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## Recover stolen funds as a top priority

White paper details AL's rampant corruption

According to a government-commissioned white paper on the economy, presented to Chief Adviser Prof Muhammad Yunus on Sunday, an estimated \$234 billion was siphoned out of Bangladesh between 2009 and 2023 while Awami League was in power. The report reveals that these laundered funds were primarily routed through or to countries such as the UAE, UK, Canada, US, Hong Kong, Malaysia, Singapore, and India, as well as various tax havens. These findings highlight the unprecedented economic damage inflicted on Bangladesh's economy under the Sheikh Hasina-led government.

The white paper emphasises that illicit financial outflows created a complex shadow economy that "thrived on criminal activities of diverse nature, and drew sustenance from an unholy alliance involving corrupt politicians, businessmen, financial players, middlemen, government officials, influence peddlers, and wheeler-dealers." Through rampant corruption and looting, the ousted AL government severely undermined the nation's institutions, rendering many completely dysfunctional. Regulatory bodies often remained silent or were complicit in the face of such corruption.

The report also outlines how individuals in this network plundered vast sums from the public treasury through fraudulent schemes before laundering them abroad, causing immense economic degradation. This massive outflow of wealth has drained the country's capital, hindering efforts to revive the economy and restore vital institutions such as the banking sector. Much of the laundered money was used to purchase real estate abroad or funnelled under the guise of business operations. The paper identifies 532 individuals of Bangladeshi origin owning real estate worth \$375 million in Dubai, with 972 residential properties in the UAE valued at approximately \$315 million. In Canada, between \$47 billion and \$100 billion was reportedly laundered, with similarly large sums transferred to other countries.

Recently, a joint investigation by the British newspaper *The Observer* and the Berlin-based anti-corruption organisation Transparency International revealed that close associates of Hasina, including former ministers and business owners, hold properties worth over £400 million (approximately Tk 6,000 crore) in the UK. Allegations suggest that these assets were purchased with laundered funds siphoned out of Bangladesh.

Further investigations will likely uncover additional instances of corruption and wealth laundering under the AL. It is, therefore, imperative for the interim government to thoroughly investigate these cases and begin recovering the stolen wealth as a top priority, given that financial crimes of this nature become harder to trace and recover over time.

The white paper committee has recommended establishing an independent prosecution body to pursue follow-up actions and recover these funds. The government must act promptly to implement this recommendation as well as other proposals outlined in the report. Our diplomatic channels and international connections should also be leveraged to freeze illicit funds and facilitate their return to Bangladesh. Holding accountable those responsible for plundering the nation's wealth is essential to prevent such crimes in the future.

## Streamline efforts to help July victims

Alleged mismanagement, lack of coordination affecting the injured

Since the ouster of the Awami League government on August 5, numerous volunteers have been involved in assisting the victims of the July-August uprising. Some of them recently spoke at a discussion hosted by *The Daily Star*, where they described how the interim government's efforts to support the victims have been hindered by mismanagement and a lack of coordination among various stakeholders. The continuation of this situation is quite unfortunate.

The volunteers highlighted a number of issues that have made the process of delivering support unnecessarily complex and time-consuming. There is still no clear framework for overseeing efforts at the grassroots level. Consequently, many victims have yet to receive any support, while in some cases, there has been duplication of efforts. One volunteer said that although the government is covering all treatment costs, many victims cannot afford the additional expenses of travelling to Dhaka and securing accommodation. Another described the cumbersome process for obtaining free treatment. "A single test requires the signatures of five-six people, and often, those responsible are unavailable," he said. Meanwhile, patients have to visit hospitals multiple times to receive free medication. This should not be the case, as it is the responsibility of the health authorities to ensure swift disbursement of medication. In many instances, delays are worsening the victims' conditions, leading to life-altering consequences.

It is clear that there is a lack of strategic planning in government efforts. This explains why many of the injured, frustrated by the delays and hassles, took to the streets last month to demand attention to their plight. This situation is also taking a toll on the volunteers, many of whom want to return to their normal lives but are unable to do so as many injured individuals still need their help.

While we recognise the numerous challenges that the administration is having to deal with simultaneously, it must set its priorities in order. Creating a well-coordinated, hassle-free system that ensures every victim of the July-August uprising receives necessary support should be one of its top priorities. The government must quickly compile a comprehensive list of all the injured, and ensure that the process for enlisting support is seamless. Engaging with all stakeholders, including volunteers, to develop an effective strategy is essential to ensure that those affected receive help without enduring bureaucratic obstacles. This is the most effective way the government can serve the injured at this stage.

# Anatomy of the current economic situation in Bangladesh



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The economy of Bangladesh is at a critical juncture, struggling with both long-standing structural problems and newly emerging issues. Though exports and remittances have shown improvement in recent times, continuing macroeconomic instability, high inflation, and political unrest continue to shake the prospects for sustainable growth and recovery. These imperative challenges now require well-coordinated strategies and overall reform initiatives that will stabilise the economy on the pathway of resilient and sustainable growth.

### Macroeconomic instability and persistent inflation

Despite the expected recovery, the incidence of macroeconomic instability remains high, denting confidence. Inflation is still at a high level, shredding real incomes and further increasing financial vulnerability among the population. For more than two years, monetary policy has periodically resorted to raising interest rates to combat inflation. Though since May 2022 until now, Bangladesh Bank has hiked the repo rate by 11 times, the impact remains marginal. In the context of persistently high inflation for more than two years and the resulting erosion of real incomes, the effectiveness of controlling inflation through demand contraction via higher interest rates has come under scrutiny. Such a rise in interest rates without much success in lowering inflation may take a toll on private investment and thus weaken the prospects of economic recovery. On the other hand, the recent move by Bangladesh Bank to infuse Tk 22,500 crore in liquidity support to six crisis-hit banks through money printing is also unlikely to ease inflationary pressures. The most important issue in inflation control is the need for coordination among monetary policy, fiscal policy, and the management of the domestic market, which is lacking. While taxes and duties on essential imports need to be lowered on time, equally important is the effective regulation of anti-competitive practices in the market and addressing bottlenecks in the value chain.

### The political economy of law and order

The economic uncertainty is being exacerbated by a deteriorating law and order situation. The increase in political conflicts and social unrest surely points to an unstable environment that scares away investment and dampens economic



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activities. Resultant insecurity disrupts supply chains, and labour productivity, and increases the cost of doing business. Despite repeated emphasis by top policymakers on restoring law and order, significant progress remains elusive.

Labour unrest in different sectors including the garment sector is very critical. Especially for the RMG, the unsettled disputes regarding wages, benefits and working conditions may impact the reputation of the sector and its export competitiveness. Preferential market access threatened by graduation from LDC status in 2026 might further squeeze the profit margins of exporters already suffering from operational disruptions.

However, export and remittance inflows have been doing reasonably well in recent months. But to sustain this growth, the political and economic environment should remain stable. The ongoing political conflicts and social unrest are so critical that gains would easily be lost because of uncertainty that keeps buyers and investors away from the Bangladeshi market.

### The uncertain path of reform initiatives

While the interim government has expressed a strong commitment to initiating reforms in critical economic and political domains, the success of these efforts hinges on building an effective consensus among key stakeholders, including

competing political forces and the bureaucracy. For instance, addressing high levels of non-performing loans and weak governance is essential to restructuring the banking sector and restoring financial stability. Similarly, reforms in taxation are crucial to increasing revenue generation and reducing reliance on foreign borrowing.

in these critical domains and invite stakeholders to share their opinions.

Third, there is a need to stem the deterioration in the law-and-order situation by building a dialogue between political and social groups. Also, there should be a clear roadmap to the elections (both national and local) so that a conflictless environment can be created

However, without consensus among stakeholders, the reform agenda risks becoming fragmented and contested, with limited progress in core areas like taxation, the banking sector, public expenditure, and institutional governance. Moreover, entrenched interest groups wielding significant power may resist these changes, further undermining the reform process. This lack of cohesion and resistance may hamper economic recovery, deepen public disillusionment with governance, and erode trust in the system.

### A path to economic recovery and sustained growth

Given the current economic and political landscape, the following measures are essential to place Bangladesh on a sustainable growth path:

First, coherence in monetary policy, fiscal measures, and market regulation should be enhanced. An empowered coordination body can ensure that the policies for inflation control cover both demand and supply-side factors. Second, reforms of critical economic, political, administrative, and judicial domains are very important to nurture good governance and restore the people's confidence. Openness and participation in policymaking processes can build consensus and reduce resistance. The interim government should present the roadmaps for the reforms

in which economic activities can thrive. Fourth, policymakers should help the negotiation between labour groups and employers to end disputes and adhere to international labour standards, incentives for innovation, and diversification of the sectors so that they can meet challenges after LDC graduation.

Fifth, there is a need to decrease the dependence on RMG and remittances by helping other potential export sectors grow. This will require addressing the sector-specific problems as well as reducing the high cost of doing business. Finally, vulnerable groups must be cushioned against inflationary pressures through targeted subsidies and social safety nets. This would help maintain domestic consumption and prevent sharp increases in the level of poverty.

Bangladesh stands at its crossroads, where the pace of its economic future may well depend upon how boldly and effectively current challenges will be met by policymakers. Economic instability currently interplays in a political battle with particularly weak governance. Instead of quick fixes, a multisectoral approach that underpins reforms, stability, and inclusivity is needed to usher in sustainable development. The time to begin churning this process is now because the costs of inaction are too high for a country whose task of securing its economic future remains at the top of the agenda.

# Bangladesh needs to rebuild its disaster management system



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This year's UN Climate Change Conference, COP29, ended in a controversial deal. After much bargaining, rich countries have promised to provide a mere \$300 billion annually to adapt to weather extremities, which is much less than expected by the struggling nations. This has left the heads of these affected countries highly disappointed.

Prof Muhammad Yunus, the Chief Adviser to the Interim Government of Bangladesh, also participated in this conference. He expressed disappointment during an interview with an international media outlet, stating that COP is not a fish market to bargain for climate funds. The emitter countries are responsible for the frequent natural disasters that occur in developing nations and therefore should compensate them. He further expressed concern as Bangladesh has not been able to rehabilitate the

people affected by a major flood in the southeastern part even after three months of its occurrence. According to a recent media report, the work of rehabilitation is still underway and will take more time, whereas already one crop season has passed.

Bangladesh is one of the world's most climate-vulnerable countries, ranking seventh globally in the 2021 World Climate Risk Index. About 50 million people in this country live under the risk of climate hazards. On October 6, a press conference of the Centre for Policy Dialogue (CPD) revealed that the damage caused by floods in the southeastern region this year amounted to Tk 14,421 crore. Of this, agriculture and forest sectors suffered the most—approximately Tk 5,169 crore. According to data from the Feni Agricultural Extension (FAE), the recent flooding damaged crops worth Tk 524 crore in this district. But the

government has reimbursed only Tk 20 crore 71 lakhs to them.

On November 17, the FAE Office informed that the number of farmers affected by the Feni flood was almost 158,000. However, only 35,000 of them have got incentives so far. The affected farmers received a small amount of vegetable seeds, paddy seeds, and fertilisers as incentives for Boro seasons which is completely inadequate compared to the damage.

According to the 2024 Feni District Relief and Rehabilitation Office Report, the damage to the fisheries was more than Tk 100 crore but the relief allocation was only Tk 22 lakhs. The number of listed damaged households is 8,659 but the local administration has received only 400 bundles of tin and Tk12 lakh cash as aid. Besides, the Bangladesh Army and some national and international NGOs are also working separately to rehabilitate the affected people. The flood crisis occurs every year because the government never goes beyond the conventional bureaucracy to help.

Severe heat waves, droughts, river erosion, frequent devastating floods, and cyclones are a reality worldwide. Frequent natural disasters are the result of excessive carbon emissions in developed countries. But the common people of our country who are affected

think only nature can be blamed for these losses. Therefore, they are not eager to go to the government with their just demands.

However, as the heads of developing countries are demanding compensation from developed countries at international conferences, the people of Bangladesh should now demand compensation from the government too. Farmers should demand compensation for the crops that they have lost due to untimely floods. In an interview with Arab News, Shawkat Ali Mirza, Director of Climate Change and International Conventions at the Department of Environment, who attended the recently concluded COP29, said that the Bangladesh government spends \$3 to 3.5 billion annually to combat the effects of climate change. Bangladesh, amongst other countries, expects at least \$1 billion annually from this COP29 to combat the effects of climate change.

The government must first be accountable to the people of the country. To do this, it must develop a completely new disaster management system without relying too much on bureaucracy, so that those affected can be rehabilitated very easily and quickly.