while foreign debt was approximately Tk 8,000 billion, or 44 percent of the total debt. Three observations are pertinent. First, this is the first time that domestic debt has exceeded Tk 10,000 billion. Second, over the last four years, the amount of foreign debt has doubled. Third, the current debt-to-GDP ratio in Bangladesh is about 36 percent, compared to 32 percent four years ago.

These trends call for some comments. First, the debt-to-GDP situation undoubtedly needs consistent monitoring. It is true that Bangladesh’s debt-to-GDP ratio has not reached a dangerous level. According to the yardstick set by the International Monetary Fund (IMF), the acceptable level of the debt-to-GDP ratio is 55 percent. With a ratio of 36 percent, Bangladesh is in the safe zone. Second, every year, the government has to borrow from domestic and foreign

sources to meet budget deficits. Since domestic loans are easier to obtain, previous governments have often opted for this route. In fact, due to inefficiencies in loan management, the majority of loans in the past were taken from domestic sources.

Third, most foreign loans were taken without proper scrutiny, necessary negotiations, or objective evaluations.



FILE VISUAL: SHAIKH SULTANA JAHAN BADHON

Significant amounts of foreign loans were used to finance prestige projects. This occurred during a time when international organisations reduced the grace period for loan repayments and increased interest rates. The grace period for repaying loans for prestige projects is now ending, increasing the pressure to meet loan repayment liabilities.

Fourth, one aspect of debt is debt servicing. During the 2023-24 financial year, the Bangladesh government spent Tk 1,000 billion on debt repayment, amounting to one-sixth of the national budget. In the previous

# We must break free from our economic captivity



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Once, long ago, the poet Nazrul sang of revolution, of freedom from oppression, but were he alive today, he might lament a nation enthralled—not to foreign invaders, but to a domestic oligarchy.

Bangladesh, a country of immense potential, now finds itself shackled by the iron grip of family-owned conglomerates. These corporate behemoths, shadowy leviathans cloaked in cronyism, have seized the state, becoming the financial sinew of Sheikh Hasina’s authoritarian regime. Their stranglehold threatens not only our economy but also our democracy, suffocating the very ideals for which this nation was born.

In Japan’s pre-war years, the zaibatsu—vast industrial and financial conglomerates—dominated the economy, leveraging their might to entrench authoritarianism. A striking parallel can be drawn with the past Awami regime in Bangladesh, where conglomerates like S Alam, Beximco and Bashundhara entrenched themselves across critical sectors, including energy, finance, real estate and media.

These conglomerates have become the faceless architects of a regime sustained by repression and corruption, extracting billions from an impoverished populace to line their pockets and bankroll autocracy. The modus operandi is insidious: monopolistic practices that stifle competition, inflate prices and hollow out public coffers.

Banks have been looted with impunity, state contracts distributed like party favours and regulatory

bodies rendered impotent. Foreign investors, sensing the rot, flee; the economy’s lifeblood haemorrhages. Yet the perpetrators remain untouchable, shielded by their proximity to power.

History offers a clarion call: economic monopolies and democratic governance cannot coexist.

The Allied dismantling of Japan’s zaibatsu after World War II stands as a model. By decentralising economic power, breaking conglomerates into smaller entities, and instituting strict anti-trust laws, Japan laid the groundwork for a competitive, transparent economy. Similarly, South Korea’s chaebol reforms curbed the dominance of family-owned conglomerates, injecting accountability into the veins of its economic system.

Bangladesh, too, must summon the courage to confront its oligarchs. Reforms must begin with an unflinching examination of financial records, exposing the labyrinthine networks of collusion between conglomerates and state actors. Here, examples abound: Brazil’s Operation Car Wash dismantled an empire of corruption, revealing the pernicious ties between politicians and business magnates. The Zondo Commission in South Africa meticulously mapped out state capture by corporate elites. These efforts were not mere exercises in forensic accounting but acts of reclamation—nations reclaiming their dignity, their future.

The task before us is Herculean but not insurmountable.

First, we must establish a powerful,

financial year, the debt-servicing ratio was 17 percent. Foreign loans have another dimension: interest on foreign loans must be paid in foreign currencies, leading to a depletion of foreign exchange reserves. For instance, as debt servicing on foreign loans has increased, Bangladesh’s foreign exchange reserves have fallen below \$20 billion.

Fifth, the increasing debt burden of Bangladesh will have adverse impacts on the socio-economic sectors of the country. In the 2023-24 financial year, debt servicing amounted to about Tk 1,000 billion, surpassing the country’s education budget. If more funds are allocated for debt servicing, fewer resources will be available for crucial areas like health, education, and nutrition. This would negatively affect human development in Bangladesh.

domestic and foreign loans must be objectively assessed. Loan objectives, project evaluations, loan negotiations, and efficient management should guide decisions on loan sources.

Fourth, the government must mobilise resources for debt repayment and servicing. Currently, the government relies heavily on indirect taxes to generate revenue. This dependence must decrease, and Bangladesh’s direct tax base must be expanded. The tax-to-GDP ratio in Bangladesh is only about 8 percent, compared to 12 percent in India and 17 percent in Nepal. Bangladesh’s ratio is far below the 19 percent average in the Asia-Pacific region and 25 percent in developing countries. Increasing the tax-to-GDP ratio must involve expanding the coverage and amount of direct taxes. Approximately 68 percent of the population does not pay income tax; these individuals must be brought into the tax net.

Fifth, there is another important dimension to direct taxation. Historically, revenue has been mobilised through indirect taxes and duties on poor people rather than income taxes on the rich. This has exacerbated economic disparities in society. As Bangladesh aspires to build an equitable society, it is essential to reform this tax structure, which is unfavourable to common people. For example, while nearly 60 percent of tax revenue in India comes from direct taxes, nearly 65 percent of taxes in Bangladesh come from duties on essential commodities, disproportionately affecting poorer people. Revenue can also be increased by addressing tax evasion and improving tax administration. Due to tax evasion in various sectors, the Bangladesh government loses tax revenue ranging from Tk 560 billion to Tk 3,000 billion. Such evasion can be curbed through the use of information and communication technologies.

In conclusion, I once believed I had no economic debt—that I was a free bird. However, I now understand that, while I do not have personal debt, I bear a liability of Tk 100,000 as a citizen of Bangladesh. I realise that the country’s indebtedness has increased, and I am a part of this debt too.

independent task force, armed with the tools of forensic accounting, data analytics and legal expertise. By dissecting financial flows, tracing cross-ownership structures and auditing procurement records, this body can expose the mechanisms of economic enslavement.

In South Korea, the Anti-Corruption and Civil Rights Commission worked in

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tandem with whistleblowers to unveil the rot within chaebols. Bangladesh must do the same, empowering civil society to join this battle.

Temporary nationalisation offers another pathway. Inspired by Japan’s post-war reforms, key conglomerates could be placed under professional management for a limited period. This is not an invitation to chaos but an orderly transition: stabilising operations, removing corrupt actors and creating the conditions for fair reprivatisation.

The aim is not to destroy but to transform, to extract these entities from the toxic embrace of cronyism and return them to the people as competitive, transparent enterprises. Some will cry foul, invoking the

spectre of economic disruption or accusing reformers of vendetta. Let them cry. The moral imperative is clear: the wealth of a nation cannot be the preserve of a few.

The lives of 170 million citizens—their hopes, their dreams, their right to dignity—are at stake. We must remember that these conglomerates do not merely control industries; they control futures.

Every inflated price, every siphoned dollar, every monopolised sector represents a child denied an education, a farmer deprived of fair markets, a citizen silenced by poverty. The battle is not just economic; it is existential. It is a battle for the soul of Bangladesh, a battle to reclaim our sovereignty from those who would sell it piecemeal for private gain.

Imagine a Bangladesh unshackled. Imagine industries where competition thrives, where entrepreneurs dare to dream without fear of predation by monopolies. Imagine a government no longer beholden to the oligarchs but answerable to its people. This vision is not utopian; it is attainable. It requires political will, legal reform, and, above all, a collective awakening.

Let us remember that history is a relentless tide. The zaibatsu fell. The chaebols were humbled. Even the most entrenched powers can be dismantled when a nation decides that enough is enough.

Bangladesh stands at such a crossroads. The choice is stark: capitulation or courage, stagnation or progress.

In the end, this is not merely an economic question but a moral one. Will we, as a people, continue to watch as our nation’s wealth is siphoned away, our democracy eroded, our dreams deferred? Or will we rise, as we did in 1971, and declare that this land, this future, belongs to us all? The time for equivocation is over. The time for action is now.

For Bangladesh, the stakes could not be higher. For the oligarchs, the message could not be clearer: your time is up.