

The Daily Star

FOUNDER EDITOR: LATE S. M. ALI

End cronyism in the banking sector

Habitual defaulters, their enablers must no longer be afforded leniency

The finance minister's submission to parliament of the list of top loan defaulters is another stark reminder of how political cronyism has, over the years, enabled a select few to manipulate the system, pushing the banking sector to the brink of collapse. The facts presented reveal both the scale and the depth of the problem. They also underscore how formidable the challenge will be for the BNP government in recovering these vast sums and holding those responsible for this debacle to account.

Among the most striking revelations is the dominance of the S Alam Group, already implicated in some of the most serious financial crimes imaginable. The group exercises direct and indirect control over 11 companies listed among the top 20 defaulters. These companies alone account for at least Tk 22,881 crore in defaulted loans—approximately 65 percent of the total owed by the top 20 defaulters. For context, this figure exceeds half of the current fiscal year's health sector allocation of Tk 41,908 crore. The Anti-Corruption Commission (ACC) has already filed multiple cases against the group, alleging embezzlement and money laundering worth billions of dollars. The fate of these cases may now hinge on international arbitration, as the group has reportedly moved to the World Bank's International Centre for Settlement of Investment Disputes.

Beyond S Alam Group, the list of top defaulters also includes two entities of the Beximco Group, owned by Salman F Rahman, a powerful adviser to the deposed prime minister Sheikh Hasina. He is reportedly facing multiple allegations, including financial crimes and other serious charges linked to his political role under the previous regime. The list further reflects the extent of political patronage in banking decisions, with several top-defaulter companies linked to former members of parliament.

Expanding beyond the top 20, the finance minister also disclosed that loans involving current members of parliament and their associated entities amount to Tk 11,117 crore, although the exact number of such individuals was not specified. Notably, this figure excludes individuals who obtained stay orders from the High Court, suggesting that the true scale may be even larger. While borrowing is not inherently problematic, these revelations offer little assurance that the entrenched nexus between political power and banking will dissipate any time soon. They also highlight a troubling reality: recent electoral reforms have not gone far enough to prevent defaulters from contesting for public offices.

Finally, the staggering volume of non-performing loans reached at the end of last year—amounting to Tk 5.45 lakh crore—underscores the severity of the crisis in banking governance. As noted in a report in this paper, this sum could have financed up to four nuclear power plants comparable to Rooppur, despite concerns that the Rooppur project itself is among the most expensive of its kind globally. Bangladesh can ill afford the persistence of such systemic failures. The new government must urgently initiate a robust recovery drive to safeguard depositors' savings. Habitual defaulters, along with their enablers, must no longer be afforded leniency.

An investigation long overdue

Tonu's rapists and murderers must not go unpunished

It is deeply disturbing that 10 years after the rape and murder of Sohagi Jahan Tonu, a student of Cumilla Victoria College and a theatre activist, justice remains elusive, with no arrests, no trial, and little visible progress in the case. According to recent reports, a Cumilla court has now ordered the cross-matching of DNA profiles of three retired army personnel in connection with the case. While this is a positive development and may suggest renewed momentum, it also underscores how painfully slow and inconclusive the pursuit of justice has been.

On March 20, 2016, Tonu was found dead inside Cumilla Cantonment after going out to tutor a student. Subsequent findings confirmed she had been raped before being murdered, with DNA evidence indicating multiple perpetrators. However, despite two autopsies—the first of which drew objections and led to exhumation of her body for a second autopsy—and forensic evidence, investigators have still failed to determine the exact circumstances of her death and identify the perpetrators.

Since her death, Tonu's family has endured unimaginable anguish and pain. According to her mother, she has had no contact with investigators for two years and is unaware of who is handling the case. Yet, her father, despite his illness, continues to hope for justice within his lifetime.

Over the past decade, the case has seen 79 hearings and been handled by six investigation officers across four agencies. This raises several questions: how can a case with such grave allegations and forensic evidence fail to reach trial after ten years? Are certain quarters above the law? What message does this send to victims and families who rely on the state for justice? If a case that once sparked nationwide protests can languish like this, what hope remains for the countless other victims whose stories never make headlines?

The latest court order for DNA cross-matching must therefore mark a genuine turning point, not just another procedural step that leads nowhere. Authorities must ensure that this process is carried out promptly, transparently, and with the highest degree of professionalism. More importantly, there must be a clear timeline for completing the investigation and initiating the trial. With the new government in power, there is renewed hope among Tonu's family that the case will finally move towards resolution. We stand with them in their long and painful wait for justice and urge that the judicial process must not be obstructed or influenced from any quarter. The state must ensure justice is delivered without further delay, and those responsible for Tonu's brutal murder are punished according to law.

THIS DAY IN HISTORY

The Venus de Milo is found

On this day in 1820, the Venus de Milo, one of the most famous ancient statues in the world, was found in pieces on the Aegean island of Melos.

We must adapt as AI reshapes diplomacy and state power



Mohammad Khorshed A. Khastagir is a diplomat currently pursuing a PhD at Taylor's University, Malaysia. He is also a visiting researcher at the Centre for Industrial Sustainability, Institute for Manufacturing, University of Cambridge.

Views expressed in this article are the author's own.

Artificial intelligence (AI) is no longer a distant technological frontier. It is already shaping how governments make decisions, information circulates, borders are managed, and how citizens interact with the state. For Bangladesh, this transformation is increasingly visible in everyday realities—from visa applications to labour markets, from digital services to global narratives about who we are. Despite that, the national conversation on AI remains largely confined to innovation, startups, and automation.

What is less discussed, but far more consequential, is that AI is becoming a new domain of diplomacy and sovereignty. If Bangladesh does not recognise and respond to this shift, it risks entering a future where decisions affecting its citizens are increasingly made or mediated by systems it neither designs, governs, nor adequately controls.

For decades, diplomacy has operated within a familiar framework. States negotiated with states, sovereignty was territorial, and rules were defined through treaties such as the Vienna Convention on Diplomatic Relations. Today, that landscape is changing in a transformative way. A small number of global technology actors—companies controlling cloud infrastructure, data systems, and AI platforms—now influence how information flows, how risks are assessed, and how decisions are made. These systems underpin everything from financial transactions to migration screening. In practical terms, power is increasingly exercised not only through institutions but through algorithms and digital infrastructures.

For countries like Bangladesh, this creates a new challenge. Engagement is no longer limited to governments. There is also a growing, often indirect, interaction with systems designed elsewhere, trained on foreign data, and aligned with external institutional assumptions. This asymmetry is not merely technical; it is structural, with implications for how sovereignty is exercised in a digital age.

A clear example of this transformation can be seen in visa

processing. Across many developed countries, AI-powered tools are now used to assess visa applications. These systems analyse risk patterns, flag anomalies, and support decision-making processes. While presented as efficient and objective, they often operate through opaque models trained on historical data. For Bangladeshi applicants, this can translate into a difficult reality: decisions that are increasingly automated, less transparent, and harder to challenge. When a rejection is issued, it is often unclear whether it reflects a human judgement or an algorithmic risk profile shaped by past data biases.



VISUAL: ANWAR SOHEL

Beyond formal documentation, there is also a growing perception that applicants' digital footprints, including social media activity such as Facebook profiles, may be informally scrutinised to assess attitudes, affiliations, or perceived behavioural risks. Whether systematic or discretionary, such practices introduce an additional layer of opacity, where personal expression in digital spaces may indirectly influence mobility outcomes.

Compounding this challenge are emerging concerns regarding identity credibility. Perceptions, particularly in some destination countries, that individuals from forcibly displaced Rohingya populations may have obtained Bangladeshi passports

through systemic leakages, have begun to cast a shadow over the integrity of Bangladesh's otherwise advanced e-passport system. Even if limited in scale, such narratives can disproportionately affect trust in documentation, reinforcing risk perceptions within algorithmic systems that rely heavily on identity assurance.

This evolving reality is not merely a consular issue. It reflects a broader shift in how borders are governed—through what may be described as algorithmic border regimes. If states do not understand how such systems operate, they cannot effectively engage, negotiate, or contest outcomes. In this sense, visa challenges are an early indicator of a deeper transformation in global governance.

At the same time, another structural shift is underway. AI is no longer confined to industrial automation; it is increasingly capable of performing white-collar tasks such as drafting documents, analysing data, translating content, and supporting

frameworks, and social nuances. Bangla, despite being spoken by nearly 300 million people, remains underrepresented in many global AI architectures. This creates a subtle but significant distortion: national realities are filtered through external linguistic and conceptual frameworks. In this context, language becomes not just a cultural asset but an infrastructure of sovereignty.

These developments point to a necessary conclusion: diplomacy must evolve. AI can no longer be treated as a purely technical domain managed by ICT agencies. It must be recognised as a strategic field requiring diplomatic engagement, policy coordination, and institutional capacity. This includes understanding how AI systems influence migration and visa decisions, engaging in global AI governance discussions, ensuring representation of Bangla in AI ecosystems, and preparing for labour market transformations driven by technological change.

One practical step forward would be to strengthen institutional capacity within the foreign policy apparatus. This could involve creating a dedicated focus on AI and digital sovereignty within existing structures, enabling more systematic monitoring of global developments, more effective international engagement, and more informed policy responses. This approach aligns with emerging efforts to modernise diplomatic frameworks for the digital era, including proposals to extend traditional diplomatic protections into cyberspace and AI-mediated environments.

The urgency of this shift cannot be overstated. Global investments in AI infrastructure are accelerating, governance frameworks are being shaped in international forums, and standards are being set, often without meaningful participation from developing countries. If Bangladesh remains passive, it will have to adapt to systems designed by others. If it acts strategically, it can help shape those systems, ensuring that they reflect its realities, its language, and its national interests.

Evidently, the future of sovereignty will not be determined solely by borders, treaties, or military capabilities. It will increasingly depend on who understands, shapes, and governs the digital systems through which power is exercised. Artificial intelligence is not replacing diplomacy; it is redefining it. For Bangladesh, recognising this shift is the first step. Acting on it is the real test.

Lifting ban on vaping is not the reform we need



Mohammad Ihtesham Hassan is senior research associate at the Power and Participation Research Centre (PPRC).

MOHAMMAD IHTESHAM HASSAN

Bangladesh had the opportunity to set a good example by banning the production and sale of e-cigarettes through the Smoking and Tobacco Products Use (Control) (Amendment) Ordinance, 2025. But the government's plan to possibly amend the anti-tobacco ordinance, withdrawing the ban on the production and sale of e-cigarettes, raises serious public health concerns.

To understand why this matters, one must first consider the policy landscape that existed before the ordinance. E-cigarettes operate in a legal grey zone. Stores and online marketplaces selling vapes functioned with little oversight, and enforcement agencies had no clear mandate to intervene. Over the past decade, use of these products has been increasing, particularly among teenagers and young adults. Currently, e-cigarettes are easily available on online pages and marketplaces, which is alarming to begin with. So, there is a chance that legitimising sales will only increase the number of sellers and encourage more people to use tobacco products. Vaping is still socially taboo in Bangladesh, which will likely erode if the government lifts the ban and legitimises the buying and selling of e-cigarettes.

Lifting the ban would also signal a troubling inconsistency in Bangladesh's broader public health commitments. Bangladesh was one of the first countries to sign the WHO Framework Convention on Tobacco Control (WHO FCTC) during the previous tenure of the current government. Even in the BNP's election manifesto, tobacco control was explicitly pledged as a health priority to prevent non-communicable diseases arising from tobacco consumption. Therefore, it is expected that, with its renewed vision and outlook, the party would take a stronger stance against all forms of tobacco consumption and protect children and youth who are particularly susceptible to the profit motives of tobacco firms.

Proponents of lifting the ban tend to rely on a familiar and recycled set of arguments. They claim that prohibition will fuel illicit trade, that e-cigarettes are a safer alternative to traditional tobacco, and that the industry contributes to employment and revenue generation. However, how substantiated are these claims, really?

The argument that banning e-cigarettes will significantly expand illicit trade is not strongly supported by evidence. A similar narrative has been deployed by tobacco lobbies

for decades, most often to resist tax hikes on conventional cigarettes. There is limited empirical evidence, either globally or in Bangladesh, to suggest that bans on tobacco products lead to a sustained increase in illicit trade. Rather, this claim both overstates the risks of illicit trade and underestimates the capacity of regulatory institutions to respond effectively.

The claim that e-cigarettes are safer is even more contentious. E-cigarettes are often portrayed as "safer" than conventional tobacco and, therefore, the lesser evil. This framing is deliberately misleading; safer than something harmful is not the same as safe. These products are relatively new, invented in the early 2000s, and long-term evidence remains limited. However, emerging research is increasingly raising concerns. Researchers from the University of New South Wales, in a March 2026 study, analysed evidence from animal studies, human case reports, and laboratory research published between 2017 and 2025. Their findings pointed to credible risks of lung and oral cancers associated with nicotine e-cigarettes.

The employment argument is equally unconvincing. Framing tobacco-linked industries as drivers of job creation overlooks the substantial economic burden they impose. Bangladesh does not need to depend on harmful industries to generate employment. With the right investment climate and targeted industrial policy, the private sector is more than capable of generating employment without the country becoming dependent on an industry whose core product causes harm.

Bangladesh's public health system has historically leaned more towards reacting to crises than preventing them. The consequences of this approach are already visible. A 2024 study by Economics for Health at Johns Hopkins University and the Institute of Health Economics at the University of Dhaka estimates that the total economic burden of tobacco use in Bangladesh stands at Tk 87,544 crore, equivalent to 1.58 percent of GDP. Tobacco use was responsible for nearly 126,000 deaths in 2018, a figure that has since risen to approximately 161,000 annually, according to the National Heart Foundation.

Lifting the ban is not a neutral administrative act. It sends a signal to young people, to the market, and to the public that vaping is acceptable and even carries tacit government endorsement. This signal will do more to normalise e-cigarette use among the youth than any advertising campaign. The government is supposed to be the guardian of its citizens' well-being, particularly for those too young or not informed to fully understand the risks involved. Sending the opposite message, in exchange for tax revenue and industry goodwill, is not a trade worth making.

We are already paying the price for decades of insufficient tobacco regulation. Choosing to repeat that mistake with a new product category, before the damage is fully visible, would be a profound failure of governance. Maintaining and enforcing the ban on e-cigarettes would be a clear affirmation of the country's commitment to protecting its citizens, particularly its youth. The alternative is a gamble Bangladesh cannot afford.