

Right to fair trials extends to BNP, too

Legal process must function without political interference

It must be a milestone of some sort that our courts—known for heavy case backlog, lengthy trials, and generally low convictions—have been resolving cases at a rapid pace of late. According to a report by this daily, 112 leaders and activists of BNP and its front organisations were sentenced in Dhaka and Rangpur on Monday. There have been similar convictions in recent days, but Monday’s figure was the highest in a single day, according to defence lawyers. These five cases were filed between May 2013 and September 2018 over torching of vehicles, vandalism, assaulting police, and preventing law enforcers from discharging their duties. Over the last two months, according to another report, some 265 BNP leaders and activists were sentenced to various jail terms by Dhaka courts alone.

So how is Bangladesh suddenly threading the judicial needle so successfully? Looking at the way spurious cases are being revived and sped through the trial process, it is safe to assume that questionable jobs by the state prosecutors and investigators are causing embarrassment or problem for the judiciary. Reportedly, among the convicts handed out punishment on Monday are one who died in 2020, in a development that his brother termed “a ghost conviction in a ghost case”, as well as two others who have been missing for years. This clearly indicates that the case documents were never updated by the investigating officers and prosecution before appearing before the court.

The fact is, we have been complaining about the politicisation of our legal institutions for years. This is not the first time that dead individuals were framed or “punished” in such cases, nor is the swiftness with which a judgement has been arrived at particularly unfamiliar. In the days before and after BNP’s October 28 rally—where the party reiterated its demand for the resignation of the government for the sake of a fair election—the legal process has again been put into overdrive, with an estimated 10,000 or so BNP men arrested since supplying necessary fodder. We have seen how trials were rushed by extending court hours till about 8-8:30pm, and how sparingly those arrested, including central leaders, were granted bail, thus indefinitely extending their pre-trial detentions. By contrast, ruling party men trying to thwart BNP’s movement were all but given indemnity against prosecution or even detention for any crime.

We insist on ensuring that the judiciary functions independently of any political interference. A free judiciary is in the best interest of the nation in the run-up to the upcoming general election, which must be fair, credible and participatory. Taking BNP-Jamaat men off the streets through questionable manoeuvres not only helps weaken their movement, but also makes their likely participation in the election quite difficult. We, therefore, urge the authorities to ensure that it doesn’t happen. Let the judiciary be fully independent.

Cleanse Dhaka Wasa of corruption

Govt must take proper action after embezzlement of Tk 332 crore

An investigation by the Department of Cooperatives into corruption at the Dhaka Wasa Employees Multipurpose Cooperative Society—which uncovered concrete evidence against 46 officials and employees embezzling Tk 332 crore—is yet another glaring testament to the pervasiveness of corruption in the country. According to a report by Prothom Alo, in 1996, Dhaka Wasa decided to hire contractors to increase revenue from water bill collection. As part of the initiative, the aforementioned cooperative society began working as contractor in exchange for a 10 percent commission on the total bill. It was made up of then-employees of Dhaka Wasa, raising the question as to why Wasa would proceed with a plan that provided additional benefits to employees who were already on its payroll.

However, this was merely the tip of the iceberg. As revealed by the investigation, officials of the society’s managing committee then misappropriated funds received for its operating costs. With this elaborate scheme, Dhaka Wasa has practically allowed these officials to steal public money which should have gone into ensuring clean water and proper drainage in Dhaka. As such, it cannot escape responsibility for this failure.

In recent years, Wasa has repeatedly made headlines for corruption, irregularities, and a persistent failure to provide services. In recent months, it reappointed its long-running managing director for an unprecedented sixth time, despite widespread allegations of corruption and organisational misconduct against him. Wasa has also been accused of being a major river polluter. The quality of water it supplies remains questionable. Meanwhile, a megaproject related to the Dasherbandi treatment plant has largely failed to pay off due to the lack of connected sewerage pipes. Despite all this, there has been little effort to make Wasa accountable for its failings.

Unfortunately, corruption remains widespread in almost all government institutions, even at a time when the country is undergoing a crippling economic crisis. It’s painful to see how public money is being squandered through corruption and mismanagement while ordinary citizens suffer amid severe inflation and astronomical prices of daily essentials. We urge the authorities to take firmer action against public-sector corruption, and establish transparency and accountability in all government institutions. The corruption revealed at the Dhaka Wasa Employees Multipurpose Cooperative Society must also be properly addressed.

ANNOUNCEMENT OF ELECTION SCHEDULE

As things stand, the election is all but doomed



THE STREET VIEW

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The attention that Bangladesh’s upcoming general election is already drawing at home and abroad is unprecedented, at least in comparison to what the previous two elections garnered. In addition to the political parties themselves, the international community has also been talking about the election long before the announcement of the election schedule. The opposition on the streets, BNP, is still demanding an election under a non-partisan interim government, while the ruling party has been calling attention to the illegality of such a proposition given the absence of constitutional provisions for such a measure.

While the two parties have stuck to their guns, demands for talks between the two archrivals have gotten louder inside and outside the country. US Ambassador in Dhaka Peter Haas handed over a letter from Donald Lu, the US assistant secretary of state for South and Central Asian affairs, to Jatiya Party Chairman GM Quader, which prescribed holding unconditional talks. On the same day, BNP said it had also received the letter. However, the ruling Awami League said it had not received any such communiqué. The next day, Prime Minister Sheikh Hasina hinted that the election schedule would be announced within a day or two. And lo and behold, after only a few hours, our election commissioners conveyed that their chief would address the nation on November 15 to announce the election schedule. Chief Election Commissioner Kazi Habibul Awal, duly taking his cue from the PM, made the formal announcement during a live televised address, officially announcing that the 12th parliamentary election would be held on January 7, 2024. Unsurprisingly, the opposition parties rejected the schedule outright and called a general strike in protest.

As an independent and constitutional body delegated with the responsibility of conducting and overseeing elections, it is the Election

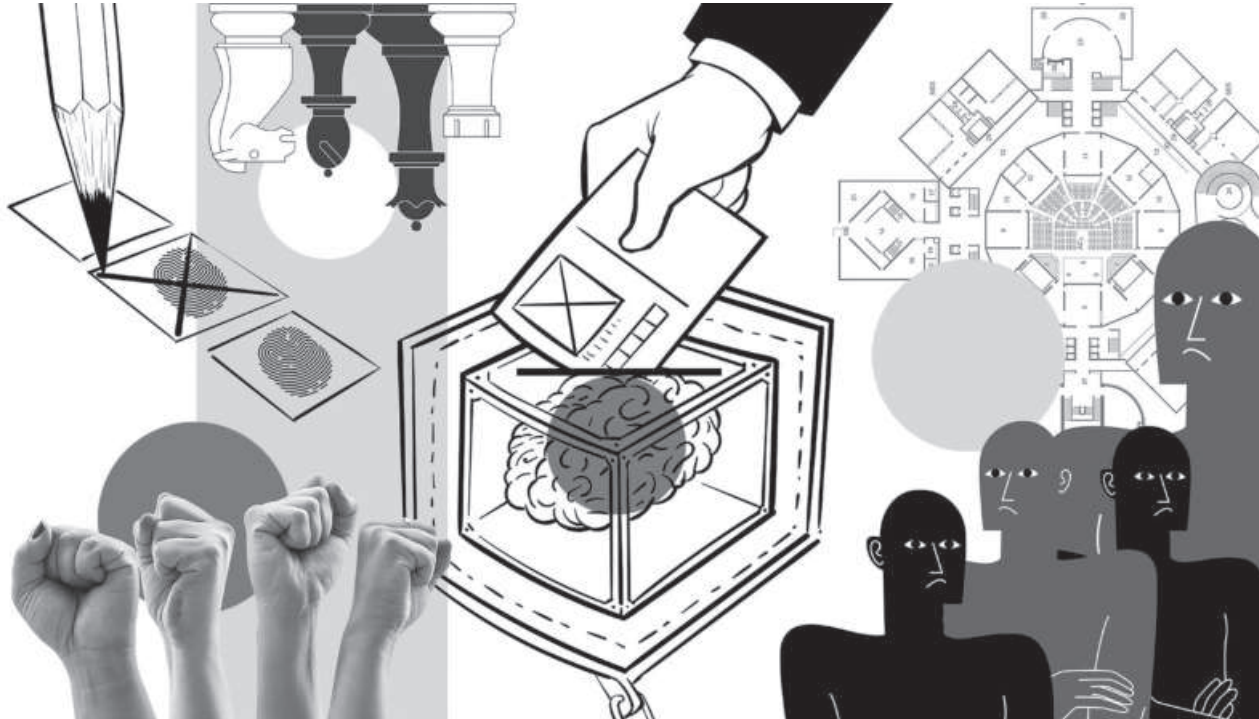


ILLUSTRATION: ANWAR SOHEL

Commission’s duty to announce the schedule, which it did. Opposition parties are claiming that the commission made the announcement as per the ruling party’s desires. But did the EC have any other recourse? The election office must announce the schedule, sooner or later. Thanks to the annulment of the caretaker government provision through a constitutional amendment, whatever the EC does now will only deepen the prevailing crisis, especially if it takes its cues from the head of the government.

The EC announced the election schedule with the two main political camps in directly opposite positions regarding the election itself. In such a scenario, how will the election turn out? Will the opposition camp still participate in it? Before seeking an answer to this question, the political situation before and after the announcement of the election schedule needs to be analysed.

Things were largely peaceful till

been torched or vandalised. Four days of hartals or blockades throughout the work week has become the new normal for the citizens. BNP and like-minded partners have made it clear that they will not join the election.

On the other hand, AL leaders and activists have also taken control of the streets amid BNP’s blockades. The ruling party has started selling nomination forms to prospective candidates, and the festive mood at the party’s Bangabandhu Avenue office is hard to ignore. In reply to Donald Lu’s letter, AL has said the time for dialogue has run out. This implies that, as far as the ruling party is concerned, any hope for a settlement or agreement through talks is all but over, and that the AL is moving ahead with the mission to form its government for the fourth consecutive term.

CEC Habibul Awal has urged all political parties to find a solution to end the political impasse. “On behalf of the Election Commission, I

humbly request all political parties to find a solution, avoiding conflict and violence,” he said while announcing the election schedule. But it seems that the ruling party is not interested at all to respond to this call. Holding a fairly acceptable election is quite a basic concept in modern and developed democracies. It is something that most countries in the

sub-continent have also mastered. Only weeks ago, there was an election in the Maldives that saw a neck-and-neck fight between opponents, with little news of violence or intimidation. Last year, there was an acceptable election in Nepal, too. There will be an election in India next year and not even the fiercest opponents are expected to question the veracity of the results there. Even in Pakistan, elections are less controversial than in Bangladesh. Given the attitudes of our two archrivals as we head towards the election, there is no reason for one to feel hopeful. The EC may have announced its schedule, but that has raised even more questions and failed to answer any of the existing ones. If this goes on, might Bangladesh see a repeat of the 2014 election, when 153 MPs were elected uncontested? If so, any hopes and aspirations of the Bangladeshi people for a free, fair, and competitive election will remain a far cry.

Why remitters still prefer hundi



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Despite an increasing number of Bangladeshis leaving for jobs abroad, the remittance inflow is decreasing at an alarming rate. In September 2023, migrant workers sent home \$1.34 billion—the lowest since April 2020, according to data from Bangladesh Bank. So, why have we failed to translate a record worker outflow into an increase in remittance inflow?

Some analysts opine that the reason for lower remittances is the widening gap between official and unofficial exchange rates. Currently, banks are offering Tk 109.5 per dollar for remittance, whereas the rate on the informal market is around Tk 117-119 per dollar. Many argue that institutional barriers such as high transaction costs and formalities for sending remittances through formal channels hinder remitters’ use of bank services. Some say there are many Bangladeshis living abroad illegally who do not comply with the legal requirements to send money home and, as such, hundi is the only way for them to make transactions.

However, I think there is more to the story. Why does the hundi system persist? How does it work? And what benefits does the hundi cartel abroad reap by collecting the US dollar at a higher exchange rate?

We know that corrupt politicians, dishonest government officials, or politically-blessed businessmen—who

have amassed wealth through various forms of corruption and illicit deals in drug trafficking, extortion, bribes, commissions, and kickbacks from foreign aid and loans—siphon off money from Bangladesh to the Middle East, Thailand, Malaysia, Singapore, the US, or Canada. In these countries, these corrupt individuals either keep the money in banks or use it to invest in real estate. How do they take so much money out of Bangladesh? This is where the hundi cartels come into the picture.

Let’s say Mr X would like to shift his \$100,000 of ill-gotten money to Dubai. So, he contacts a local agent of the hundi cartel in Bangladesh, gives them details of his Dubai-based bank account, and pays the money in local currency—say, at a rate of Tk 119 per dollar. Then, hundi representatives somewhere in the Middle East transfer \$100,000 to Mr X’s Dubai account. To get back this amount in US dollars, hundi representatives in the Middle East collect the dollars from several Bangladeshi migrant workers, paying them, say, Tk 116 per dollar. So, the dollars taken are used for the payment to Dubai, and the taka received from Mr X by a local agent of the hundi cartel is used to pay relatives of migrant workers in Bangladesh. As is evident, no money crosses Bangladesh’s borders, and the remittance that was supposed to come in does not pass through the formal

channel. Thus, the expected amount of US dollars is not flowing into the country; instead, it is remaining in a foreign country, while the relatives of migrant workers get their money in the local currency.

In addition, unscrupulous importers who undervalue consignments to evade customs duties and other taxes are big buyers of US dollars in the informal market. To dodge such taxes, the importers state prices of goods on import documents to be less than the prices actually paid, and then settle the under-invoiced portion with exporters using the hundi system. To note, because of under-invoicing by these businesses, the country is losing both import revenue and remittances.

According to the Washington, DC-based think tank Global Financial Integrity (GFI), Bangladesh lost \$8.27 billion every year on average, between 2009 and 2018, due to mis-invoicing by traders of the value of imported and exported goods. The average loss of customs and taxes was 17.3 percent of Bangladesh’s trade with all its trading partners during those years.

For a Bangladeshi citizen, outward remittances are generally restricted by Bangladesh Bank. Non-Resident Bangladeshis (NRBs) therefore encounter difficulties in moving inheritance money from Bangladesh to their country of residence. Likewise, people permanently moving away from Bangladesh and settling abroad who want to sell off their house, land, or other immovable property face difficulties in repatriating proceeds from the sale. So, what do they do with the money? They, too, must take that money abroad through hundi. Similarly, Bangladeshis seeking healthcare services in foreign countries, going for tourism, studying abroad use services of the hundi cartel when their expenses exceed their

foreign exchange quota.

Clearly, the hundi system persists because there is a strong demand from Bangladeshis for the greenback that cannot be met following the country’s foreign exchange regulations. So, in order to meet this demand, hundi service providers collect US dollars at higher rates from the remitters. Economics 101 tells us that if there is a demand for a product, it will be supplied, and that if demand exceeds supply, prices will rise. Therefore, policymakers need to understand that, unless they are able to reduce the demand for the greenback in the informal market, currency devaluation or “offering cash incentives” to remitters will not be enough to direct remittance towards official channels. The hundi cartel will continue to persuade remitters better, even with highly lucrative exchange rates, if required.

The writing is on the wall. At present, Bangladesh is struggling with a protracted dollar crisis and is forced to limit imports as reserves have been falling amid escalated import bills. Remittance inflow has a crucial role in growing foreign exchange reserves. Therefore, to shift remittances from informal to formal channels, urgent policy focus is required to reduce the demand of the US dollar on the informal market. Measures for this end could include making bank transfer easier for migrant workers, lowering import duties, implementing timely and useful reforms in the Foreign Exchange Regulation Act and, most importantly, creating a conducive socio-political environment for all. The government must adopt and fully implement all anti-money laundering recommendations of the Financial Action Task Force, while the laws already in place should be strongly enforced.