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

An education system without direction

Systemic flaws threaten demographic dividend

A year-end review, by this daily, lays bare the dire state of our education sector. It has dangerously deteriorated due to teacher protests, police crackdowns, student clashes, textbook delays, arbitrary policy reversals and terrible examination results. However, the chaos all throughout 2025 did not create the education crisis—it exposed it. Decades of neglect of the sector and failure to address fundamental weaknesses were amplified. Also, poor governance and inability to prevent crisis resulted in total disruption of the academic calendar for students in primary schools, colleges and universities, causing millions of students to lose irreplaceable learning time.

Particularly jarring was the state's response to protesting teachers—with batons, water cannons and sound grenades. The teachers were protesting decades of stagnant salaries and allowances as well as institutional disregard. Could this not have been handled through meaningful dialogue instead of the hardline approach? Meanwhile, the SSC and HSC pass rates plunged to their lowest levels in years. Officials attributed this to the absence of "sympathetic marking" long practiced in previous times. But this only confirms what education experts have been warning for long. That inflated grades were hiding serious learning deficits. Sadly, this deficiency was also present in the budget for the sector. Allocation for primary education fell by more than Tk 3,000 crore, with total education spending remaining at a paltry 1.72 percent of GDP. The result of this neglect includes more dropouts, increase in child labour and early marriage and a generation slowly drifting out of the system. It is also surprising that an education reform commission did not materialise as part of the reform agenda for the interim government.

With the national elections scheduled for February 2026, the responsibility of overhauling the ailing education sector will fall on the next elected government that will inherit a system weakened by years of misgovernance. The new government's first task must be to declare education a national priority not as lip service but through significant administrative reforms and financial commitment. Teachers' grievances must be resolved through sustainable negotiation. The learning crisis at the foundational level must be addressed. Reforms should be based on honest assessments and include strategies to upgrade reading, writing and numeracy at the primary level. Along with academic teaching, students must be taught values—honesty, empathy and appreciation of diversity. Trust and respect must be restored between teachers and students. Public spending on education must rise according to international benchmarks, especially for primary education. Besides, transparency in how these funds are spent must be maintained.

The next government must understand that education reform can only be possible with the input of all stakeholders—teachers, students, parents and experts. Undoubtedly, how well we can improve the quality and accessibility of education will determine how equipped our young people will be to avail high skill jobs, become successful entrepreneurs and professionals as well as how effective they will be as future leaders.

Green farming in Thanchi encouraging

Discourage tobacco cultivation, promote green crops

It is heartening to learn that green crops are gradually replacing tobacco cultivation in Bandarban's Thanchi upazila. Reportedly, over the past few years, farmers have moved away from tobacco and embraced environment-friendly crops such as peanuts, beans, mustard, watermelons, and seasonal vegetables along the banks of the Sangu River. This shift is improving livelihoods while also protecting the hill ecosystems. It has also been found that green crop cultivation is economically more viable than tobacco farming, as farmers are earning better returns without inflicting the severe environmental damage associated with tobacco. At a time when tobacco cultivation and tobacco products are causing immense harm to both public health and the environment, this change in Thanchi is encouraging.

Reportedly, tobacco curing depends heavily on firewood, which accelerates deforestation, degrades hillsides, and damages soil quality. These practices have reduced wildlife habitats and intensified environmental stress in an already vulnerable region like Thanchi. Yet despite these costs, tobacco dominated the agricultural landscape of the area for decades as a primary cash crop. According to Indigenous farmers, tobacco cultivation involved high input costs, constant labour, volatile markets, and long-term damage to their land, prompting many to return to traditional, environment-friendly crops. Reportedly, tobacco occupied 85 percent of the net cultivable land in 2020–21, but this has declined to about 30 percent by 2025–26. This is an encouraging development that must be sustained.

Recent studies have also shown that tobacco imposes an enormous economic burden on Bangladesh, costing Tk 87,544 crore annually—more than double the revenue it generates through taxes. Health-related expenses alone exceed Tk 73,000 crore, while environmental damages add thousands of crores more, reinforcing the fact that tobacco drains national resources rather than strengthening the economy.

Encouragingly, the move away from tobacco in Thanchi is proving both ecologically and financially sound. Farmers have reported improved soil conditions, the return of birds, and increased wildlife movement in areas once stripped for tobacco curing, while peanut and other green crop cultivation offers lower investment requirements, easier maintenance, and more stable returns than the volatile tobacco market. Credit is also due to local agricultural authorities, who have worked year-round with marginal farmers to curb tobacco cultivation and promote green alternatives.

The transformation along the Sangu River shows that with the right policy support, farmers will willingly choose crops that protect both their incomes and the land. The government should, therefore, build on this momentum by providing training, quality seeds, access to credit, and improved market linkages. Using Thanchi as a benchmark, similar pathways towards environment-friendly traditional crops should be developed for other tobacco growing regions of the country. By consistently supporting green farming, the government can significantly reduce deforestation while ensuring sustainable livelihoods, particularly in ecologically sensitive regions.

Is the LNG pathway sustainable for Bangladesh?

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SHAFIQUL ALAM

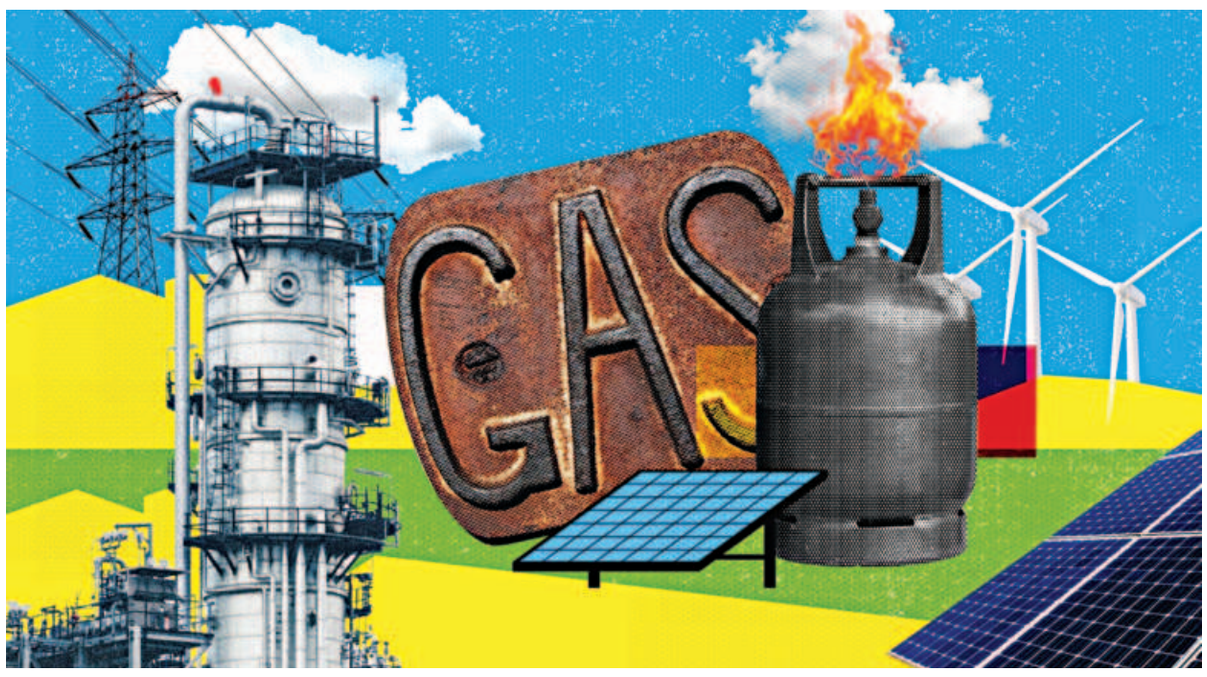
The combination of soaring natural gas demand and plummeting domestic production has pushed the Bangladesh government to diversify its energy sources. In the past, various plans, including the Integrated Energy and Power Master Plan 2023, have attempted to address this concern, but they have driven a shift towards imported liquefied natural gas (LNG) instead. As a result, the LNG pathway, pursued as a fuel diversification strategy without enough investment in domestic gas exploration, has become an economic burden for the country.

With surging LNG imports, the government has drastically increased gas tariffs, making industrial production expensive. Yet, the government pays a hefty annual subsidy on account of LNG imports. Unless Bangladesh streamlines its energy pathway, the reliance on imported LNG may further expose the vulnerability of its energy system, leading to a recurring subsidy problem.

Bangladesh's LNG imports surged by 21.7 percent and 13.86 percent in FY2023–24 and FY2024–25, respectively, following a 15.45 percent reduction in FY2022–23. The country's LNG imports declined in FY2022–23 due to elevated spot market prices and tight fiscal conditions. Imports, however, rebounded in the subsequent years because of affordable LNG prices.

While the contribution of expensive LNG to total gas consumption stands at 28.8 percent, the government is gradually passing the additional costs on to different sectors, excluding grid-based power generation. Between February 2023 and April 2025, the government raised gas tariffs for industrial production twice and captive power generation thrice. The gas price for industrial production increased from Tk 16/ cubic metre (m3) ($0.13/m3) to Tk 40/m3 ($0.33/m3), while the gas price for captive power generation soared to Tk 42/m3 ($0.33/m3) from the same level.

On a ballpark estimate, industries, excluding the fertiliser sector, incurred additional costs of approximately Tk 4,560 crore ($0.37 billion) in FY2023–24 compared with FY2022–23 due to gas price hikes (calculated using gas consumption and tariffs for the respective years). This occurred despite a 5.9 percent year-on-year decline in gas supply to the sector.



FILE VISUAL: **ANWAR SOHEL**

Likewise, the government received additional payments of approximately Tk 3,160 crore ($0.26 billion) from gas-fired captive power generators during the same period, driven by higher tariffs. Notably, gas supply to captive power generation declined by 6.5 percent.

Bangladesh's average gas supply in FY2024–25 was 2,679 million cubic feet per day (MMcfd)—derived from the annual consumption of 978 billion cubic feet (Bcf)—against a demand of around 4,000MMcfd. This implies a gas supply deficit of more than 1,300MMcfd. With domestic production declining at an average rate of 4.64 percent per annum since FY2018–19, this demand-supply gap may widen further, potentially prompting the government to enhance regasification capacity and increase LNG imports.

While the government has set a goal of adding local gas of 648MMcfd and 1,500MMcfd to the grid by 2025 and 2028, respectively, it should keep sufficient funds for exploration. The allocation to the energy sector as part of the annual development programme stands at a paltry Tk 2,086 crore ($0.17 billion), which is inadequate to achieve this year's goal. Available reports suggest that the government's initiatives may add only 143MMcfd of gas to the grid in 2026.

The government is also planning to float an international tender to explore onshore gas to ramp up local production. In the event of moderate success, if Bangladesh connects 1,000MMcfd of new gas, including the announced 143MMcfd, to the grid by FY2029–30, domestic gas production will reach 2,500MMcfd (assuming existing gas supply continues to decline at the current rate of 4.64 percent per annum). Therefore, even to meet the current demand of 4,000MMcfd in FY2029–30, the country will need to import 1,500MMcfd of LNG. The annual LNG import will then rise to 547Bcf, making an annual payment obligation of more than $5 billion in FY2029–30 (taking $10/MMBtu of LNG, based on Bangladesh's long-term contracts and recent spot-market purchases).

In a less favourable scenario of limited local discovery and high price volatility, Bangladesh could pay as much as $8.5 billion in FY2029–30 on account of LNG imports (assuming the government adds 500MMcfd of domestic gas to the grid, existing gas supply continues to fall at the current rate of 4.64 percent per annum, and the average LNG price reaches $12/MMBtu). Alternatively, the unaffordability of LNG and fiscal constraints could worsen the energy supply shortfall, thereby stifling economic activities.

Despite massive gas price hikes in the last two-and-a-half years, the government allocated a subsidy of Tk 9,000 crore ($0.74 billion) for LNG imports in its FY2025–26 budget. Low gas tariff for grid-based power plants is one of the key reasons behind this hefty subsidy burden. For instance, the government charges power plants at Tk 14.75/m3 ($0.12/m3), which means it must provide a subsidy of around Tk 29.85/m3 ($0.24/m3) if the LNG price is $10/MMBtu.

High LNG dependence in the near future may prompt the government to raise gas tariffs for grid-based power plants, affecting the Bangladesh Power Development Board (BPDB). With rising generation costs, BPDB's revenue shortfall is likely to widen. The government might pivot to adjust power tariffs to provide BPDB some relief.

As Bangladesh is yet to lock in a very high LNG dependence, the best course of action for the country is to design an alternative energy pathway, focusing on utilising renewable energy and local gas. There are two concrete examples. In 2020, Vietnam installed more than nine gigawatts (GW) of rooftop solar capacity, backed by a guaranteed feed-in-tariff. Pakistan imported solar panels and battery packs of 17GW and 1.25 gigawatt-hours (GWh) capacities in 2024, leading to a solar boom amid the country's energy supply crunch and unaffordable power tariffs. This surge in solar power generation resulted in a subdued demand for LNG in Pakistan.

The key to Bangladesh's success in enhancing energy system resilience is to expand renewable energy at a faster rate by focusing on decentralised systems like rooftop solar. Meanwhile, the government can allocate sufficient budgetary resources to explore local gas and strengthen energy efficiency to wean itself off its LNG reliance.

How our electric grid fosters inequality

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SABA EL KABIR

At 2pm on a sweltering April day in a small workshop in rural Mymensingh, a welding machine goes silent. It was not because there was no electricity connection, but because the power had vanished again. At that exact moment, in a corporate high-rise in Dhaka, an air conditioner hums uninterrupted.

This split-screen reality exposes a structural reality: what Bangladesh has built is not a single power system serving a single economy, but a divided one.

On one side sits the *state economy*: an electricity regime engineered around megawatts contracted, capacity payments guaranteed, and fiscal stability preserved. It reliably powers government narratives, corporate enclaves, and politically insulated industry. Here, energy risk is underwritten by sovereign guarantees and absorbed by the public purse.

On the other side sits the *bottom-of-the-pyramid economy*, spanning agriculture, agri-processing, cottage industries, and small manufacturing. Here, electricity is not a convenience but a precondition for survival. The grid reaches farms, mills, cold storages, and workshops alike, but reliability does not. Risk here is not insured; it is absorbed by farmers through failed irrigation cycles, by poultry owners through heat losses, by millers through spoiled grain, and ultimately by consumers through food inflation.

For the millions of enterprises in this second economy, the celebrated "100 percent electrification" milestone is a vanity metric. Official data shows access exceeding 99 percent, yet productivity remains hostage to reliability. During the heatwaves of 2024, while urban centres faced manageable load shedding, rural feeder lines sustaining the productive base faced outages lasting six to seven hours a day. Small manufacturers were forced to burn diesel at over Tk 106 per litre just to meet deadlines—a massive cost increase over grid tariffs.

This instability bleeds directly into agriculture. Unreliable power forces farmers into gruelling nocturnal irrigation cycles and exposes poultry operations to catastrophic heat losses; industry bodies reported poultry sector losses running into Tk 16,000 crore over a single month. Cold storage operators are pushed onto diesel simply to prevent crops from rotting.

This state-designed monopoly logic feeds food inflation by pushing energy volatility from the grid into food prices. When energy risk is forced onto producers, it results in higher food prices, lower wages, and lost jobs. At the end of this value chain sit households: those that cannot absorb the shock go without a meal or two.

As a cottage industry's load approaches and crosses roughly the 50-kilowatt threshold, utility rules typically require a shift to high-tension supply, often necessitating the installation of a private 11 kV/0.4 kV substation, an investment that can cost Tk 15 to 25 lakh. Connection is permitted, but scaling is disincentivised.

Only once this trap is visible does the architecture behind it come into focus. For more than a decade, under the indemnity of the Speedy Supply of Power and Energy (Special Provision) Act, procurement rules prioritised speed over scrutiny, allowing capacity to be contracted without competitive discipline.

The fiscal consequences are now clear. In the revised FY 2024–25 budget, Tk 62,000 crore was allocated to power-sector subsidies. Recent analysis suggests that in FY 2023-2024, nearly 81 percent of this allocation, to the tune of Tk 32,000 crore, was absorbed by capacity charges. These are payments to plants regardless of whether electricity is actually produced.

This stark division is not a technical inevitability; it is a fiscal choice. The path forward requires treating the *bottom-of-the-pyramid economy* not as a charity case, but as the engine of growth. The updated Renewable Energy Policy 2025 explicitly recognises peer-to-peer electricity trading. If operationalised, a cluster of rice mills in Bogura or a weaving village in Sirajganj could generate, store, and trade solar power through a swarm-grid model. Decentralisation here is not ideological; it is about yield stability and food system resilience.

A quieter reform lies in finance. Every month, millions of farmers and rural entrepreneurs pay electricity bills. By integrating smart-meter usage with digital credit scoring, a farmer's steady irrigation history or a processor's consistent cold storage demand can become bankable proof of productivity. Finance can then follow performance, not paperwork—transforming energy from a recurring expense into financial infrastructure.

As long as the power sector protects the *state economy* while extracting from agriculture and small business, food inflation and broad-based unemployment will remain structural features of the economy. This is not a future risk; it is the present cost of a system that keeps capital comfortable and production expendable.

As such, the lights will stay on in the high-rises. The darkness has already been outsourced to the fields and workshops below.

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