

Reformation of Bangladeshi Banking System is to Oil the Looting Machine of The Capitalists

News:

The total defaulted loan in the Bangladeshi banking sector stands over BDT 80,000 crore (BDT 800 billion). Up to June 2017, an amount of over BDT 18,000 crore was written off by state-owned banks. Government has also supplied capital over BDT 10,000 core (BDT 100 billion) during the last 10 years. Despite injection of additional capital, the capital deficit is still remains around BDT 19,000 core (BDT 190 billion). (Daily Jugantor, 28 February 2018).

Comment:

The banking sector in Bangladesh has experienced a huge setback in terms of non-performing loans (NPLs) in the past several years. The NPLs doubled in amount in 7 years, from 2011 to 2017 (Financial Express (FE), 7 February 2018). Finance Minister AMA Muhith has said that there remain a lot of weaknesses in the country's banking sector, and he attributed the country's ballooning bad loans to government's interference (FE, 28 February 2018).

Although it is being intensely discussed in recent times, the issue of plundering the wealth of the people through banking system is not new. The nation has been experiencing such looting since its inception. The banking system is a tool to accumulate the wealth in the hands of a few capitalists primarily through deceitful practice of credit creation and plundering. Unbelievably, the amount of bad loan is almost half of the gross domestic product of the country. It is a fact that most of the banks are controlled by a handful of families and their businesses, and, on the other hand, the major portion of the bad loans is consumed by the same handful of people. Despite knowing the deceptive role of the banking system, the government extended the tenure of directors from 6 to 9 years, as well as increased the number of directors allowed on a bank's board from the same family from 2 to 4, that would most likely lead to further consolidation of financial power in the hands of the few.

Furthermore, the secular capitalist economists farcically present a well-functioning banking system, which is the prime cause of wealth disparity, as imperative for economic development and distribution of wealth, and come up with reform programs to salvage this oppressive system from ongoing crises. "A strong banking sector is critical to economic growth and development in a developing country. A robust and well-functioning banking system facilitates the efficient allocation of resources..." (The Daily Star, 23 February 2017). It is quite comprehensible that all reform programs will further tax on people's wealth.

It is time we realized that the banking sector reform attempts are only to strengthen this looting machine to continue the current exploitation, and to further widen the gap between the poor and the rich. People should rise up to abolish such exploitative capitalist economic system by establishing the Islamic Khilafah (Caliphate), which will end such exploitations and ensure equitable distribution of wealth among people. Allah (swt) instructs us to ensure circulation of wealth: ﴿كَيْ لَا يَكُونَ دُولَةً بَيْنَ الْأَغْنِيَاءِ مِنْكُمْ﴾ "...so that it will not circulate only among the rich from among you..." [Quran: 59:7]

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