

# VENEZUELA ATTACK:

## When a president is abducted, sovereignty becomes conditional



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The United States' overnight assault on Venezuela and the seizure of President Nicolás Maduro and his wife, Cilia Flores, are being sold as an anti-drug mission and a law enforcement action. Yet the White House has already described the aftermath in the language of control, not custody. Trump spoke of the US "running" Venezuela, rebuilding its oil sector, and keeping the option of "boots on the ground" on the table. He also blamed Venezuela for stealing US oil interests, saying Washington would take them back. In essence, a raid marketed as an "arrest" is being packaged for a geopolitical reset with economic spoils.

This is not a semantic dispute; it goes to the heart of the post-1945 trade-off between states, under which borders became legal facts protected by international law, not negotiable obstacles to be overcome by force. The UN Charter's baseline rule is explicit: states must refrain from the threat or use of force against the territorial integrity or political independence of any state. The exceptions are deliberately narrow: UN Security Council (UNSC) authorisation, and self-defence after an armed attack.

By those standards, Washington's legal story reads more like a post hoc alibi. International law experts, including Geoffrey Robertson KC, stated that the attack on Venezuela violated



Nicolás Maduro seen blindfolded aboard the USS Iwo Jima after the US military captured him.

PHOTO: AFP

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Article 2(4) of the UN Charter and constituted the crime of aggression, regarded as the gravest offence under international law. According to international law, drug trafficking and gang

violence are criminal activities that do not meet the accepted threshold for armed conflict that would justify military force, and a criminal indictment does not itself authorise armed

force to depose a foreign government. Experts criticised the US administration for trying to describe the operation as both a targeted law enforcement mission and a potential prelude to long-term US control of Venezuela. If force can be recast as policing, then the prohibition on force becomes a technicality, and any powerful state can claim it did not "invade"; it merely "arrested." The world should not turn an invasion into due process simply by

UN secretary-general's spokesperson called the developments a "dangerous precedent" and stressed the need for full respect for international law, including the Charter. Many states have also reacted strongly. Spain rejected an intervention that violates international law, while Mexico explicitly cited the UN Charter in condemning unilateral military action. Brazil's president warned that attacking countries in flagrant violation

pressure to prove loyalty to one side or the other, eroding the space for independent foreign policy and regional problem-solving.

This is where the incident stops being "about Venezuela" and starts being about sovereign security everywhere. If a superpower can seize a sitting leader, fly him out for trial, and then speak casually about administering the country, sovereign equality is downgraded from a right to a privilege. Smaller states will draw rational but destabilising conclusions—aligning with a patron because neutrality is unsafe, investing in deterrence because the law is unreliable, and hardening internal security and labelling dissent as "foreign-backed" because the fear of intervention becomes politically useful.

The timing magnifies the damage because this action lands in a world already saturated with norm-breaking uses of force. In September 2025, Israel struck in Doha, Qatar, targeting Hamas leaders and drawing accusations of sovereignty breach from a Gulf state central to mediation. In June 2025, Israel's operation against Iran escalated into an air war, and a US strike hit Iranian nuclear sites before a ceasefire, showing how easily limited operations become escalatory templates. Despite a ceasefire, Gaza's health ministry puts the death toll above 71,000, and reports continued killings. In Europe, Russia's war in Ukraine grinds on, with fresh drone strikes reported even as diplomats pursue talks. In East Asia, China has staged major live-firing drills around Taiwan, tightening tension in a region already primed for miscalculation.

Against this backdrop, Venezuela is not an isolated eruption; it is another crack in the same dam. Washington's strike may hand Beijing rhetorical ammunition and potentially embolden China's territorial claims, even if it does not trigger an immediate Taiwan attack. The hypocrisy is strategic as well as moral: a country that invokes the Charter when convenient cannot demolish the Charter when impatient and expect rivals to keep respecting it.

None of this is in defence of Maduro. Accountability for abusive rulers is necessary. But accountability delivered by invasion does not strengthen law; it replaces law with dominance. A rules-based world cannot survive on the logic that illegal force becomes acceptable if the target is unpopular and the actor is powerful. If Maduro must face justice, it should come through lawful cooperation, multilateral pressure, and credible international mechanisms, not through a precedent that normalises cross-border abduction and open-ended political control.

attaching handcuffs at the end.

The way the operation was executed compounds the damage. Congress was not notified in advance, and Trump defended secrecy by arguing that lawmakers might have leaked the plan. In a democracy, oversight exists to slow down reckless force and provide clarity about aims, costs, and exit routes. Here, the constraint is treated as the threat. For smaller states, the lesson is stark: even Washington's internal guardrails can be switched off when a foreign target is politically useful, and the public relations dividend is large.

International reaction has been swift. The

of international law is a first step towards a world where the law of the strongest prevails. These are not abstract anxieties. They are a recognition that once this threshold is crossed, it will be crossed again.

Some leaders, particularly in Latin America, have also celebrated Maduro's removal, while others are seeking urgent multilateral action, including UNSC engagement. This is how the hemisphere is dragged back into a geopolitics of camps, clients, and punishments, the dynamic that has historically produced coups, proxy violence, and lasting institutional trauma. It also puts every regional government under

# Why we need microcredit banks



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"Financial inclusion" has been a buzzword in Bangladesh for many years. It has been used to justify the increase in the number of banks in the country, as many—primarily the poor—still do not have bank accounts.

At present, there are 62 banks in Bangladesh. Despite the large number of banks, only 28.3 percent of people have bank accounts, according to the Bangladesh Sample Vital Statistics. This is indeed a paradox. Although state-owned banks operate both in rural and urban areas along with a handful of private banks, the poor have less access to them. Foreign banks do not operate in rural areas, let alone offer any services at all to the poor.

Besides, the rural poor are less interested in maintaining bank accounts and the urban poor keep their money in semi-formal and informal repositories. Nevertheless, it is impossible to create a fair banking system by keeping these people outside the banking network. Hence, banks should customise their services to the needs of the poor, instead of just offering priority services to large depositors.

Historically, banks used to collect short-term deposits to provide short-term loans. Over time, they shifted their preference to long-term and large loans, creating a maturity mismatch problem, where deposits mature earlier than the loans. As a result, banks now have to maintain high liquidity to allow assets (loans) to be converted into cash easily to meet the liability (deposit) withdrawal. A sudden surge in deposit withdrawal may leave banks in a position to liquidate assets at very low prices. Also, large loans are always a threat to bank sustainability because the failure of some large loans can eat up the total capital of a bank.

Conventional banks fail to reach the poor as their lending approach is inappropriate.

They sanction loans with collateral, but the poor rarely have any assets to provide as collateral. The banks also follow some defined criteria for lending, which most of the poor fail to comply. They prefer large loans to minimise transaction costs, including loan origination fees, application fees, legal fees, etc. But the poor demand small loans, which these banks avoid as their transaction costs are high.

Also, the cost of monitoring numerous small borrowers is high for traditional banks because rural poor live in remote areas and urban poor are mobile and lack permanent addresses. As the poor belong to a deficit group, it reduces the probability of loan repayment. The poor also often use loans in unproductive sectors. Hence, lending to the poor following traditional methods is risky.

Conventional banks also face the problem of asymmetric information—a situation where one party has more

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information than the other—while selecting poor borrowers. The poor often lack a formal credit history, which may lead to adverse selection—selecting the wrong borrowers at the cost of the right ones. If the wrong borrowers are selected, they tend to divert loans to unproductive sectors, leading to moral hazard. Therefore, banks prefer collateral-backed lending to the poor.

Moneylenders provide loans to the poor without collateral in the informal credit



VISUAL: ALIZA RAHMAN

market. As they live in the same community, they possess vast knowledge about potential borrowers. As a result, they can select the right borrowers for lending. But a limited number of professional moneylenders with inadequate funds cannot reach all the poor. Moreover, their interest rates are abnormally high.

In this setting, microfinance institutions (MFIs) have been able to grant collateral-free loans to the poor, reducing the asymmetric information problem through self-selected groups and joint liability. They leave the responsibility of borrower selection to the poor. In the microcredit system, generally, a group of five members is formed. Although a loan is sanctioned to a borrower, all members of the group remain liable for its repayment.

If the loan is not repaid, other members will not be granted any new loans. So, every member has an incentive to monitor the loan performance. They ensure that the loan is appropriately used and repaid on time. This motivates poor households to select those people for the group who tend to be honest. Living in a well-connected society, the poor have comprehensive information about each other's financial discipline.

The provision of collateral-free loans

rates; they fail to target the ultra-poor; and their funds are not enough to cover all the poor. Thus, many poor find microcredit unfit for their needs.

Even though traditional banks do not mind receiving deposits from the poor, they have reservations about granting them loans. The current banking system transfers the funds of the poor to the rich and creates a financial inequality between the rich and the poor. So, a banking system that will reinvest deposits from disadvantaged communities back into those communities is needed. This can be done by microcredit banks to a large extent.

Microcredit banks will provide financial services to low-income individuals, who are usually excluded from traditional banking systems. Their main objective should be to fight poverty by increasing the financial inclusion of underserved communities. They will essentially grant short-term and small loans without collateral at reasonable interest rates. Their loan application process will be simple, and loans will be sanctioned within a short time. They will create a congenial financial environment for rural and urban poor, which will contribute to the growth of small businesses, leading to sustainable development. The poor will find a dedicated banking system for them. With its help, they will come out of the debt-trap, taking new loans to repay the old ones, leading to growing indebtedness. Eventually, this new institution will help the poor come out of poverty.

Furthermore, conventional banks offering small loans will face competition from microcredit banks. The presence of usurious moneylenders will come down. Some MFIs will be compelled to rationalise their interest rates. By maintaining an acceptable level of maturity mismatch between deposits and loans, microcredit banks will face less liquidity risk, which is a principal source of bank failure. This will ensure a viable banking system by protecting deposits and promoting public confidence. The emergence of microcredit banks will highlight the failure of our prevailing financial system to reach the poor, and show the conventional banks how they missed a big business opportunity by ignoring a large section of consumers.