

# High Time To Reform Rural Electrification

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An unrest in Bangladesh's rural electrification sector is growing due to the deep-rooted tensions between the Bangladesh Rural Electrification Board (BREB) and Palli Bidyut Samities (PBSs). The employees demand structural reform, parity, and dignity, while scrutinizing systemic issues in governance, procurement, and worker rights. As protests escalate, comprehensive, expert-driven reform is urgently needed to restore harmony and efficiency in a sector crucial to Bangladesh's rural development and national power distribution.





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**T**he power sector in Bangladesh is currently navigating through a turbulent phase, stirred by an unprecedented movement of employees involved in rural electrification. Their ongoing protests and sit-ins have sparked national debate, drawing attention to both the legitimacy and practicality of their demands. Central to this debate is a bold proposal — merging the Palli Bidyut Samities (PBSs) with the Bangladesh Rural Electrification Board (BREB). This structural shift, if enacted, would effectively turn cooperative PBS employees into government staff. But the key question remains: are employees ready to forego higher cooperative benefits in exchange for the status and perceived security of government jobs?

The protest leaders argue that their fight is not rooted in monetary gain but in the pursuit of professional dignity. Yet, skepticism persists about whether this sentiment is universally shared across the protesting workforce. While several demands in the protesters' seven-point charter — such as withdrawing legal cases and the PBS-BREB merger — remain unaddressed, authorities claim that other concerns have already been or are being actively resolved.

Despite these efforts, dissatisfaction continues to brew. At the heart of the unrest are unresolved issues surrounding employee job grading, undefined hierarchies, and a fractured relationship between BREB and PBSs. The apparent failure of REB to exert effective, collaborative leadership has further deepened the crisis. Many believe that the current unrest cannot be quelled without serious redressal for employees who lost their jobs, were suspended, or faced legal action for participating in protests.

By statute, the BREB was created to operate as a service-oriented agency tasked with delivering electricity to rural populations through



cooperative models, thereby stimulating economic activity. However, calls to transform BREB into a corporate-style entity, folding PBSs into its structure as branch offices, have raised significant concerns. The root of the crisis, many argue, lies deeper than the surface-level grievances and requires a thorough, transparent investigation into both REB and PBS systems. In response, the government has formed a committee tasked with submitting a set of actionable recommendations before Eid-ul-Azha, with consultations involving all parties scheduled for June 1.

### *The Evolution of Rural Electrification: From Concept to Reality*

Bangladesh's Constitution, under Article 16, enshrines the right of all citizens to energy access. Yet, as late as the mid-1970s, this was far from reality, with less than 15% of the population, primarily in urban areas, having access to electricity. At this critical juncture, the U.S. government proposed implementing its National Rural Electric Cooperative Association (NRECA) model in Bangladesh, with assistance from USAID. This initiative led to a landmark partnership in 1976, setting the foundation for rural electrification in the country.

Previously, the rural electrification portfolio was managed by the Rural Electrification Wing of the Bangladesh Power Development Board (BPDB). A Presidential Order in 1977 disbanded this wing and established the Bangladesh Rural Electrification Board (BREB). The REB was mandated to implement the U.S.-modeled cooperative system in rural Bangladesh. In 1978, the first 13 PBSs were formed, including the now prominent Dhaka PBS-1. By 1980, Kamalpur village in Dhamrai Upazila, Manikganj, became the first rural area electrified under this initiative.

PBSs were designed to be more efficient than traditional state utilities like BPDB, which at the time faced over 70% system losses and chronic revenue shortfalls. Under the new model, rural cooperatives would be governed by elected boards representing consumers, essentially making them part-owners of the system. This innovative governance structure was expected to ensure better accountability, efficiency, and service quality.

Today, there are 80 operational PBSs, 13 of which are currently profitable. With anticipated growth, at least 20 are expected to become financially self-sustaining by the end of the year. These cooperatives supply over 60% of rural electricity



committees have been formed. Initially, an Additional Secretary-led body made little headway. Later, a more empowered committee chaired by BRAC University Vice-Chancellor Dr. Syed Farhat Anwar was established. It was tasked with evaluating the rural electrification structure and proposing reforms. A directive was also issued in March to implement a unified service code to integrate REB and PBSs, but internal opposition within the Power Division led to its withdrawal.

The expert committee is now expected to submit its final report after Eid. The Power Division has hinted that alternative measures will be considered if disruptions persist, while also urging REB to reconsider punitive actions case-by-case basis.

The Rural Electrification Association, meanwhile, has submitted memoranda on January 21 and April 26, urging the withdrawal of lawsuits, reinstatement of dismissed workers, and the resignation of the REB Chairman. They claim to have signatures from 28,307 employees in support of their demands.

### **Official Position of the Power Division**

The Power Division has expressed hope that PBS employees will fulfill their national duties and return to work, avoiding “unnecessary gatherings.” It confirmed the formation of the BRAC-led committee and a second committee to address employee rank parity. It further clarified that only those PBS employees not involved in sabotage would be considered for reinstatement.

Corruption allegations against REB officials in procurement and recruitment are under investigation, and legal action will follow if guilt is established. Hazardous job categories like line workers and shift staff are also



under review for additional labor law protections.

Since August 2024, over 6,000 PBS employees have been regularized. Transfers, particularly those affecting dual-career couples and emergency service workers, are being reassessed. Six employees have already been reinstated, with others under review. Legal cases against employees are proceeding under judicial discretion.

### **Protesters’ Seven-Point Demands**

The main thrust of the protests centers on the REB-PBS merger. Other demands include:

- Removal of the REB Chairman for alleged misconduct.
- Implementation of a unified service code or structural reform.
- Job regularization for contract staff.
- Withdrawal of lawsuits and punitive actions.
- Cancellation of transfers linked to protests.
- Filling vacant positions and enforcing proper shift limits.
- Formation of an interim board until reforms are enacted.

### **Conclusion: A Path Forward**

In the early years, the REB-PBS model functioned with minimal friction. However, as leadership faltered, the relationship between

the central board and cooperatives eroded. COVID-19 amplified these tensions, and discussions around privatization further exacerbated them. A World Bank recommendation to corporatize REB in 2010 failed to take off, but the idea has resurfaced.

Since 100% electrification has been achieved, the need for aggressive infrastructure growth has diminished. Some experts suggest turning REB into a corporate body governed by company law, with all PBSs as its branches. This could standardize pay but would make all jobs contractual and subject to performance reviews every three years — a process requiring legal amendments.

Others advocate for converting REB into a regulatory authority while keeping PBSs operationally independent. REB currently employs about 1,500 staff, while PBSs together have around 45,000.

Any reform must be based on expert recommendations. The Power Division has already addressed several key demands. Now, both sides must prioritize the national interest. Protesters must return to work with trust, and the government must guarantee a fair and constructive environment for dialogue and transition. **EP**