

Don't show leniency to wilful defaulters

Central bank must carefully assess and execute loan rescheduling policy

In the lexicon of banking, the phrase "uncontrollable factors" is the preferred euphemism for central banks to explain why the wealthiest conglomerates cannot seem to pay their debts. That excuse is now being tested on a massive scale in Bangladesh. The central bank has reportedly received applications to reschedule some Tk 200,000 crore in loans from 300 companies, including controversial behemoths like S Alam and Beximco groups. Their request is audacious: repayment periods stretching up to 15 years, grace periods of three years, and down payments as low as 1-2 percent.

The challenge in considering any such requests relates directly to proper categorisation. Bangladesh Bank will naturally be expected to draw a sharp distinction between genuine defaulters—enterprises truly battered by market headwinds or global supply shocks—and wilful defaulters who habitually game the system. Applying a blanket policy of leniency would risk conflating the unlucky with the unprincipled. The regulator therefore must not show generosity to wilful defaulters and must avoid creating a moral hazard.

It is worth noting that delinquent loans have hit a record Tk 644,000 crore, nearly 36 percent of all disbursed loans—a ratio not seen since 2000. Yet the official response has been seemingly lenient, as the central bank argues that "policy support" is required to maintain stability. This logic holds only if the support goes to those who genuinely need it to survive, rather than those who simply prefer not to pay. Data reveal that banks remain trapped in a barrage of litigation that disproportionately benefits stubborn defaulters. As of June, more than Tk 400,000 crore was tied up in over 222,000 cases in money-loan courts. In the second quarter of this year, banks managed to recover a paltry Tk 2,910 crore through the courts, even as they filed new lawsuits worth nearly Tk 97,000 crore. Evidently, this judicial backlog is a serious setback to the banking system.

Unfortunately, the interplay of these two phenomena—rescheduling pressure and judicial gridlock—creates a perfect ecosystem for wilful defaulters. Why repay a loan today when one can tie a bank up in litigation for a decade, or better yet, lobby the central bank for a 15-year reprieve? It is, therefore, imperative that the central bank does not allow wilful defaulters to exploit September's "special loan rescheduling policy," a measure ostensibly designed to ensure equal opportunity, not immunity.

But if the central bank allows habitual, wilful defaulters to retain their "unclassified" status for a token down payment, it will effectively ignore the sector's deteriorating health. It will create a zombie banking system where insolvent borrowers are propped up by liquidity that should be flowing to productive, honest enterprises. So, going forward, any rescheduling must be conditional on rigorous, independent audits that separate genuine business failure from calculated wrongdoing. Generosity should be reserved strictly for the former. Simultaneously, the government must unclog the legal channels by establishing special financial tribunals if necessary.

Psychological abuse demands legal action

Coercive control impacts a majority of Bangladeshi women

The latest Violence Against Women (VAW) Survey 2024 lays bare a truth too often dismissed: coercive control—an insidious form of psychological violence—shadows the lives of a vast majority of Bangladeshi women. Of the 27,476 women surveyed nationwide, 68 percent of those who experienced intimate partner violence (IPV) reported controlling behaviour. The figure climbs to 71.1 percent among divorced, separated, or widowed women. This form of abuse is rarely harmless, as it is frequently the first step towards physical assault, economic deprivation, sexual coercion, or even femicide.

Such control by husbands and other male figures in the household transcends class, income, and geography—from villages to Dhaka's middle-class neighbourhoods. Nearly 40 percent of women still need permission to seek healthcare; 29 percent endure in-law related mistreatment; one in four is insulted through attacks on her parents; and 15 percent is barred from simple recreation. Other coercive control includes monitoring phones and social media, blocking access to education or work, demanding constant updates on whereabouts, or enforcing clothing rules. These are not "domestic matters" but systematic erosions of freedom. Prevalence is even higher in disaster-prone regions (73.2 percent) and among urban areas outside city corporations (70.4 percent). Younger women face the greatest risk, with nearly 60 percent of girls aged 15-19 currently experiencing such control. The urgency of the problem is reflected in the 19,584 calls to the national helpline in the first eight months, most linked to psychological abuse.

Experts trace this violence to the normalisation of patriarchal dominance, often masked as care, honour, or concern. Many women do not even recognise such behaviour as violence until years later, when it escalates into something unbearable. Although the Domestic Violence (Prevention and Protection) Act, 2010, identifies controlling behaviour as psychological abuse, enforcement remains negligible. Lawyers, social workers, and even courts often lack awareness of its provisions, leading to misfiled cases and no meaningful redress. Meanwhile, the state's support systems remain painfully inadequate, with victim support centres permitting only five-day stays that leave survivors without shelter, income, or long-term security.

Confronting this silent epidemic demands urgent, systemic reform. Psychological abuse must be explicitly recognised within the law, supported by clear evidentiary standards. A coordinated national response is essential—encompassing mandatory training for law enforcers, state-funded long-term shelters, and accessible complaint mechanisms at ward and upazila levels. Equally vital is early education on gender equality to dismantle the belief that women exist to be controlled. Recognising coercive control as violence and acting decisively to prevent it must become a national priority.

INTERNATIONAL ANTI-CORRUPTION DAY

Can we break the triad of corruption, rights abuse, and injustice?



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Every year, the International Anti-Corruption Day is observed on December 9, shortly followed by the International Human Rights Day. Rarely, however, do we realise that corruption and human rights violations are organically linked with each other, creating a vicious cycle of injustice as experienced by Bangladesh during the kleptocratic rule of 2009-2024. Corruption has been causing destructive effects on the state and society for a long time now, but it reached its peak during the Awami League regime that was ousted on August 5, 2024. In addition to economic, social and political costs, it also led to frequent violations of rights throughout this period.

In fact, the transformation of an elected government into an authoritarian regime was primarily an outcome of its design for the unaccountable abuse of power. Corruption was facilitated, promoted, protected, and granted impunity by deeply politicised and dysfunctional state institutions such as law enforcement and security agencies, the Anti-Corruption Commission (ACC), the judiciary, and the bureaucracy.

State power was captured through kleptocratic design, and in order to enable and sustain opportunities for abuse of power, various repressive measures were adopted and systems were created, leading to multidimensional, multilevel, and often ruthless violation of rights and deprivation of people's access to justice. As corruption—especially grand corruption—enjoyed impunity, the state soon turned into a kleptocracy, where high-level power was abused to allow a network of corrupt kingpins to capture policies, steal funds, plunder public resources, and launder money.

There have been myriad examples showing mutually reinforcing interlinkages between corruption, human rights violations, and injustice, with state institutions—particularly law enforcement agencies and the judiciary—often taking on the role of protectors and promoters of abuses rather than protectors of victims' rights. The July Uprising witnessed the peak of multidimensional violations of human rights, including the right to life, individual liberty, safety and security, as well as civil and political rights such as freedom of speech and assembly, media freedom, and the right to information. The UN Human Rights Office estimated the number

of protest-related deaths during the movement at 1,400, among whom 12 to 13 percent were children, while the number of injured was 13,529, including 736 with serious eye injuries.

The years since 2009 have witnessed tyrannical abuses of power through the monopolisation of political and governance space and state institutions. Apart from the ruthless violation of civil and political rights, the criminalisation of dissent, media suppression, and even the denial of the right to life



The years since 2009 witnessed tyrannical abuses of power through the monopolisation of political and governance spaces, which ultimately led to the eruption of the July 2024 uprising.

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and personal liberty were used as tools to maintain control. Repressive laws were enacted and constitutional amendments were imposed for the same purpose. The abolition of the constitutional provision for the caretaker government system became the justification for depriving people of their right to vote and political parties of their right to meaningfully participate in three successive elections in 2014, 2018, and 2024.

Fifteen years of kleptocracy witnessed at least 4,356 instances of gross human rights violations, including 2,715 extrajudicial killings, 1,132 deaths in custody, and 689 enforced disappearances. Law enforcement, security, intelligence, and surveillance agencies became key pillars of the kleptocracy, acting as both perpetrators and enablers.

The network of secret detention

torture centres like Aynaghor and the Taskforce for Intelligence (TFI), offices of law enforcement and security agencies were also used for illegal detention, as demonstrated during the July Uprising, when seven leading protest coordinators were abducted by DB simply for exercising their right to dissent. False narratives were also weaponised to criminalise free speech and suppress dissent.

Free media and free expression were indiscriminately criminalised, as seen in the brutal murder of journalists Sagar and Rumi, allegedly targeted because of their investigative reporting on corruption in the energy sector. In another case of protection and impunity for grand corruption and money laundering, a politically biased judiciary issued a directive to halt investigations against a top kleptocratic kingpin. It is also no

secret that the DGFI enabled the forced takeover of a group of banks by companies that later plundered and laundered billions.

Extreme intolerance and suppression of dissent were evident throughout this authoritarian period, exemplified by numerous fabricated cases brought under draconian laws such as the Digital Security Act (DSA), 2018, the ICT Act, 2006, and the Special Powers Act, 1974. The Foreign Donations (Voluntary Activities) Regulation Act, 2016, was also used to restrict civic space, particularly to harass rights-based NGOs and create an atmosphere of fear and intimidation. The Quick Enhancement of Electricity and Energy Supply (Special Provisions) Act, 2010, granted indemnity for systematic violations in procurement and contracting in the energy sector, effectively forfeiting citizens' right to legal remedy.

The triad of corruption, human rights violations, and injustice is an outcome of a political and governance ecosystem that has evolved since independence and reached its most entrenched form during the kleptocratic era. Escaping this triangle is easier to aspire to than to achieve, however. Transforming the governance ecosystem towards de-kleptification is a monumental challenge that demands a whole-of-state and whole-of-society approach.

Much will depend on whether the aspirations of the July National Charter for accountable governance are genuinely realised, particularly in key state institutions, including the judiciary and other rule-of-law institutions. Success will also depend on the fate of other important reform proposals left out of the July charter consensus process, and on whether neglected sectors like education, diversity, private sector, environment, and climate change are included in the transformation agenda. A key question remains about the implementation of the recommendations of the UN fact-finding report, especially regarding law enforcement, security, intelligence, and surveillance agencies.

Will the so-called "reform leaders" and power holders have the capacity to overcome resistance to change? Much will also depend on whether political parties can reform themselves as democratic institutions and develop the ability to manage their appetite for power transparently and accountably, without relying on money, muscle, or religion. The future will further depend on whether the bureaucracy, positioned at the core of the governance system, can develop the will and capacity to support—rather than resist—change.

So, can the forces that emerged as victors after the fall of the kleptocratic regime overcome the "it's our turn now" syndrome that has been clearly visible since August 5, 2024?

Tax education should be part of the school curriculum



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Every year, thousands of young people step into adult life without the faintest idea of how the tax system works. A few specialised university courses may touch on taxation, but for most citizens, the learning comes much later and often the hard way. A new employee receives their first pay slip and is shocked to discover deductions they never expected. A small business owner finds out about penalties only after breaking a rule they never knew existed. A freelancer realises too late that income declarations are mandatory. Tax payment is compulsory for every eligible citizen, yet tax education is not. This gap is a major weakness in our education system.

Regardless of what a student studies—arts, science, humanities, or technical subjects—they are all future earners. Just as employment becomes a certainty, so does tax liability above a certain income bracket. Therefore, tax literacy should be viewed as a core part of civic education. It must be taught at school, just as we teach mathematics,

ICT, and science. The logic is simple: society runs on the contributions of its citizens. Our schools, hospitals, roads, public safety services, and digital platforms all operate because of tax revenue. If young people do not understand how taxes work, they may view government processes with suspicion, feel disconnected, or see taxes as a burden rather than a responsibility.

However, once they understand that tax is the price we pay for development, public services, and collective progress, their perception changes. They begin to see themselves as contributors to national growth, not passive beneficiaries. Better financial knowledge leads to better personal decisions and greater civic awareness. Yet many secondary school graduates cannot explain what taxable income is, how a tax return is filed, or why invoices and receipts matter. Terms like VAT, withholding tax, and tax credits are unfamiliar to them.

This lack of understanding exposes young people to real risks:

costly mistakes, misinformation, exploitation, and a general mistrust of public institutions. Whether they enter jobs, freelancing, or small businesses, ignorance of basic tax rules puts them at a disadvantage. A student who knows how income tax is calculated, how deductions work, or how to submit a simple return is better equipped to make smart financial

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decisions. For young entrepreneurs and self-employed workers, tax literacy is even more important. Many small businesses fail to comply with rules simply because they do not know them. A few hours of tax lessons at school could save them years of confusion and hardship.

Including tax education does not require a dramatic overhaul. Just as ICT gradually built a new generation of

digitally skilled youth, tax education can help build a generation of responsible, revenue-aware citizens. Some argue that students already have too much to study. But consider this: many students spend years learning advanced geometry or trigonometry—knowledge they may never use again if they pursue careers in literature, languages, or social sciences. Yet they invest the time and effort because the curriculum demands it. Therefore, if students can learn abstract equations and complex chemical formulas, they can certainly learn how to pay a tax or calculate taxable income.

Countries that want to increase tax compliance or move towards a modern, citizen-friendly revenue system will need such a tax-literate population. The student who learns about taxes at age 15 will—by age 25—view taxes not as an inconvenience but as a civic duty. No country can strengthen its revenue system if its people do not understand how taxation works. And no citizen can make sound financial decisions without basic tax knowledge. If tax payment is mandatory, then understanding tax must also be mandatory. If we want responsible, informed and active citizens, we must introduce tax education at school. The foundations of national development are built in the classroom, and it is in the classroom that tomorrow's tax-aware, accountable citizens will be shaped.