The Daily Star
FOUNDER EDITOR: LATE S. M. ALI

Ensuring women's rights needs reforms

Discussion is the answer to move forward

We are shocked by the abusive and abhorrent language used at the Hefazat-e-Islam rally by some groups as they outright rejected the recommendations made by the Women's Affairs Reform Commission, calling for its immediate abolition. At a time when the people of the country aspire to build a discrimination-free society, such rhetoric—insulting women—is not only condemnable but also contrary to the values and respect for women in Islam. The demand for the abolition of the commission is also unreasonable and disturbing. Some groups might have reservations about certain aspects of the reform proposals that, as they claim, contradict Islamic values and laws. But to reject all the recommendations without any dialogue—and using such unsavoury language—is reprehensible.

Is it possible for a nation to progress by depriving half of its population of their rights? Women's participation in the workplace has made huge contributions to the economy. Our garment industry—which is keeping our economy afloat—is almost entirely dependent on the female workforce. Women have played an instrumental role in major political movements, the most recent being the July-August student-led mass uprising. Their contribution in defeating fascism must be acknowledged and fully honoured.

The Women's Affairs Reform Commission was established by the interim government as part of its initiative to promote gender equality and eliminate discrimination against women in society. It has, therefore, put forward several crucial recommendations to empower women and ensure their rights, address the various forms of abuse women face, and suggested multiple protection mechanisms. Apart from the recommendations that generated outrage among some circles, the commission also made many other vital proposals. It has called on the government to adopt and implement the International Labour Organization's Conventions C189 and C190, which aim to safeguard the rights of domestic workers and ensure protection against workplace violence and harassment.

The commission also highlighted the need to strengthen or amend several laws to better support victims of violence, including the Prevention of Domestic Violence Act, 2010 and the Guardians and Wards Act, 1890. It proposed introducing a new law on sexual harassment, based on the 2009 High Court guidelines. It also recommended ensuring six months' paid maternity leave, two weeks' paid paternity leave, and childcare facilities in all sectors. Can there be any doubt that all these recommendations are crucial if women are to contribute meaningfully to social and national progress?

We, therefore, urge the like-minded parties and groups who held the rally on May 3 to examine the proposals realistically and engage in discussions or debates about the recommendations they find problematic. They should also learn from the experiences of other Islamic nations on how they have navigated similar struggles and upheld women's rights. As the commission's recommendations will be presented to political parties through the National Consensus Commission, there will be scope for further debate—which they should utilise to express their views. However, they must remember that the rights to equality, non-discrimination, and protection from violence and abuse cannot be matters of contention, as these rights are guaranteed to every human being.

Keep a close eye on banks' health

Rising capital shortfall not a good sign

The struggles in the banking sector, stemming from a weakened capital base after years of unchecked irregularities during the Awami League's tenure, continue to attract attention. According to data from Bangladesh Bank, the capital-to-risk weighted asset ratio (CRAR)—which measures a bank's capital relative to its risk-weighted assets—fell to just 3.08 percent across the sector at the end of 2024. This is significantly below the 10 percent minimum required under the Basel III framework, down from 6.86 percent recorded three months earlier and 10.64 percent recorded in June 2023.

While some banks continue to maintain healthy capital buffers, there is a stark divide within the industry with a number of banks facing alarming shortfalls. For example, at the end of December, state-run banks recorded a CRAR of negative 8.42 percent, Islamic banks stood at negative 4.95 percent, and specialised banks at negative 41.02 percent. In contrast, private commercial banks posted a CRAR of 10.98 percent, while foreign banks reported a robust 42.09 percent.

According to industry insiders, these capital shortfalls could jeopardise the stability of the entire financial sector. Moreover, investors and depositors are likely to lose confidence in the affected banks. As a result, the credit ratings of these institutions could be downgraded, making it more difficult and costly for them to raise funds and improve their financial positions.

It is also worth noting that several banks failed to finalise their annual financial statements by the April 30 deadline. Bangladesh Bank has applied to the finance ministry for a one-month extension on behalf of these banks. In the past, banks were granted various regulatory forbearances, including deferrals on provisioning requirements during the finalisation of annual statements. However, this time the banking regulator has not provided any such relief. Furthermore, in March this year, the central bank tightened the dividend policy for banks, barring those that availed of deferral facilities to meet provisioning requirements from paying dividends from 2024 onwards.

The ongoing instability in the sector is a direct legacy of the Awami League government's negligence and the corruption it allowed within the sector. This includes permitting banks to defer provisioning requirements, implementing a lax dividend policy, and other regulatory shortcomings. Therefore, although delayed, it is encouraging to see that the central bank has taken measures that, though painful, were long overdue. In the past, we have seen how weak and problematic banks have used such regulatory forbearance to hide capital shortfalls. Rather than continuing to provide the same facility that failed to improve the banks' health and worsened banking discipline, the central bank would be better off exploring other measures to improve overall stability in the sector.

A gradual, homegrown approach to reforming political parties

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The political parties in Bangladesh are trapped in a cycle of family dominance, top-down decision-making, and favour-based politics. This system stifles democracy and holds back economic progress. Unlike mature democracies, we cannot suddenly copy their models or erase decades of entrenched practices, but the spirit of our 1971 Liberation War, the 1990 pro-democracy movement, and the July 2024 uprising show our people's unyielding demand for change.

Reforms must suit Bangladesh's reality. They need to be practical, step-by-step, and grounded in our political culture. History and global examples offer useful lessons—not perfect blueprints, but roadmaps we can adapt.

The illusion of instant transformation

Some envision Bangladesh rapidly replacing its current system with fully institutionalised, merit-based parties. However, this overlooks the formidable barriers we face: entrenched patronage networks, weak accountability mechanisms, and powerful vested interests that benefit from maintaining the status quo.

The experience of the United States is instructive. Their party system required a century to establish its basic structure and another century to implement significant internal reforms. Even today, their democracy continues to grapple with the corrupting influence of money in politics. This serves as both a cautionary tale and a reminder that meaningful change takes time.

Rushing for radical changes without first building necessary institutions risks instability, not progress. Instead, the focus should be on incremental reforms that gradually shift incentives towards inclusive and transparent governance, as seen in Indonesia and Mexico, where parties successfully navigated similar transitions.

Steps towards accountability

A humble beginning could be with checks within the existing party structures, rather than attempting full-blown intra-party democracy immediately. After Indonesia's Suharto fell in 1998, his former ruling party, Golkar—once synonymous with cronyism—began requiring internal elections and term limits for regional leaders. While dynasties retained influence, these cracks in the system allowed competent newcomers to rise.

Britain's Conservative Party transformed from an 1800s aristocratic club to a modern organisation through decades of gradual steps: local branches (1830s), formal membership (1860s), and eventually open leadership contests.

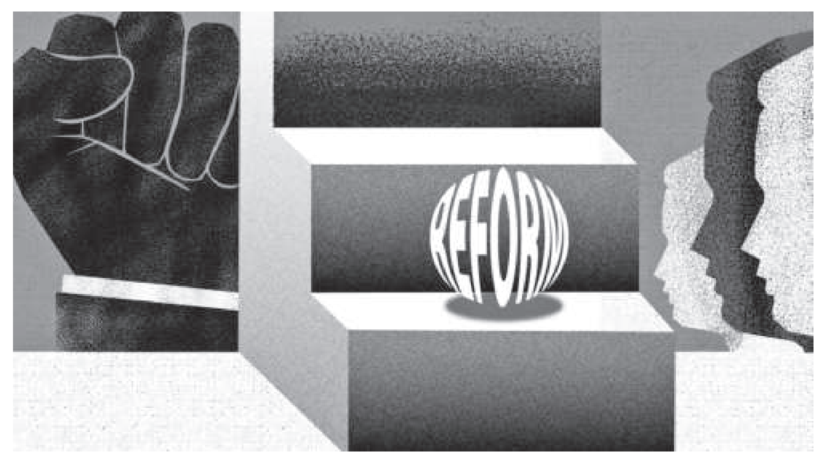
For Bangladesh, term limits for mid-level leaders (e.g. district unit presidents) and expanded electoral colleges for top posts could begin loosening dynastic control, one careful step at a time.

Following the money

Sudden crackdowns on party financing might disrupt politics before alternatives exist. Brazil took a smarter path in the 1990s: it paired public campaign funds with rules requiring disclosure of large donations. Pakistan's 2017 Election Act, despite uneven enforcement, at least set clear rules for donation limits and candidate spending.

The US took a full 70 years to develop its campaign finance regulations: beginning with the 1907 Tillman Act banning corporate donations, followed by the 1925 Federal Corrupt Practices Act mandating disclosures, and culminating in the more comprehensive 1971 Federal Election Campaign Act. Yet, even today, money remains a distorting factor in American politics, a sobering reminder that no system is perfect.

Bangladesh might consider starting with mandatory disclosure of donations exceeding Tk 10 lakh, followed by the introduction of independent financial audits, and eventually moving towards a system of partial public funding for parties that demonstrate compliance, mirroring Germany's successful post-war approach to reducing political corruption.



VISUAL: ANWAR SOHEL

Picking candidates fairly

Open primaries may be too much too soon. South Africa's ANC found a middle way after apartheid: local branches suggest candidates, but the central party vets the final list, mixing grassroots input with organisational control.

Even the US primary system grew slowly. Early 1900s experiments only became standard in the 1970s. Some states still use party conventions alongside primaries. India's BJP lets local members voice opinions, though Delhi ultimately decides.

Bangladesh could pilot "consultative nominations": local leaders propose candidates for central approval, with more open methods tested first in municipal elections—mirroring the UK Labour Party's 20th-century evolution.

From personalities to policies

Today's politics revolves around leaders, not ideas. South Korea changed this in the 2000s by requiring parties to publish detailed, cost policy plans reviewed by experts. Suddenly, voters expected substance, not just handouts.

The US's journey from 19th century backroom deals to today's detailed platforms took generations. China, under its one-party system, lets local members vote on some leadership roles.

Here, parties could submit manifestoes to independent analysts, with media partners broadcasting the findings—following Sweden's model of public policy report cards.

Giving opposition space to breathe

Big constitutional changes may spark resistance, but small moves can empower opposition voices.

Britain formalised opposition rights over 150 years: first recognising the "Leader of the Opposition" title in the early 19th century, adding a salary in 1937, and finally codifying opposition rights in parliamentary procedures.

After Malaysia's 2018 reforms, opposition leaders gained committee seats, improving oversight without upending the system. Nepal's constitution (Article 91) guarantees opposition roles—a South Asian example we could tweak.

The power of patience

Reforming Bangladesh's parties would not happen in one election cycle. But global experience proves that steady, smart steps work. We can begin with achievable goals: term limits for mid-level leaders, transparent party financing, more inclusive candidate selection, policy-based competition, and basic opposition rights.

The real hurdle is not knowing what to do—it's maintaining pressure for change. Civil society, media, and citizens must keep demanding progress.

For our political leaders, reform is not just idealism—it's survival. Systems that resist evolution eventually collapse. Bangladesh's parties can choose gradual change today or risk upheaval tomorrow. The Bangladesh spirit reminds us: transformation is possible when the people lead.

Post-LDC strategies to empower our private sector

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The domestic private sector is the pillar of Bangladesh's economic growth, job generation, and export competitiveness. While the country is set to graduate from the Least Developed Country (LDC) status in 2026 and targets to be an upper-middle-income country in the future, the development of private sector capabilities is a prerequisite for securing sustainable economic growth. Structural problems like inadequate infrastructure, inadequate access to finance, and a shortage of skills are hindering domestic business development. To enhance private sector capacity, Bangladesh must take certain policy actions in three areas.

First, we must improve access to finance and the investment climate. Private businesses in Bangladesh, particularly the small and medium enterprises (SMEs), are severely hindered by restricted access to finance through high interest rates, collateral requirements, and bureaucratic barriers. Financial system reform, investment, and a pro-business environment must prevail.

Broadening the credit facilities of specialised institutions and state banks is the priority. Building stronger credit guarantee schemes will reduce risk for lenders, allowing SMEs to borrow without unreasonable collateral. Creating alternative channels, such as venture capital and crowdfunding, will also facilitate funding for startups and high-growth firms.

Simplification of regulatory clearance, tax payment, and business registration is required to remove bureaucratic bottlenecks and enhance the ease of doing business. Domestic and foreign direct investment can be promoted by strengthening the Bangladesh Investment Development Authority (BIDA). Efficient dispute resolution and contract enforcement mechanisms will enhance investor confidence.

Developing robust capital markets and attaining financial inclusion are central to long-term growth. Developing a deeper bond market and access to new financial products will support long-term investment. Making stock market listings easier will increase equity financing access. Developing more digital financial services and fintech solutions will ease credit access and online payment for SMEs. Addressing these financial and regulatory challenges is crucial to supporting a robust private sector to deliver sustainable economic growth following LDC graduation.

Second, we need to find ways to enhance industrial productivity and technology adoption. Bangladesh's private sector, which relies strongly on low-cost labour and traditional manufacturing, is not highly competitive in high-value global markets. It is necessary to upgrade, innovate, and digitise industries to build a future-ready sector that is robust. This needs to be done by transitioning to more contemporary and technology-led methods to enhance productivity and competitiveness.

Enhancing local supply chains and industrial clusters through the utilisation of Special Economic Zones (SEZs) and industrial parks will foster integration into international chains, stimulating economic growth and sustainability. The growth of backwards linkages in key sectors like textiles and electronics will reduce dependence on imports and enhance self-sufficiency. Local production of raw materials will be encouraged to improve local value addition and price competitiveness.

Encouraging technological upgrading and digitalisation through tax rebates and subsidies for automation and digital infrastructure is essential. Establishing technology adoption funds will allow SMEs to embrace Industry 4.0 technologies like Artificial Intelligence (AI) and Internet of Things (IoT). Expanding government-supported technology incubators will foster innovation and digital entrepreneurship.

Industry innovation needs public-private collaboration. Academia-business Research and Development collaboration will propel innovation in high-value industries. Product development and technology transfer grants will foster frontier development. Sector-specific technology hubs will expose local businesses to emerging technologies, making them competitive globally. Focus on supply chains, technological upgradation, and collaboration can lead to a powerful, future-ready private sector.

Third, we should focus on developing human capital and entrepreneurial capacity. A flexible and well-trained workforce is central to Bangladesh's private sector growth, where a wide skills gap hinders development. Technical education, vocational training, and entrepreneurial upskilling must improve to equip businesses with the necessary skills and drive innovation.

Economic development will be encouraged by redirecting vocational training and education through more Technical and Vocational Education and Training (TVET) programmes that are industry need-responsive. Practical skills will be enhanced through the creation of apprenticeship schemes with the help of private firms. Science, technology, engineering, and mathematics (STEM) education and Information and Communication Technology (ICT) literacy will equip the workforce for the Fourth Industrial Revolution.

Fostering entrepreneurship through startup incubation centres that offer mentorship and funding will fuel business innovation. Granting more tax relief and scholarships for startups in high-priority sectors like fintech and renewable energy will attract sustainable development. Women-only lending and training will generate inclusive growth and empower women entrepreneurs.

Strengthening labour market policies that address job creation, workers' rights, and adaptability in employment will address unemployment. Encouraging public-private discussion will ensure policies that account for evolving business and worker needs. Facilitating cross-border labour mobility arrangements will make professional skills workable across the world, creating expertise and driving economic growth. Addressing these domains will cultivate a dynamic, skilled workforce, accelerating private sector growth.

The development of Bangladesh's private sector following graduation from the LDC status hinges on resolving critically constraining factors strategically. Through improving finance access and the investment climate, industrial productivity by adopting technology, and building human capital and entrepreneurship capacity, Bangladesh can unlock its private sector's full potential. Focused policy interventions in the three interlinked areas are critical to building a robust, competitive, and forward-looking private sector and ultimately realising sustainable economic growth as well as upper-middle-income country status.

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