

PROJECT SYNDICATE

# Facebook's Libra must be stopped



KATHARINA PISTOR

**F**ACEBOOK has just unveiled its latest bid for world domination: Libra, a cryptocurrency designed to function as private money anywhere on the planet. In preparing the venture, Facebook CEO Mark Zuckerberg has been in negotiations with central banks, regulators, and 27 partner companies, each of which will contribute at least USD 10 million. For fear of raising safety concerns, Facebook has avoided working directly with any commercial banks.

permitted to fail. Moreover, even when it comes to states, currency pegs offer only an illusion of safety. Plenty of countries have had to break such pegs, always while insisting that "this time is different."

What sets Facebook apart from other issuers of "private money" is its size, global reach, and willingness to "move fast and break things." It is easy to imagine a scenario in which rescuing Libra could require more liquidity than any one state could provide. Recall

financial intermediaries before it, the company is promising something that it cannot possibly deliver on its own: the protection of the currency's value. Libra, we are told, will be pegged to a basket of currencies (fiat money issued by governments), and convertible on demand and at any cost. But this guarantee rests on an illusion, because neither Facebook nor any other private party involved will have access to unlimited stores of the pegged currencies.

a government, a living will would have to explain how the relevant authorities would respond to Libra breaking its peg and triggering a global run.

Obviously, this raises a number of pertinent questions. Would governments vow, like former Fed chairman Ben Bernanke in September 2008, followed by European Central Bank President Mario Draghi in July 2012, to do "whatever it takes" to ensure the currency's survival? Would they even have the capacity to do so, let alone coordinate their actions—and share losses—with all the other countries involved? Would governments be able to seize control of the system if it proves incapable of

sustaining itself?

Silence in response to Facebook's announcement this week is tantamount to endorsing its dangerous new venture. Governments must not allow private, profit-seeking parties to put the entire global financial system at risk. If banks are "too big to fail," then states definitely are. If governments fail to protect us from Facebook's latest act of hubris, we will all pay the price for it.

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(Exclusive to The Daily Star)

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Ireland after the 2008 financial crisis. When the government announced that it would assume the private banking sector's liabilities, the country plunged into a sovereign debt crisis. Next to a behemoth like Facebook, many nation-states could end up looking a lot like Ireland.

Facebook is barreling ahead as if Libra was just another private enterprise. But like many other

To understand what happens when regulators sit on their hands while financial innovators create put options, consider the debacle with money market funds in September 2008. Investors in MMFs were promised that they could treat their holdings like a bank account, meaning they could withdraw as much money as they put in whenever they wanted. But when Lehman Brothers collapsed, MMF investors all tried to cash out at the same time, whereupon it became clear that many funds could not deliver. To forestall a widespread run on all MMFs and the banks that backed them, the US Federal Reserve stepped in to offer liquidity support. A run on Libra would require support on a much larger scale, as well as close coordination among all central banks affected by it.

Given these massive risks, governments must step in and stop Libra before it launches next year. Otherwise, as Maxine Waters, the Chairwoman of the US House Committee on Financial Services, has warned, governments may as well start drafting their own living wills. In the parlance of finance and banking, a "living will" is a written plan that banks provide to regulators describing how they will unwind themselves in the event of insolvency. In the case of



Facebook is leaping into the world of cryptocurrency with Libra, its own digital money.

PHOTO: AFP

## The benefits of learning multiple languages

SALEHUDDIN AHMED

**L**EARNING languages can open up the world for you. The world is going through dynamic changes, which are occurring at a fast rate. This has caused more business and work opportunities to be available across the world—which could be utilised better by the people in developing countries if they are multilingual. In today's increasingly interdependent and interconnected world, mastering language skills gives one the opportunity to engage with the global community in more meaningful and productive ways.

There are companies in both developed and developing countries that operate in several countries. McDonald's Corporation is the world's largest restaurant chain with 37,855 outlets in 119 countries, as of 2018. Pizza Hut runs 16,000 restaurants in 100 countries. Uber has taxi services in more than 400 cities across 60 countries. Plus, there are international financial and development agencies operating all over the world.

Since 2000, BRAC, Grameen Bank and ASA are running programmes in other developing countries in Asia and Africa and even beyond. There are at least eight foreign banks operating in Bangladesh. Russian, Japanese, Korean and Chinese institutions have also formed alliances with Bangladesh to build power plants, roads, bridges, factories, etc.

In order to work in the aforementioned organisations and platforms, it would be hugely beneficial to learn different foreign languages. I personally know many folks who are working in different countries, and who are more successful due to the fluency and familiarity with the local language and culture.

There are various individual benefits to learning foreign languages in addition to obtaining work opportunities in countries all over the world.

One of the most rewarding aspects of learning a new language is the scope of communicating with people of other cultures. It feels good when you see someone trying to communicate with you in a language that's foreign to them—it shows in them a desire to understand you. Knowing a language makes you "local" no matter where you are located. You learn about other societies, cultures, historical events and traditional norms through the language. Imagine a person from a foreign country speaking to you in Bangla.

Being multi-lingual provides an instant advantage over your peers, and helps you stand out. The demand for bilingual and multilingual

professionals is growing exponentially around the world. Between 2010 and 2015, the number of US job postings specifically geared toward bilingual candidates more than doubled.

Language skills may also lead to higher salaries and promotions, especially when an organisation has multiple branches globally. With such language skills, you can easily get ahead of others in your field.

There are cognitive benefits of learning languages, too. Research has shown that speaking more than one language improves memory, problem-solving and critical thinking skills. It also improves your neural network over time. To maximise this benefit, it is best to start learning languages from a young age, since during that time brains are still developing and they can make language connections better than adults.

While learning a foreign language,

you learn to make mistakes and correct them yourself. In the process, you come out of your comfort zone.

*There are cognitive benefits of learning languages, too. Research has shown that speaking more than one language improves memory, problem-solving and critical thinking skills. It also improves your neural network over time.*

You build an amazing sense of accomplishment. When you converse with someone in his/her native language, you tend to become more confident and courageous.

A person learning more than two or three languages together switches from one language to the other very quickly. This process builds your multi-tasking capacities. My own experience shows that an individual can learn six languages simultaneously, moving from one to the other fairly easily. The capacity increases as one practices.

Once you master other foreign languages, you learn about the customs, traditions and social practices of other societies. Thereby, you recognise the good and bad practices of one another. This helps to

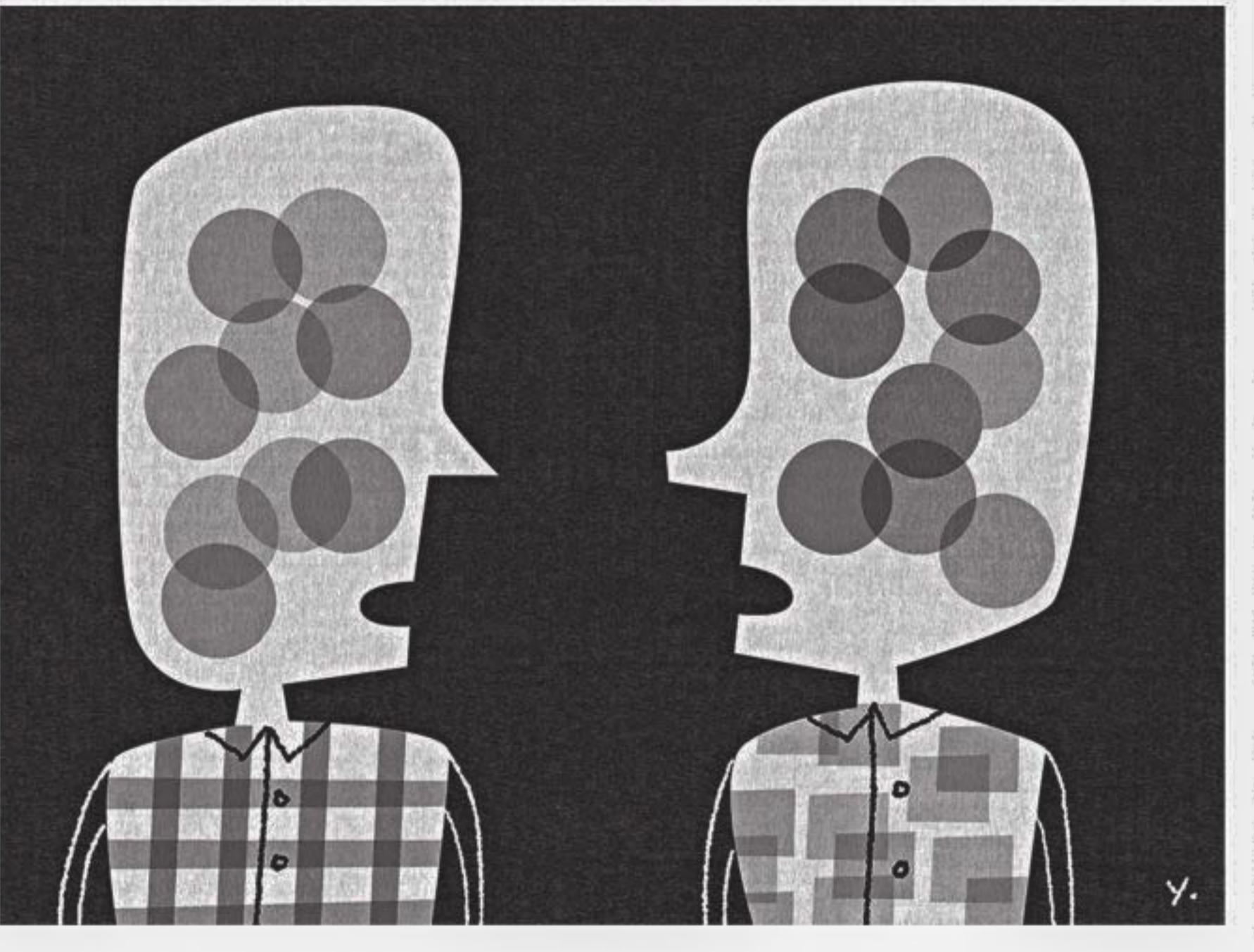
appreciate your own practices, widens your horizon which helps you to learn from other societies and eventually helps you to apply them in your own social practices.

When we travel to a foreign country and know the local language, it becomes extremely convenient and advantageous. For example, in China, it is very difficult to travel if you know only English or your native language. But knowing Mandarin will make your journey less problematic. You also get to learn more about the Chinese places and people—the trip becomes much more insightful and fun. New doors of opportunities may open up.

Bangladeshi students, teachers, workers, journalists, businessmen and government agents will benefit tremendously by learning multiple languages. Parents need to encourage their children to learn languages. In Bangladesh, several universities teach foreign languages, for example, Brac University, IUB, NSU, Shanto Mariam University, etc. Dhaka University's Institute of Modern Languages (IML) teaches a number of languages. To make things more convenient, there are also private organisations offering language courses. In this era of technology, one can learn languages from their phones or computers through interactive web-based tools and apps, e.g. Duolingo, Lingvist etc.

There is no age limit to learning languages. Anyone, young or old, can attempt to learn as many languages as possible. The learning itself is a very rewarding process—I have a first-hand experience in that regard, being fluent in six languages, and I am still learning more at more than 70 years of age! You can do it, too.

Dr Salehuddin Ahmed is the former Pro-Vice Chancellor of BRAC University and former Managing Editor of The Daily Star.



**QUOTABLE Quote**

**WALT DISNEY**  
(1901–1966)  
American entrepreneur, animator, voice actor and film producer.

*The way to get started is to quit talking and begin doing.*

**CROSSWORD BY THOMAS JOSEPH**

**ACROSS**

- 1 Accords
- 6 Long look
- 11 One of Kirk's bridge crew
- 12 English county
- 13 Washroom sight
- 14 Cocoon dwellers
- 15 "Meet the Press" host Chuck
- 17 Quick tastes
- 18 New Mexico art colony
- 20 Cracked
- 22 Strange
- 23 Devils Tower's locale
- 26 King of "CBS This Morning"
- 28 Sheets and such
- 29 Surrounding

**DOWN**

- 1 Place for a pint
- 2 "That's it!"
- 3 Splitting fight
- 4 Singing groups
- 5 Dune makeup
- 6 Fall mo.

**31 Big snake**

**32 "Lonely Boy" singer**

**33 Type-setting choice**

**34 Newspaper section**

**36 Audition goal**

**38 Flying toys**

**40 Lesson leader**

**43 Key**

**44 Piglet's creator**

**45 High-maintenance**

**46 Spirited horse**

**7 Tidal wave**

**8 It may have a child-safe cap**

**9 Harvest**

**10 Alimony payers**

**16 Calendar box**

**18 Forum wear**

**19 First name?**

**21 Abrupt shock**

**23 Calendar row**

**24 Very bright**

**25 Pesky insect**

**27 Paint oil source**

**30 Snooze**

**33 Produce buy**

**34 Related**

**35 Increase**

**37 Money dispensers**

**39 Messy room**

**41 Small bill**

**42 Checkers choice**

**YESTERDAY'S ANSWERS**

H	I	C	K	I	N	C	A	N	S
E	C	H	O	R	O	A	D	I	E
R	O	A	R	O	N	T	A	P	E
A	N	T	E	N	N	A	S		
S	C	E	N	T	E	T	H	A	N
M	A	R							
E	L	E	N	A		B	A	R	K
E	L	D	E	R		A	N	T	
H	E	C	T	R	I	G	G	E	R
E	V	O	L	V	E		L	E	N
M	E	L	E	E	S		A	D	D

**BEETLE BAILEY** by Mort Walker

WHY DOES LT. FUZZ HAVE A SAFE?  
THAT'S WHERE HE KEEPS HIS "PRECIOUS!"  
"PRECIOUS?" IS THAT WHAT HE CALLS HIS GOLD?  
THAT'S WHAT HE CALLS HIS TEDDY BEAR

**BABY BLUES** by Kirkman & Scott

WHAT'S UP?  
ZOE PUT THE DISHES AWAY AND CLEANED UP THE KITCHEN ALL BY HERSELF.  
NICE!  
WHAT'S ALL THIS?  
THE SATISFACTION SURVEY.

WRITE FOR US. SEND US YOUR OPINION PIECES TO [dsopinion@gmail.com](mailto:dsopinion@gmail.com).