

## EARTH DAY

# The Earth as a bank and its 'defaulters'



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Long ago, depending on whom you ask, there was a time when the Buriganga River was known to bring life to Dhaka, flowing gently beside the city, waters brimming with fish and ferries, shimmering silver under the moonlight. As Dhaka's skyline began to grow, the city became a machine, and Buriganga became its dumping ground. Factories, textile dyeing plants, tanneries, plastics, metalwork, and soap production multiplied on its banks. Every day, without pause, tonnes of untreated chemical waste poured in. The colour of the water turned red or green, and black, no longer retaining its glory. Never clean again. My father used to tell me how he could drink water from the Buriganga River. But now we need to cover our faces just to pass it.

When I was young, and I would visit my grandmother in the village, we would have chats where she would share stories about her life and the

nearby slum that she shared with her husband and their child. There was no window in her house, but the plants brightened up her home, and it inspired her to find plants on the roads and build up a nice little row of plants in front of her room. She told me, in confidence, of course, that she can't stop the pollution in the area, but she can create a corner that makes her home beautiful.

These stories remind me how loving the environment hurts—the planet, these ecosystems, they try to work with us, but we forget to work together.

I recently came across the concept that the Earth is a bank. A bank where you take a loan of the "resources," which ultimately need to be paid back. When you stop paying back, the Earth will come back to ask for what is hers.

The average person is not concerned with the environment, because let's face it, there are so

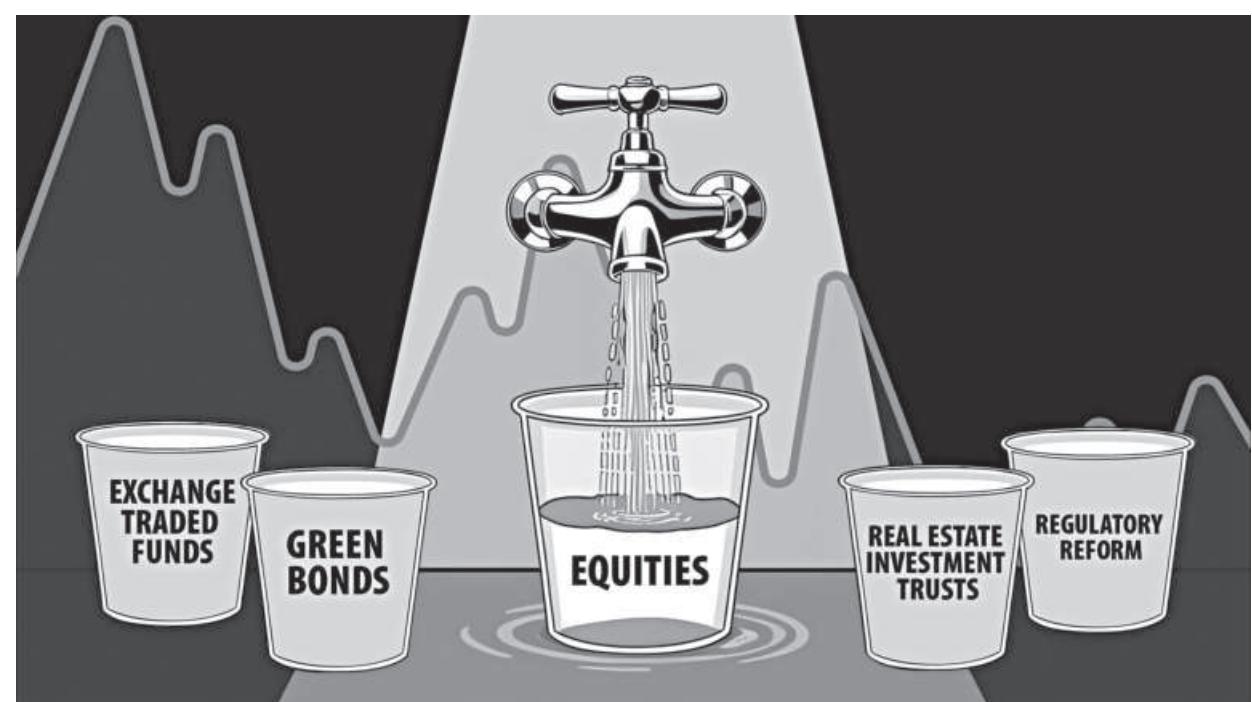
you could smell the rain from every corner. But the reality is that we no longer have the natural capital to live like that. We don't have the space or the resources to fend for all the people in the country living the way things used to be.

And on top of that, every day, a new nightmarish scenario pops up. News of wars, something or the other is burning, someone or the other is looting, or harassing women and minorities, and social media is just adding all its fuel to the dumpster fire that the world is right now.

But that's the thing: these are all linked with our degrading environment. They all intersect with our loans from the bank that is Earth.

When there is no balance of power, environmental justice can become harder to achieve because vulnerable communities, like women, minorities and Indigenous groups, lack the political power to defend their lands. Land grabbing by powerful elites and the exploitation of rivers and forests often happen unnoticed in times of political instability.

For some countries, regressive environmental policies, like backing out of important global agreements, might be implemented to benefit corporations and industries, while disregarding climate science or



VISUAL: ANWAR SOHEL

## The many benefits of diversifying our capital market

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market can incentivise companies, leading to increased efficiency and profitability (Chowdhury and Khan, 2024).

According to Md Edrich Molla and Md Zafar Iqbal (2019), Bangladesh must implement strategies to expand its capital market to finance productive investments and infrastructure projects. Additionally, the Bangladesh Securities and Exchange Commission (BSEC), as the capital market regulator, should

**It is recognised that a well-functioning capital market can play a vital role in supporting inclusive economic growth by channelling long-term finance into infrastructure and other large-scale projects that create jobs and improve access to markets. To develop an effective and efficient capital market, it is pivotal to have a wide array of investment opportunities that attract potential small investors. In the long term, sub components of the stock market have positively affected Malaysia's economic growth (Tan and Shafi, 2020). A fixed-income security like a mutual fund or bond is one such investment, providing an opportunity for regular fixed income as well as capital gains.**

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A study on the potential of the derivatives market and economic stability of Bangladesh suggests that there are various prospects for derivatives as financial instruments in our capital market (Molla, 2018) for achieving economic stability. Another study on whether financial development holds the key to economic growth in sub-Saharan Africa found a strong positive correlation between economic growth and stock market development (John et al., 2013). This study suggested the adoption of policies that create a favourable environment for financial market development, including efforts to integrate the small capital markets.

Nathaniel et al. (2024) have extended these insights to emerging and developing economies, including the South Asian region. This research has demonstrated that diversified and developed stock markets can significantly contribute to economic growth through various mechanisms. By providing companies with access to capital, they facilitate the mobilisation of domestic savings, which can be invested in productive ventures. The presence of multifarious products in the capital

market still lacks many financial instruments that are prevalent in developed and even neighbouring capital markets, which are crucial for building a sustainable, diversified, and advanced capital market. The limited diversification of financial products has resulted in a disproportionately small capital market in our country, constituting just 13 percent of the economy. Furthermore, the capital market's contribution to GDP remains significantly lower than not only developed economies but also neighbouring South Asian nations.

According to data from the Dhaka Stock Exchange (DSE Monthly Review, December 2024), the total market capitalisation of all listed products stands at just \$65,719 million, which is significantly low not only in comparison to developed capital markets but also relative to neighbouring capital markets.

In the absence of sufficient and diversified products in the capital market, an overly large burden of corporate lending is taken on by the banking system, typically with the blessing of a government in pursuit of credit allocation preferences. In contrast, when the relative sizes of the banking system (money market) and the capital market are more balanced—as would be the case with a well-developed capital market—market forces have a much greater opportunity to assert themselves, thereby reducing systemic risk and the probability of a crisis.

Policy and regulatory measures need to be taken to promote product diversification in our capital market. Steps must be taken to encourage domestic insurers, the pension authority, different government projects, private firms, corporate houses, and foreign institutional investors to design and launch financial products in our capital market. Risk management tools such as Interest Rate Futures, Credit Default Swaps, and Repos should be popularised. A liquid capital market can play a critical role in supporting economic development as it supplements the banking system to meet the requirements of the corporate sector for long-term capital investment and asset creation.

The lack of product diversification in Bangladesh's capital market limits its growth and sustainability, making it challenging for investors to hedge risks. Expanding the range of financial instruments, such as derivatives, ETFs, and asset-backed securities, can enhance market access, liquidity, and capital for both institutional and retail investors. This diversification will foster a more robust and competitive capital market, attracting local and foreign investments and promoting economic growth. A coordinated effort among policymakers, financial institutions, and market participants is required to create a more inclusive and diversified investment environment.



There was a time when people could drink water from the Buriganga River. Now we need to cover our faces just to pass it.

FILE PHOTO: STAR

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many more things that we are to be concerned about right now. I recently came across a Facebook post, filled with nostalgia for big houses of the 80s and 90s, where

environmental sustainability. This leads to resource depletion and pollution in the name of growth.

Misinformation campaigns, which are rampant on social media, can undermine climate science or distract people from environmental crises. In places where environmental issues are already political, social media has become an arena for discrediting or shifting blame. Public opinion and political decision-making on climate issues can be manipulated by corporate interests, leading to delayed actions and unsustainable policies.

Finally, let's not forget, the ones that take on the highest amount of loans from the bank of Earth are the ones who don't pay it off, leaving the weight of the debt to fall on those who borrowed the least. And we all know what the ones who don't pay back are called.

And unfortunately, when it comes to the bank of the Earth, most of us can be called that.

1 land she lived in. The stories back then seemed very menial, stories of herding animals and growing their own produce. But these stories seem powerful to me today. One thing she said stuck with me, "We used to live with the land, not just on it." My version of living with the land was appreciating nature, the sky, the stars, and the trees around me in the concrete jungle called Dhaka. Even though her version of living with the land was different from mine, I could feel it. But in time, that feeling faded away, I lost connection with the land, and I ended up just living on it.

Once, when I was a young researcher, I was on a factory visit and had the opportunity to talk to a factory worker about their environmental initiatives. She told me a very nice story about how the factory handed out small potted plants as a part of their green initiative, meant to boost morale and show care for the environment. I asked how she perceived it, and she told me about her little house in the

## CROSSWORD

BY THOMAS JOSEPH

### ACROSS

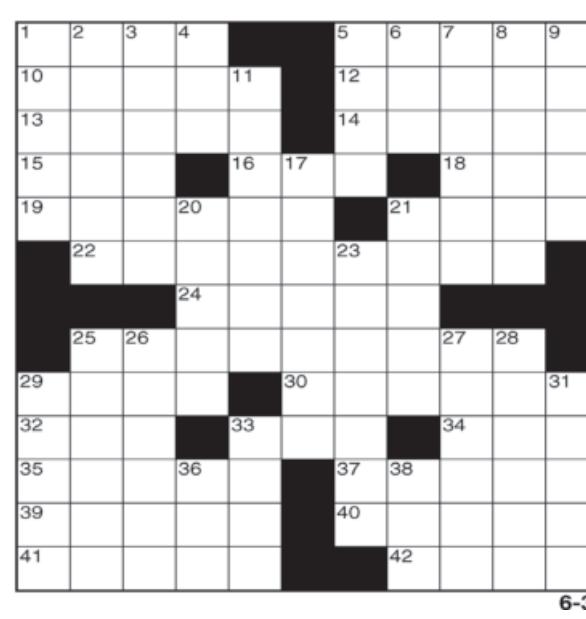
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- 29 Lab runners
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them

- 32 Crumb carrier
- 33 Altar oath
- 34 Operated
- 35 Packed in boxes
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- 39 Detached
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- 41 Meanders
- 42 French father
- 1 44th president
- 2 Excellent
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- 4 Early hour
- 5 Murder
- 6 Golf goal

7 Beautiful boy

- 8 Take offense at
- 9 Patella places
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- 11 Site of some silt
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- 13 In the cards
- 14 Hopping mad
- 15 Closing number
- 16 Follows, as advice
- 17 Pump full of bubbles
- 18 Seinfeld neighbor
- 19 Raucous bird
- 20 Disparaging
- 21 March time
- 22 Purpose
- 23 Navigating aid



## YESTERDAY'S ANSWERS

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E	E	R	I	E	E	R	A	S	E
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