

The Daily Star

FOUNDER EDITOR: LATE S. M. ALI

# This is not how a city can survive

## Amid raging street chaos, we must ensure citizens’ well-being

At a time when chaos and uncertainty are gripping the nation—thanks to wave after wave of protests, ever-widening political divides, and, to cap it all off, striking reports on a potential resignation by Dr Muhammad Yunus—it may be tempting to dismiss their cumulative effects on citizens as mere trivia in the bigger scheme of things. But this is precisely where we must turn our attention, for ultimately it is the only thing that truly matters. It is also the only reality that is clear amid the smog of confusion that now envelops us. True, we need to find a way to ensure that the aspirations of a new Bangladesh are preserved at all costs. But treating citizens’ daily well-being as collateral damage in the pursuit of that future would not only be short-sighted, but also counterproductive.

This is what comes to mind after seeing Dhaka residents suffer through yet another agonising day on Thursday. From morning till late afternoon, large parts of the city including Shahbagh, Kakrail, Matsya Bhaban, Purana Paltan, Gulistan, Motijheel, Jatrabari, and other connected streets were choked with traffic, bringing life to a near standstill. This was reportedly largely due to various protests and political demonstrations, including by groups affiliated with BNP. The problem was further compounded by poor traffic management, waterlogging from scattered bouts of rainfall, dug-up roads left unrepaired by utility agencies, VIP movements, etc. As traffic stood still for hours, thousands were forced to walk through sludge-filled roads and broken pavements. Some, while talking to this daily, described the situation as a “trap,” with no way forward, backward, or out.

In recent days, the frequency of such protest-induced blockades at peak hours has left commuters quite exasperated, especially as rain and summer heat coalesced to increase their sufferings. The sufferings of the elderly and women, particularly those travelling alone or with children, have been even more severe. This situation can no longer be justified by paying homage to the right to protest, which, while an inalienable democratic right, cannot be allowed to infringe on the rights of so many others: the right to freedom of movement, right to access healthcare, right to work and livelihood, right to public safety, right to education, etc. Any protest, therefore, must be exercised responsibly, without turning citizens into hostages of political agendas and group interests.

After about nine months of living in such a charged atmosphere, the question is no longer how we in Dhaka got here, but how much longer this can continue. Clearly, citizens have had enough of such disruptions. They need a break from the continued street chaos. We urge the government, political parties, and all other stakeholders of the July uprising to urgently collaborate to ensure that basic civic life is not held hostage by the unchecked protest politics.

# Protect our hills from destruction

## Don’t let destroyers of Chattogram hills get away unpunished

A troubling development has recently come to light, highlighting the culture of impunity that flourished under the Awami League regime. According to a report by Prothom Alo, two contractors—Toma Construction and Messrs Hasan International—were fined Tk 50 crore by the Department of Environment (DoE) in early 2021 for illegally cutting hills in Chattogram during the construction of the Dohazari-Cox’s Bazar railway project. However, the companies were exempted from paying the fine in June 2022 allegedly by the then secretary of the Ministry of Environment, Forests and Climate Change, who also chaired the ministry’s appeal authority at the time. This points to a serious abuse of power, with strong indications that the waiver was due to the secretary’s ties with the companies involved.

Reportedly, the above-mentioned companies excavated 2.22 crore cubic feet of earth from hills in the Rangapahar area of Lohagara upazila, far exceeding the approved limit. While the government authorised the excavation of 37 hills—an act that is itself questionable—the companies cut an additional 16 without permission. According to a DoE official, the environmental damage caused by Toma Construction alone was estimated at around Tk 2,000 crore. Because of the sheer scale of the damage, the matter was allegedly hushed up to avoid further scrutiny.

In November 2021—nine months after the levying of the initial fine of Tk 5 crore, which was later exempted—the Chattogram DoE filed a case against the two companies with the Environment Court, which delivered its verdict on February 26 last year. Messrs Hasan International reportedly admitted its offence and was fined Tk 120,000, while Toma Construction was fined only Tk 50,000. Such nominal penalties for such grave violations raise serious concerns about the effectiveness of our justice system and environmental safeguards.

Over the past decades, illegal hill-cutting has become rampant across the country despite being prohibited by law, precisely because of the complicity of relevant officials and the political connections of offenders. Chattogram city alone has lost 120 hills over the last 40 years to real estate developments, road construction, and other projects. Alarming, this destructive trend has continued even after the political transition in August last year. Given the aspirations of the new Bangladesh we are trying to build, the authorities must take decisive steps to halt further destruction of hills and hold all responsible parties—regardless of their connections or influence—fully accountable. Our environment cannot afford another chapter of negligence and impunity.

# THIS DAY IN HISTORY

## Israel ends occupation of southern Lebanon

On this day in 2000, Israel ended its 18 year occupation of southern Lebanon, withdrawing the last of its troops from its self-declared security zone.

# REVIVING BANGLADESH’S BANKING SECTOR

# A race against time for innovation and reform



**Mamun Rashid**  
*an economic analyst, is chairman at Financial Excellence Ltd and founding managing partner of PwC Bangladesh. He has served in senior roles at three global banks: ANZ, Standard Chartered, and Citibank, N.A.*

MAMUN RASHID

Once a foundation of economic development, Bangladesh’s banking industry is on the verge of becoming its Achilles heel. Crushing non-performing loans (NPLs), poor governance, and stagnant innovation undermine confidence, limit credit expansion, and threaten financial stability. If dramatic changes are not sought, the country may lose one of its main tools for maintaining long-term economic development.

Per the Bangladesh Bank data, NPLs constituted 20.20 percent of all outstanding loans by the end of 2024—well over the safe level of five percent, as advised by the International Monetary Fund (IMF). By June this year, the ratio is likely to rise to 30 percent, the central bank says. Although they own less than 30 percent of the banking assets, state-owned commercial banks are responsible for more than 42 percent of problematic loans. Unresolved vulnerabilities might reduce Bangladesh’s GDP growth, compromising its aim for upper-middle-income status, according to the 2025 report of the World Bank.

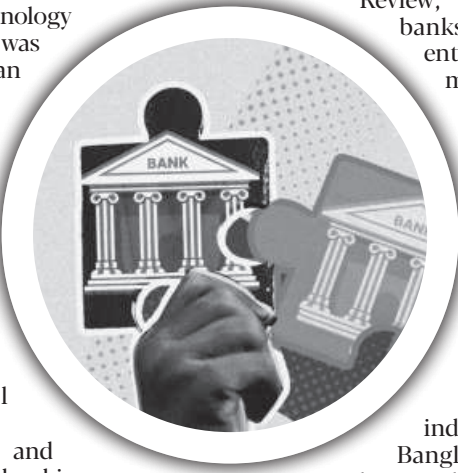
Still, this approaching disaster is not unavoidable. It results from choices; better choices are still within reach if they are based on innovation and effective governance.

Bangladesh’s banking system has historically depended on politically driven credit distribution and branch-based business lending. This model has now reached its limits. Less than 25 percent of Bangladeshi adults now have official credit access (The World Bank’s Global Findex Database, 2021). As of December 2024, nearly 24 crore mobile financial service (MFS) accounts run outside the official banking network, according to the Bangladesh Bank.

The private sector, particularly SMEs, is hungry for reasonably priced capital. Stunting business and job growth, a 2023 IFC estimation projects a \$2.8 billion MSME finance shortfall in Bangladesh. Simultaneously, poor loan allocation to large but high-risk borrowers is ballooning NPLs and severely damaging the banks’ balance sheets. Following business as usual in this environment is useless and harmful.

While Bangladesh’s financial administration deteriorated, a worldwide technology revolution was underway. At an unprecedented pace, mobile banking, AI-driven lending, blockchain trade finance, and open banking ecosystems are transforming financial institutions.

Between 2018 and 2022, branchless banking projects provided financial access to 60 million additional clients in Indonesia (World Bank, 2023). Mobile-first microloans under M-PESA expanded SME lending by 24 percent in Kenya over four years (GSMA, 2022). Bangladesh lags in this regard, despite the GSMA’s projection (2022) of 63 percent smartphone penetration by 2025. Should banks neglect to adapt, they risk becoming irrelevant to the next generation of companies and customers. The danger is not theoretical; fintech sites already help millions of people



who now find conventional banks sluggish, expensive, and inaccessible. Technology should help digitise current services and allow new goods to fit the changing market.

Three factors stand out as interesting:

- \* Microloans coupled with mobile wallets serve the informal and low-income sectors now left out of official financing.
- \* Supply chain financing helps SMEs, especially in the RMG and agricultural sectors, by unlocking liquidity for manufacturers and exporters.
- \* Green finance products encourage the acceptance of renewable energy sources, whereby worldwide investors are progressively channelling funds.

Banks that entered digital microcredit, embedded finance, and green lending enjoyed double-digit asset growth and decreased default rates globally (McKinsey Banking Review, 2023). The first banks to aggressively enter these products might restore Bangladesh’s importance and profitability.

Still, without a hard reset in governance, technology and goods alone cannot save the industry. The banking industry in Bangladesh is defined by weak risk controls, politicalised board nominations, and regulatory forbearance. These elements undermine depositors’ trust, conceal big defaulters, and drive bad credit choices.

The reform package presented by the World Bank provides an unambiguous guide:

- \* Bank resolution frameworks should be improved
- \* Stiffer deposit protection should be enforced
- \* Expert, non-political board appointments should be specified
- \* Specialist asset management

# We must end corporal punishment of children



**Laila Khondkar**  
*is an international development worker.*

LAILA KHONDKAR

Corporal punishment still remains the most common and socially accepted form of violence against children. According to UNICEF, 1.6 billion children (two in three) regularly face violent punishment at home worldwide; more than two-thirds are subjected to both physical punishment and psychological aggression.

In Bangladesh, the situation is alarming. The 2019 Multiple Indicator Cluster Survey, conducted jointly by the Bangladesh Bureau of Statistics and UNICEF, found that 88.8 percent of children aged 1-14 had experienced physical punishment in the month prior to the survey. Moreover, 35 percent of parents/caregivers believed that punishing children is necessary. While the Ministry of Education issued a circular in 2011 banning corporal punishment in educational institutions, children continue to face beatings and humiliation from teachers. Punishment also occurs at home, in institutions, and in workplaces.

Corporal punishment comprises any punishment in which physical force is used and intended to cause some degree of pain or discomfort, however light, as well as other non-physical forms of punishment that are also cruel and degrading. Corporal punishment violates children’s human dignity and physical integrity, and is a blatant violation of their rights under the United Nations Convention on the Rights of the Child.

The widespread social acceptance of corporal punishment reveals how violence has become normalised in child-rearing. It reinforces children’s

subordinate status and paves the way for other forms of abuse. A 2021 report by the Global Partnership to End Violence Against Children reviewed over 300 studies linking punishment to a host of adverse outcomes. Not a single study identified any benefits.

Daily acts of punishment cause thousands of injuries and deaths among children each year. Corporal punishment has been linked to numerous negative consequences, including harm to children’s physical and mental health, lower cognitive development and academic achievement, and it also contributes to school drop-out. Children who experience violent discipline are more likely to exhibit aggressive or bullying behaviour and may engage in criminal or anti-social behaviour later in life. Experiencing corporal punishment makes children sad, and it affects parent-child relationships.

Children place immense trust in their parents and teachers. When those in positions of trust resort to punishment, children begin to normalise violence in close relationships. This can lead to a cycle in which they grow up to either perpetrate or tolerate violence themselves. Without ending the practice of punishing children, we cannot hope to break the broader cycle of violence in society.

Around 40 years ago, Sweden and Finland had laws banning corporal punishment of children. Today, 68 countries have enacted laws to prohibit it in all settings—home, school, childcare centres, and institutions—to uphold children’s rights and protect

their dignity. Bangladesh is not yet on this list.

In my work on child rights across diverse contexts—including in Bangladesh, Papua New Guinea, and Liberia—I have repeatedly seen how efforts to legally prohibit corporal punishment are often met with resistance. Many parents, teachers, community leaders, and policymakers argue that physical discipline is part of long-standing cultural practices. But no tradition, however deeply rooted, can justify the infliction of harm on a child. Some keep making excuses that parents and teachers are under stress, and that is why they punish children. In many cases, parents and teachers do need more support, but that does not mean hitting or humiliating a child is justified. We never justify hitting an adult when we are stressed out. Why do we vent our frustrations on children?

Many parents and teachers in Bangladesh mistakenly believe that punishment helps children behave better. When adults hit or scold children in the name of teaching, the latter often learn only to avoid punishment, not to understand or internalise appropriate behaviour. This often leads to repetition of the same actions. Rather than resorting to punishment, parents should provide age-appropriate guidance rooted in care and compassion. This approach supports children’s learning and development in meaningful ways. Educators, too, should adopt positive discipline strategies in their interactions with students.

People often stay silent even when witnessing a child being punished in public places, as it is socially accepted in Bangladesh. On social media, some parents even joke about punishing their children. People who are otherwise vocal about justice and human rights often remain indifferent when it comes to violence against children. Isn’t this a serious contradiction?

However, legal reforms around the world have shown promise. Countries such as Sweden, Finland, Germany,

companies (AMCs) should be launched to clean up NPLs methodically.

- \* Bankruptcy rules should be updated to hasten healing

Vietnam provides a clear lesson: It reduced its NPL levels within five years after robust banking reforms in 2011 and revived private sector credit growth. Bangladesh has to be similarly politically courageous. Without governance improvement, no amount of digital innovation can reestablish public confidence—the lifeblood of banking.

Policymakers must build a regulatory climate that speeds up financial innovation beyond their own reform. It could include:

- \* Open banking in 24 months: letting clients safely communicate financial data encourages innovation and competitiveness.
- \* Starting a national fintech sandbox: allowing deliberate exploration driven by controlled testing of new digital items.

Bangladeshi banks now spend less than 0.1 percent of their revenue on cybersecurity, exposing systematic vulnerabilities (Deloitte, 2023). Early adopters of these models, like Singapore, India, and the UK, now find better, more inclusive banking environments. Bangladesh must act now or risk always falling behind its neighbours. Inaction comes at a very high cost. Every year of delay risks compounding NPLs, reducing SME access to capital, and increasing economic marginalisation. The societal fallout from lost employment, failed enterprises, and dashed hopes will eventually overwhelm the obvious financial issues of today.

Still, the benefits of action are great. Modern, reliable, technologically advanced banks might be the engines for Bangladesh’s next development boom, fuelling investment, increasing inclusivity, and enabling entrepreneurship. The route chart is straightforward. The technology is available here. The institutional changes have had results. Only political will now separates Bangladesh’s banking sector from renewal or irreversible decline. The time for hesitation is over.