

Rising economic risks demand urgent action

Warnings from the World Bank

A new World Bank report has rightly sounded the alarm about a potential rise in poverty and inequality in Bangladesh—warnings that policymakers can ill afford to ignore. According to the report, persistent inflation, job losses, and a slowing economy may further erode household welfare, intensifying our already pressing economic challenges.

The national poverty rate is projected to rise to 22.9 percent in 2025, up from 18.7 percent in 2022. Meanwhile, the share of people living in extreme poverty—defined as those earning less than \$2.15 a day—is expected to nearly double to 9.3 percent, pushing an additional three million people into this category. In the latter half of 2024 alone, nearly 4 percent of workers reportedly lost their jobs, while wages declined by 2 percent for low-skilled workers and by 0.5 percent for high-skilled workers. The labour market, in short, is showing clear signs of distress. Notably, the labour force participation rate has dropped from 60.9 percent to 59.2 percent, driven largely by a sharp decline in female participation, from 41.6 percent to 38.9 percent.

Exacerbating the crisis is the prolonged spell of high food inflation, a key driver of poverty that has continued to squeeze household budgets. Real wages have been in decline for over 40 months now, as nominal wage growth consistently lags behind soaring prices. The Gini index, a key measure of income inequality, is also projected to rise from 33.4 in 2022 to 36.1 in 2025, with experts pointing to the weak and informal nature of the labour market as a primary cause.

A lack of quality employment opportunities has left a vast segment of the population engaged in low-productivity, self-employed work, with limited earning potential. What makes this situation even more troubling is that GDP growth has been slowing in recent years—driven by falling investment, policy uncertainty, high borrowing costs, and political unrest—resulting in fewer jobs and lower confidence in the economy. In light of these trends, it is imperative that policymakers, political parties, and other stakeholders come together and take decisive steps to reduce uncertainty and improve the investment climate.

To this end, there is no alternative to undertaking necessary structural reforms urgently. This includes urgent banking and fiscal reforms aimed at restoring investor confidence and accelerating economic recovery. Frequent policy shifts and uncertainties that deter businesses from investing and expanding must also be addressed head on. The government, in consultation with political parties, must also provide clarity on the timing of the next elections and work towards a consensus that reassures both domestic and foreign investors that Bangladesh will not remain trapped in political uncertainty indefinitely.

Smooth take-off of third terminal vital

Address the problems identified by customs inspectors

Amid persistent economic struggles as well as efforts to remove barriers deterring businesses from investing and expanding in the country, there is no alternative to ensuring a smooth take-off of the much-anticipated third terminal of the Hazrat Shahjalal International Airport in Dhaka. Built at a cost of over Tk 21,300 crore, the terminal is being touted as a milestone for Bangladesh's aviation sector, with the planning adviser recently underscoring its potential to make the airport a regional hub. For this promise to materialise, we must ensure the project doesn't falter on operational readiness, particularly with regard to customs and cargo handling.

With over 99.5 percent of the construction work already completed, the terminal is technically close to the finish line. However, a recent letter from the Customs House Dhaka to the Civil Aviation Authority of Bangladesh (CAAB) has raised concerns about a number of issues related to its infrastructure, security, and operational aspects, according to a report by this daily. For example, a key concern raised by the inspectors involves the customs hall, which they say is too narrow with a low ceiling and a capacity of only 300, despite an expected influx of 7,000 to 8,000 passengers at peak hours. This may result in heavy congestion, slow clearance, and poor ventilation. After the terminal's full-scale opening, expected in early 2026, it is estimated that the annual passenger handling capacity of the airport will rise to 2.4 crore from 80 lakh at present.

Customs officials have also flagged several issues related to cargo handling. Among them is the lack of designated warehousing for seized or high-value goods, which poses risks of theft, misuse, and smuggling. The placement of the duty-free shop immediately after immigration, without adequate surveillance or access control, also risks revenue leakage. Moreover, the lack of designated space for scanners, physical examination of baggage and consignments, and diversion routes for high-risk baggage may emerge as another big problem, especially given the expected doubling of cargo throughput once the terminal goes live. These and other such inadequacies could further contribute to security risks, unnecessary delays, and even tax evasion.

While acknowledging these shortcomings, the relevant authorities have said that it is not possible to alter the existing infrastructure now, so they are focusing on workarounds as alternative solutions. But the need for resolving the issues identified cannot be stressed enough either, especially for the sake of a safe, uninterrupted operation of the terminal. We, therefore, urge the authorities to seriously consider the recommendations of customs inspectors and find ways to implement them.

THIS DAY IN HISTORY

Hubble Space Telescope sent into orbit

On this day in 1990, the Hubble Space Telescope, a sophisticated optical observatory built in the United States under the supervision of NASA, was placed into operation by the crew of the space shuttle Discovery.



VISUAL: ANWAR SOHEL

The elephant in the room no one is talking about

Reform of political parties is of urgent need

THE THIRD VIEW



Mahfuz Anam
is the editor and publisher of The Daily Star.

MAHFUZ ANAM

Since Prof Muhammad Yunus took over as the head of the interim government, reforms have been very high on the national agenda. The whole country wants it. What is heartening is that even political parties, who are usually opposed to anything that does not originate from them, have worked closely with all the reform commissions and are now engaged in reaching a consensus.

However, one vital area has been left untouched in this discussion: reform of the political parties themselves. The nature, transparency, accountability, and inner democracy of political parties in Bangladesh determine the type of democracy and good governance they would be able to deliver. In fact, it greatly influences the society we end up with. The nature of the political parties who get elected determine to a large extent how the parliament, judiciary, and all its statutory bodies operate. They greatly influence the bureaucracy, almost all government institutions, the budget and its implementation, big business deals, etc. Very importantly, they control whatever oversight functions that are in the constitution.

There can be no denying the fact that one of the reasons behind the dismal state of democracy and governance in Bangladesh is directly related to the absence of internal democracy and public accountability in its political parties, especially of top party leadership.

Tarique Rahman must fully grasp the uniqueness of his opportunity and the complexity of his challenges. We request him to objectively see the existing party power concentration in his hands and create avenues for expression of alternative and even dissenting views within the party structure without any threat to the person or the group concerned. Arguments may be put forward that such a scope will create disciplinary issues. Yes, they may, but without it, the party will be a sterile institution devoid of creativity, vibrancy, and in time filled with sycophants.

From 1991, which marked the fall of Ershad and restoration of democracy, to 2024—a period of 33 years—we have had either the Bangladesh Nationalist Party (BNP) or the Awami League (AL) ruling the country, with two years of military-backed caretaker rule in 2007-2008. BNP ruled us for 10 years and a few months—one term in partnership with Jamaat—and AL ruled us for 21 years, the last 15 of which were uninterrupted, also with some partners who enjoyed ministerial positions but hardly any significant policy framing roles.

Today, BNP is the party that everyone is looking at, talking about,

party, which is highly centralised with all authorities concentrated in a single hand. As we have seen from experience—and BNP should, too—without intraparty democracy and accountability, it cannot deliver democracy and accountability in the governance process.

The reality is that the existing BNP party constitution makes the chairperson a repository of

Today, BNP is the party that everyone is looking at, talking about, and trying to understand better. History has opened doors for it that nobody expected so soon. In a free and fair election, BNP is most likely to emerge with the largest number of seats in parliament, not only for its wide acceptance but also for the massive rejection of its main rival, the Awami League.

unquestioned and unquestionable powers. Under Section 1, "Duties, Powers, and responsibilities of the Chair..." the document says, "As the chief officer of the party, the chairman shall control, supervise and coordinate all activities of the party and for that purpose shall have the authority over the National Council, National Standing Committee, National Executive Committee, Subject Committees and other Committees nominated by the chairman and shall do control, supervise and coordinate their functions." Section 4 says, "The Chairman may dissolve the National Executive Committee, the National Standing Committee... and other committees nominated by the chairman and reconstitute them..."

BNP's constitution gives all power to the chairperson, making him or her answerable to no one.

Seriously, can such a party run democratically? Do its values depict those of democracy? Can't there never be any dissent within? When such a party wins a majority in parliament, what will be the nature and functioning style of that government? It will totally be "top-down," and the top being only one person.

How will the parliament function when such a party commands majority? We know because we saw such a party in power, and we lived under its rule and suffered immensely. If there is no scope for a party activist ever to question a decision made by the party chief, and if the future of that person totally rests on the party boss, will anybody ever dare to dissent? Will such unchallenged powers not give rise to dictatorial mind set that will most likely find fruition in near future. And if such a party wins majority in parliament and forms the government,

won't it be a one person government, a one person parliament, a one person everything? Again, we have seen it, lived under it, and suffered. Can the BNP ignore the widespread demand that we should eliminate all traces of such a possibility recurring? Is it wise for it to do so?

We commend Tarique Rahman and BNP for already showing some positive signs in this direction. I find his speeches sensible and mature. What he said on Wednesday about "seeking reforms and not revenge on his oppressors" is highly praiseworthy. He seems to have made the best use of his forced exile in the UK. I also express my appreciation for the use of language both by him and BNP Chairperson Khaleda Zia. The humiliation and injustice inflicted on them by the Awami League and Sheikh Hasina personally could have easily triggered a very justifiable vilification of the latter. Both of them refrained from that and gave political discourse a new dignity and set an excellent precedent. Tarique Rahman's proposal of setting a two-term limit with further re-election prospect after a gap is better than what we have now. His openness to curtailment of PM's power and enhancement of that of the president is also welcome. The idea of an upper house is a refreshing change, but its membership should be proportionate, otherwise it will be a rubberstamp of the lower house preventing it from giving the government guidance.

However, all of the above changes will be mere cosmetic if the real power does not shift.

Here lies the strong logic for the posts of the PM, the party leader, and the leader of the House not being occupied by the same person. At least, the PM and the party leader must be separate. Running the party and running the government must be in separate hands. Such a system helps the growth of leadership, assists the PM to be exposed to other views, and alerts them to be sensitive to the party's thinking. Otherwise, it is a one person show that leads to massive misuse of power, which sometimes the over-empowered leader does not even know.

Tarique Rahman must fully grasp the uniqueness of his opportunity and the complexity of his challenges. We request him to objectively see the existing party power concentration in his hands and create avenues for expression of alternative and even dissenting views within the party structure without any threat to the person or the group concerned. Arguments may be put forward that such a scope will create disciplinary issues. Yes, they may, but without it, the party will be a sterile institution devoid of creativity, vibrancy, and in time filled with sycophants. We saw that happen to the Awami League leading to its detachment from the people. Sheikh Hasina not only destroyed government institutions, she also destroyed her party which had such a rich history and legacy.

BNP must learn from AL's mistakes. Tarique Rahman is making some timely decisions, and introducing intraparty democracy should be one of his goals.