

Interim govt losing sight of public mandate



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After this government came to power through a historic mass uprising, big expectations naturally followed. This is an interim government, with limited powers and tenure, we are all aware of that. And knowing this, society has developed expectations in line with the spirit of the uprising, focusing on what can realistically be achieved and what new paths might be forged.

What we demand of them are actionable measures, tasks that are feasible and within their scope. For example, first and foremost is identifying the real culprits of the July killings, conducting a proper investigation, and expediting the judicial process. While it seems that tribunal has been formed and investigations are going on, we are simultaneously witnessing a disturbing trend: numerous indiscriminate, false, and deliberately harassing cases being filed in the hundreds. In many instances, the complainants themselves do not even know the accused individuals. Yet, such cases are being filed.

The government claims with statements such as, "We didn't file these, an individual did." But what is the government's responsibility if not to ensure justice? As a result, the judicial process is becoming farcical, and the blame lies squarely with the government. This farce continues, particularly affecting teachers, writers, artists, journalists, lawyers, doctors and other individuals with no conceivable link to the killings. Some were even outside Bangladesh at the time. This continues to happen and is deeply regrettable.

Secondly, during the Awami League era, institutional failure became widespread. Functioning bodies were filled with submissive, corrupt, government-aligned individuals. This interim government was expected to reverse that trend—to appoint qualified people and vet them properly. However, we are now seeing unqualified individuals or politically aligned figures with various allegations against them being placed in universities and other institutions, a continuation of past practices. One of the key reasons for unrest in many institutions is "mob" interference. When mobs incite violence in institutions, appointments and removals are being made according to their



VISUAL: ALIZA RAHMAN

wishes, which destroys institutional process again.

Thirdly, large sections of society, including workers, employees, students, and teachers, have long-standing grievances and have suffered discrimination and deprivation under the previous autocratic government. They had hoped that their voices would finally be heard. They have submitted demands and memoranda, but in most cases, the government has responded with a chilling indifference.

Those pursuing legitimate demands were either ignored or attacked, even peaceful protesters are facing harsh treatment. Police assaults, harassment, and intimidation are common, even though the same government is apparently incapable or unwilling to take action against those engaging in coercion or mob violence.

from public concerns is unacceptable from a post-uprising government. When people raise legitimate issues, the government must respond, but it is failing to do so.

Fourth, instead of increasing national institutional capability, the previous government pursued policies to patronise private big corporate, domestic and foreign interests, against national interest. Bad deals in the energy sector were signed that harmed the economy and the environment in the long term. The interim government was expected to change this direction. While they cannot undo everything, they were expected to at least begin a shift. Instead, we see a continuation of the same trend.

Take the Chattogram seaport, for instance. There appears to be an attempt to hand it over to a foreign company. Such

initiatives began in the late 1990s, when proposals were placed to lease the port for 199 years to a US company (*Prothom Alo*, December 30, 2024). But widespread public protests saved the country. The National Committee organised long marches, workers demonstrated, and legal battles were fought. Investigations exposed fraudulent documentation of the US company, and public opposition ultimately

not enter into contracts with such lasting impact, especially without public discussion or consultation with the mass uprising's stakeholders, whose support legitimised this government.

Similarly, an LNG import contract has been signed in secrecy. Even Petrobangla was unaware of this deal. This was signed at a time when we should be moving away from coal and imported LNG, and towards boosting national capability. That means strengthening local institutions so Bangladesh can conduct its own gas exploration and develop renewable energy. Instead, LNG imports, Adani deals, coal-based power and nuclear projects are being continued. This is the very direction the current government was meant to change.

Lack of transparency and coordination within the government is also evident. Take the issue of the "corridor." The foreign adviser stated that a decision was made in principle. Yet, following public protest, conflicting statements emerged. The government claimed no such decision had been made. More recently, the national security adviser and high representative to the chief adviser, a figure already facing various allegations, rebranded the corridor as a "channel." This lack of transparency and internal contradiction, coupled with the government's eagerness to serve corporate interests, is highly concerning.

The interim government's focus should instead be on justice for the killings and rehabilitation of the injured, issues that remain unresolved. Institutional instability continues. Workers are protesting over unpaid wages. There is no resolution in sight for ongoing issues affecting women. Long-standing cases, such as the murders of Tonu, Taqi, Sagor Rumi, Munia, remain unsolved, despite high expectations that this government would address them swiftly.

Although reform commissions have been formed and have submitted their reports, implementation of feasible sections of those reports is lacking. The government seems detached from the very reforms it was expected to lead. These commissions are operating in isolation, with no sign of official commitment to their recommendations.

In conclusion, rather than focusing on genuine reform, the government appears to be moving in a dangerous and misguided direction. It must reverse course and concentrate on its true responsibilities. Immediate reforms, justice for the killings, and institutional strengthening should be the priority. Otherwise, this current trajectory will only lead to greater instability, insecurity, and danger for the country.

Upcoming budget must address inequality



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The per capita income in Bangladesh has reached \$2,820, according to the latest provisional data released by the Bangladesh Bureau of Statistics (BBS) last week. If this figure remains unchanged in the final calculation at the end of the current fiscal year, it would mark the highest per capita income in the country's history.

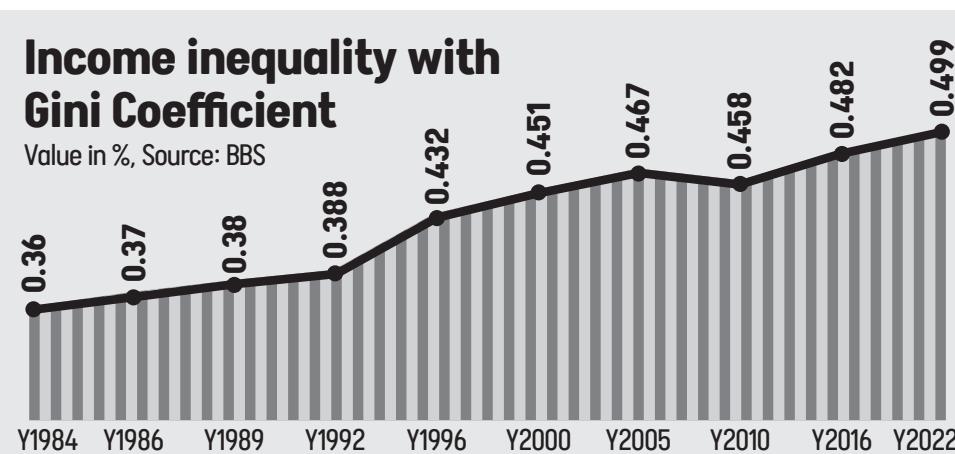
Previously, the BBS had reported the per capita income at \$2,824 for FY2021-22. However, the figure was later revised down to \$2,793 in FY22, according to BBS data.

Therefore, this could have been a moment of celebration for the nation, a symbol of collective progress, if only the gains of this growth were more equally shared. But behind this impressive figure lies a more uncomfortable truth: inequality in Bangladesh is deepening, and unless addressed with urgency, it threatens to undercut the very foundations of our development.

Sometimes, the averages don't tell the whole story. Per capita income is a statistical average, which tells us the size of the economic pie, but not how it's divided. By definition, per capita income means the average income earned per person in a country over a specific period, usually a year. It is calculated by dividing the country's total national income by its total population.

But in reality, the benefits of growth have been disproportionately captured by a small section of society, as they mostly dominate the society.

As much as 40 percent of the country's total income is concentrated within the top 10 percent of the wealthy—up about three percentage points since 2016—found the latest BBS Household Income and Expenditure Survey (HIES) 2022. Additionally, the income accruing to the bottom 5 percent of households was 0.37 percent in 2022, which was 0.23 percent in 2016, adds the report.



the white paper report on the state of the Bangladesh economy, where data from the HIES was used.

Citing World Bank data, the white paper said that among the 72 countries with Gini coefficient data, only Colombia, Brazil, and Panama reported values over 0.50 in 2021. In

the case of wealth inequality, data from the World Inequality Database (WID) for 2022 paints a grim picture of economic disparity in Bangladesh.

The wealthiest 10 percent of the population controlled a staggering 58.5 percent of the country's total wealth. This concentration underscores the disproportionate accumulation of assets among a small segment of society, according to the taskforce report. In contrast, the bottom 50 percent of the population collectively held a mere 4.8 percent of the wealth, highlighting the limited resources available to half of the nation.

Income inequality in Bangladesh shows stark urban-rural disparities. Cities like Dhaka and Chattogram, driven by industrialisation and investment, have seen faster income growth and better living standards. However, rural areas—home to over 60 percent of the population—face limited access to quality services and economic opportunities, leading to slower development.

Between 2010 and 2022, the rural Gini coefficient rose slightly from 0.431 to 0.446, while the urban Gini jumped from 0.452 to 0.539, indicating rising inequality and

working class remain stagnant, the cost of living continues to climb, and inflation has steadily eroded the purchasing power of ordinary families.

For the past 26 months, inflation has remained above 9 percent. In this context, a higher per capita income offers little comfort to those who are being left behind.

How can the budget help reduce inequality?



Fiscal policy is a powerful tool to reduce inequality, but only if it is used that way. Unfortunately, Bangladesh's tax system remains regressive. Over 65 percent of our revenue comes from indirect taxes like VAT, which disproportionately affect the poor.

Meanwhile, the effort to impose wealth, property, and capital gains taxes is still out of the race.

A positive signal may emerge this year as the government is considering reintroducing the 30 percent income tax rate for top earners from the upcoming fiscal year—those making over Tk 38.5 lakh annually—a move that reverses previous rollbacks and indicates some intent to pursue progressivity. But the rate of surcharge is likely to remain the same for wealth and the environment.

Currently, Bangladesh imposes a surcharge on wealth, but its effectiveness is limited. The surcharge ranges from 0 percent for assets up to Tk 4 crore to 10-35 percent for higher asset brackets.

The government needs to rationalise and expand the country's social safety net

programmes, and bringing an additional million people under coverage could help ease the burden on low-income households and make a meaningful dent in inequality. In addition, tackling inequality requires expanding the direct tax base, especially by targeting high-value assets, and introducing wealth and property taxes, as well as reducing tax evasion.

In FY23, Bangladesh lost an estimated

Tk 226,236 crore in potential revenue to tax evasion and avoidance, largely due to rampant corruption and a weak but complex system, according to a study by the Centre for Policy Dialogue.

At the same time, investments in universal education, healthcare, and rural development must be prioritised. Social protection systems also need to be more transparent, digitised, and better targeted to reach those most in need. Strict monitoring and effective action against corruption can help reduce inequality, as many of the issues stem from corruption and fiscal irregularities.

Inequality is not just an economic issue, it's a political and social one. It determines who gets access to opportunity, who benefits from public services, and whose voices are heard in the policy process.

Inequality is not an inevitable outcome of growth. It is a result of choices—of who we tax, where we spend, and whom we prioritise.

As such, it is high time we made better choices.