

When will this insanity end?

Reckless bus drivers and boundless impunity

UNSUSPECTING people are becoming victims of reckless bus drivers and their killing machines with sickening regularity. Only in the space of 10 days three persons fell victim to wild bus drivers who thought the streets of Dhaka were racing tracks, and consequently, Rajib and Rozina eventually succumbed to their injuries. The case of the latest victim is even more appalling. He is a car driver who was deliberately run over by the driver of a private transport company, when told to stop by the victim after the bus had hit and damaged the car.

The circumstances of all the three cases speak of a dangerous disregard for life, a tendency that can only overtake a person who feels that he is protected by impunity that serves as the order of the day. But there is also the fact that the transport sector is hogged by the mighty and the powerful in whose case the so-called long arm of the law falls lamentably short. Add to this the bane of untrained drivers, many of whom are underage, some as young as 12 if one were to believe the mayor of Dhaka South.

The atrocious sate of Dhaka traffic cannot be cured unless the sector is freed from the clutches of a powerful few, and stricter and quick disposal of cases is ensured. It is time to think also whether not only the driver but also the owner should be held culpable for accidents caused by the driver he has employed. After all, it is his responsibility to ensure both the bus and the driver meet all the criteria to be on the street.

Crops in haor areas in peril, again!

Take heed of past and present mistakes

IN the last two years, farmers in haor areas had lost their boro crops to flash floods caused by heavy rain, followed up by onrush of water from the upstream. This year, water has again entered the paddy fields in 88 villages of Sunamganj's Tahirpur and Dhamapasha upazilas after part of the Naotana dyke along the Tanguar Haor had allegedly been cut by some local fishermen. And the damage can get much worse, as although the around 25-ft damaged part of the dyke was repaired, farmers fear that they might lose their boro crop on more than 7,000 hectares if it rained heavily later on as forecast has warned.

Many people living in the area depend fully on farming for their livelihood. They will have no means to survive and will have to rely on whatever aid they can expect to receive if their crops are damaged. This, as we have seen from past years, is not a good solution, especially because of widespread corruption and diversion of aid from those who need it to elsewhere. From previous years it has also become clear that crops in the area are prone to being damaged during this time of year. What we don't understand is, despite knowing this, why the authorities either do not take any action beforehand to prevent such damage or takes them only after it is too late.

In any case, we hope the authorities will take notice of this and take pre-emptive measures in future. As for this year, they should inform farmers to prepare as best as they can and provide the aid necessary first, to prevent crop loss and second, to compensate for whatever loss there is.

LETTERS TO THE EDITOR

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Bus service between three neighbours

It is good news that a bus will run between the three countries of Bangladesh, India and Nepal. A trial run was done recently when a bus started from Dhaka and went to Siliguri in India and then to Kathmandu in Nepal carrying 45 delegates from these countries.

The distance between Dhaka and Kathmandu is not very long and it does not take much time to get from one place to another by road.

Since there are no buses running currently from Dhaka to Kathmandu, Bangladeshis (also Nepalese) need to travel by air which can be quite costly. Once the planned bus service is fully functional, it should substantially reduce the travelling cost for citizens of all three countries, especially those who travel frequently.

I hope the authorities will launch this service as soon as possible once the vetting phase is complete.

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The hidden dangers of money laundering



Institute of Bank Management has found. This includes over- and under-invoicing of goods and services and mis-declaration of goods.

The survey also said that money laundering is being facilitated by collusion between importers, exporters and bank officials who are at times getting involved in these illegal transactions. Having agreed with this, Moinul Khan, commissioner of Customs Valuation and Internal Audit Commissionerate, said that, "There is a minimum price limit for products but no maximum limit, as a result, fraudsters can easily launder money."

If we put this together with the findings of a Global Financial Integrity (GFI) report titled, "Illicit Financial Flows (IFFs) to and from Developing countries: 2005-2014," the picture becomes much clearer and concerning at the same time. According to the GFI report, between 2005 and 2014, IFFs likely accounted for 14.1-24 percent of total developing country trade, on average, with outflow estimates being 4.6-7.2 percent and inflow 9.5-16.8 percent. The primary means for shifting funds in and out was trade misinvoicing at an estimated average of 87 percent.

If we focus on Bangladesh, GFI estimates that between 2005-2014, illicit financial outflows stood at 12-17 percent and inflows at 4-12 percent of Bangladesh's total trade. Total unrecorded capital flow from the country amounted to USD 61.61 billion during the time—USD 56.83 billion through trade misinvoicing.

Needless to say, money laundering causes major problems for any country, perhaps more so for developing ones. This is especially so for a country like Bangladesh that is still struggling to significantly increase investment and, according to the government, generate enough tax revenue.

As money laundering leads to huge amounts of money remaining unaccounted for and untaxed, this also means higher tax rates in general than would normally be necessary and higher

costs of living as a result. Thus, it greatly harms honest taxpayers, distorts commodity prices, results in misallocation of resources and expose financial institutions to greater risks than normal, etc.

But apart from the more obvious problems, money laundering could also pose major security risks for a country and endanger its national interests. As the BB's own guideline states, "the sheer magnitude of the economic power that accrues to criminals from money laundering has a corrupting effect on all elements of society." For example, illicit flow of funds has often been found to be associated with criminal networks involved in a whole host of crimes that are interconnected, such as drug trafficking, arms-dealing, extremist funding and, perhaps the most egregious of all, human trafficking.

Last year, the US, in its Human Trafficking Report 2017, downgraded Bangladesh to the Tier 2 Watch List, as the Bangladesh government did "not fully meet the minimum standards for the elimination of trafficking." While the number of victims identified by the

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government has decreased, the report raised the question whether it was because of a lack of capacity on part of the Bangladesh government to track, trace and record the number of human trafficking victims. Moreover, according to a Unicef report, "Human trafficking in Bangladesh is believed to be extensive both within the country and to India, Pakistan and the Middle East," and "Many girls" from Bangladesh "are trafficked into sexual exploitation or bonded servitude." And as the *Independent* (UK) revealed last year, Bangladesh was the single largest origin for refugees to Europe by boat in 2017, which is another indication that this danger does indeed exist.

Also alarming in that regard should be the astronomical increase in Yaba and other drug trade in the country—another concern that frequently arises from the plague of money laundering. For example, data from the Department of Narcotics Control show that seizures of Yaba went up from being 36,543 pills in 2008 to 812,716 pills in 2010 to a mammoth 29,450,178 pills in 2016. And we have already witnessed the danger of



extremist financing and arms dealing from different past incidents.

All of these problems could become more prominent if criminal networks are allowed to thrive by ignoring the threat of money laundering. However, one major issue that all governments face when it comes to addressing it is that, "By co-mingling the proceeds of crime with the proceeds of legitimate business, launderers are able to disguise the ultimate source of the illicit money," as the GFI report described.

And, as the Bangladesh Bank's "Guideline on Prevention of Money Laundering and Combating Financing of Terrorism for Capital Market Intermediaries" admits, "Crime has become increasingly international in scope, and the financial aspects of crime have become more complex due to rapid advances in technology and globalisation of the financial services industry." Simply put, criminal networks have increasingly become transnational in scope. And with technological advances and the advent of offshore accounts, etc. addressing the problem of money laundering and stopping criminal networks from exploiting the clear limitations of our government (or most governments for that matter), has become extremely difficult, if not near impossible.

Which is why, to address it, our government should work more proactively with other governments and

organisations from around the world, that are seriously looking to curb the problem of money laundering and offshore accounting (and their related issues) since recent revelations (such as the Panama and Paradise Papers which were global in scale) have brought them into the limelight. And it also needs to negotiate with international banks for access to transaction information when necessary—as it had previously been

denied such access by Swiss banks—because without it, the task of tracking illicit financial flows becomes extremely difficult.

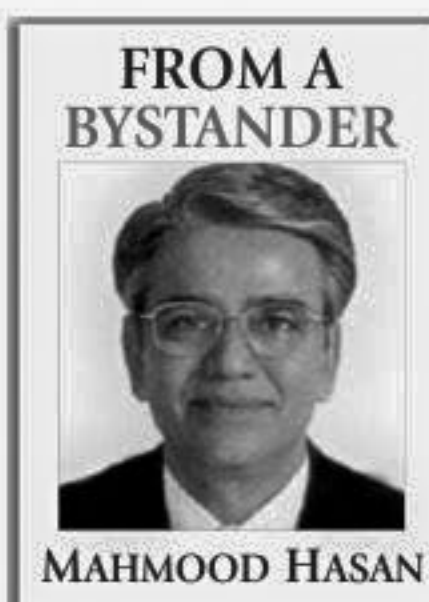
On the domestic front, the BB's guidelines on preventing money laundering already states that "Institutions and intermediaries must keep transaction records that are comprehensive enough to establish an audit trail." However, how well are those being maintained?

Should one look at the recent history of our banking sector, one would assume, "not very well". This too must change and the government is the only one that can hold banks accountable when it comes to that. But even that won't do much good if those records are not properly audited which, again, will require serious and sincere government effort.

The fact of the matter is that money laundering is one of those problems that are always much bigger than what they seem at first glance, as most activities related to it occur under the surface and because it gives rise to so many other difficulties. However, if ignored, they may eventually burst out from underneath and cause major problems for any nation, including ours, which is why the government and all its agencies should look to address it as soon as possible.

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Little Rocket Man transforms Korean nuclear narrative



effort to establish lasting peace in the troubled Korean peninsula.

From the video clips it appeared that the ambience of the meeting was amiable. Kim Jong-un's body language seemed relaxed and conciliatory—it was not the defiant audacious face that is projected in Western media. The two leaders embraced each other, were all smiles and exchanged jokes. Pledging a "new era of peace," the leaders signed a 13-point "Declaration for Peace, Prosperity and Unification of the Korean Peninsula" which needs to be looked at carefully.

The highlights of the declaration can be summarised as the following. First, there will be no war in the Korean peninsula. Second, unification of the two Koreas is to be done by the Koreans themselves. Third, allow the divided families to reunite including close cooperation between the peoples of two sides. Fourth, promote balanced economic growth and co-prosperity of the two sides. Fifth, completely cease all hostile acts against each other and transform the demilitarised zone into a zone of peace. Sixth, establish mechanisms for frequent contact between the military authorities to build confidence. Seventh, sign a Non-Aggression Agreement to end the state of war involving China and the United States. Eighth, realise complete denuclearisation of the Korean peninsula. Ninth, frequent meetings between the two leaders to build trust for eventual reunification of the Korean peninsula.

It is pertinent to note that a few days before the summit Kim declared that he was willing to suspend all nuclear and missile tests and dismantle the nuclear

test site. But in the declaration there was no mention that Kim intended to do that. It should also be noted here that Republic of Korea is under the US nuclear umbrella and its security is guaranteed by the US-ROK Mutual Defense Treaty signed in 1953. The declaration speaks about complete denuclearisation of the Korean peninsula which, in other words, means that both North and South Korea shall have to shun nuclear weapons. The reunification of the peninsula will be decided by the people of the two Koreas. In other words, no external pressures will be entertained. No time limit has been suggested although it mentions setting up

that he would like to meet Kim personally. Over the past year, there has been continuous threats from Donald Trump to invade North Korea with "fire and fury" to destroy its nuclear capability. Yet Kim went ahead and developed nuclear weapons and missiles that are allegedly capable of reaching US mainland. All of this happened under close monitoring of Beijing. The Trump-Kim summit is likely to take place sometime in May 2018. Third, Kim made a secret visit to Beijing (March 26-28, 2018) where he reportedly told Chinese President Xi Jinping that he was open to dialogue with the United States and was



Kim Jong-un of North Korea, left, and President Moon Jae-in of South Korea crossing the military demarcation line at Panmunjom.

of mechanisms between the two sides to scale down the military tension.

The buildup for the Korean leaders' summit comes in the backdrop of several developments since early this year. First, North Korea, in an apparent softening of position, sent an athletes' delegation to South Korea to participate in the PyeongChang Winter Olympics 2018. US Vice President Mike Pence attended the opening ceremony of the games along with Kim's sister, who led the North Korean delegation. Second, in early March 2018 Donald Trump announced

committed to denuclearisation of the Korean peninsula. Fourth, ex-CIA director Mike Pompeo secretly visited North Korea in early April 2018 to discuss Kim's nuclear weapons programme and lay the ground for the summit with Donald Trump.

Why has Kim suddenly decided to soften his position? There may be one primary reason for Kim's apparent turnaround. UN sanctions have been playing havoc with the economy. The dwindling economy had a GDP of only USD 28.5 billion in 2016. Much of that

was spent on the nuclear and missile programmes leaving very little for the people, who are desperately poor. The country has so far survived because its main trading partner is China. Kim probably realised that economic development was more important at this stage, now that it has the nuclear capability. Kim certainly wants removal of all economic sanctions and to be readmitted into the comity of nations as a normal state.

The reaction from different capitals has been mixed and cautious. Donald Trump, commenting on the outcome of the summit, tweeted, "Korean war to end." Chinese foreign ministry spokesman said, "We applaud the Korean leaders' historic step and appreciate their political decision and courage." Japanese Prime Minister Shinzo Abe who recently visited US to meet Donald Trump welcomed the summit but was rather circumspect saying, "We will keep watching North Korea's future movements." Russian President Vladimir Putin said, "This is very positive news." British Foreign Secretary Boris Johnson was cautious but said, "I am very encouraged by what happened."

The summit declaration was high on hopes and intentions—it actually reflected symbolism. But North Korea's past history does not allow one to be overly optimistic. Similar summits were held between the two Koreas in 2000 and 2007—but nothing much came out of the declarations of those meetings.

However, there is an interesting side to these developments. Willy Kim, the "little rocket man", in spite of leading a very poor nation, has raised himself to the stature of a world leader because of his nuclear capability. He has created a situation where the US president is keenly looking forward to meet him. Indeed with this summit he has Moon Jae-in on his side, which makes him much stronger. Interestingly, even if Kim gives up his nuclear arms—which is unlikely—he is certainly not going to give away the technological knowhow of developing nuclear weapons.

Mahmood Hasan is a former ambassador and secretary of the Bangladesh government.