

Unmasking Corruption in Sheikh Hasina's Government

October 2024

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Introduction



Introduction

The government of Prime Minister Sheikh Hasina, under the leadership of the Awami League (AL), has maintained a firm grip on power for over a decade, during which Bangladesh has witnessed substantial economic growth and a series of high-profile infrastructure projects, such as the iconic Padma Bridge and Dhaka metro rail.

These achievements have been heralded as symbols of progress in a country long mired in poverty and political turbulence. However, behind this narrative of development and modernisation lies a deep and pervasive culture of corruption, cronyism, and state-sponsored repression that threatens the stability and democratic future of Bangladesh.

This white paper aims to explore the systemic nature of corruption within Sheikh Hasina's administration, highlighting the key scandals that have defined her tenure. We will analyse the decay of Bangladesh's governance institutions, such as the judiciary and the Anti-Corruption Commission (ACC) and discuss how these entities have been co-opted or neutralised to serve the political interests of the ruling party.

The international response to the corruption crisis and the broader economic and social implications of this institutional decay will also be examined. Finally, we will outline potential reforms necessary to restore accountability, governance, and public trust in Bangladesh.

“Under Sheikh Hasina’s tenure, corruption has transcended individual acts of misconduct and become a systemic issue. It has infiltrated every layer of governance, from local municipalities to national mega-projects, rendering Bangladesh’s governance institutions ineffective and complicit in perpetuating a culture of impunity.”

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Historical Context - The Betrayal Of Reform Promises



Historical Context - The Betrayal Of Reform Promises

Sheikh Hasina first assumed power in 1996, following the collapse of an autocratic regime. With promises of reform, transparency, and the eradication of corruption, her government initially gained the trust of the public, who had grown weary of the Bangladesh Nationalist Party (BNP), tarnished by allegations of rampant graft and nepotism. The Awami League capitalised on this sentiment, committing to curbing corruption through structural reforms and oversight mechanisms.

The return to power in 2009, following two years of military-backed caretaker governance, rekindled public hope for change. However, while the early years of Sheikh Hasina's administration saw a focus on developmental projects and economic growth, the façade of reform quickly crumbled as the ruling elite entrenched itself within the political system.

Power became increasingly centralised within Hasina's inner circle, eroding the independence of democratic institutions. Networks of political patronage flourished, allowing political elites to capture state resources, evade accountability, and undermine the very institutions designed to combat corruption.

Under Sheikh Hasina's tenure, corruption has transcended individual acts of misconduct and become a systemic issue. It has infiltrated every layer of governance, from local municipalities to national mega-projects, rendering Bangladesh's governance institutions ineffective and complicit in perpetuating a culture of impunity.

On 5 August 2024, Sheikh Hasina, the longest-serving Prime Minister of Bangladesh, was forced to step down and leave the country following a

massive public uprising. The primary trigger for her 15-and-a-half-year tenure's abrupt end was the indiscriminate shooting of protestors by law enforcement during the quota reform movement, which escalated into a nationwide revolt led by students.

According to the United Nations Office of the High Commissioner for Human Rights, approximately 650 people were killed between 16 July and 11 August, with nearly 400 of those deaths occurring between 16 July and 4 August. A further 250 people reportedly lost their lives in a new wave of protests on August 5-6.

However, the underlying causes of this unrest go beyond the immediate violence. Widespread disenfranchisement, the erosion of free speech, enforced disappearances, extrajudicial killings, police oppression of opposition figures and dissidents, rampant corruption, state-backed bank looting, and escalating inflation all contributed to growing public discontent during Hasina's authoritarian rule. Her government's foreign policy, particularly its deference to India, only deepened these frustrations.

While efforts were made to conceal the regime's failings through media censorship and manipulated economic statistics, including boasting about infrastructure development, these measures ultimately failed to stave off her fall. Reflecting on the Hasina era is crucial to prevent such misgovernance in the future. This white paper outlines some of the key factors that contributed to the government's unpopularity with the Bangladeshi public.

“By 2024, Bangladesh witnessed yet another uncontested election, characterised by opposition boycotts, low voter turnout, violence, and accusations of vote rigging, after which the AL formed its fourth consecutive government.”

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A large crowd of people is gathered for a protest. In the center, a man holds a large black sign with white text that reads "No Farcical Election" and "United Lawyers Front". The crowd is dense, and many people are looking towards the camera. The background is slightly blurred, emphasizing the sign and the people in the foreground.

**No
Farcical
Election**
United Lawyers Front

15 Years Of Flawed Democracy - Electoral Authoritarianism

3

15 Years Of Flawed Democracy – Electoral Authoritarianism

Sheikh Hasina first assumed the role of Prime Minister in 2008 when her party, the Awami League (AL), won a sweeping victory in the ninth parliamentary election under a caretaker government. However, she subsequently abolished the caretaker government system and introduced an electoral process where elections were held regularly every five years but lacked genuine competition.

Opposition parties were often barred from participating freely, and even when they did, widespread vote rigging occurred. Thousands of opposition activists were arrested on trumped-up charges and forced to flee, ensuring a one-sided electoral contest.

In 2014, the AL secured 153 parliamentary seats uncontested in an election that saw no opposition participation. The 2018 election was also riddled with irregularities, including pre-poll ballot-stuffing and booth capturing on election day.

The 2014 general election was one of the most controversial in Bangladesh's history. The opposition Bangladesh Nationalist Party (BNP) boycotted the election in protest of the government's refusal to reinstate the caretaker government system, which was abolished in 2011 by Sheikh Hasina's government. This system had previously been seen as a safeguard for fair elections by ensuring neutrality in overseeing the electoral process.

As a result of the boycott, the ruling Awami League (AL) won 153 seats uncontested, representing more than half the parliament. This one-sided electoral outcome raised serious questions about the legitimacy of the election. Reports of low voter turnout, election day violence, and widespread vote-rigging, such as

ballot-stuffing, further eroded public trust in the electoral system. The election was widely criticised by international observers for failing to meet democratic standards.

The 2018 general election continued the pattern of electoral manipulation. There were credible reports of widespread irregularities, including:

- Allegations emerged that ballots had been pre-filled in favour of the Awami League before election day, in some cases in collusion with local election officials and law enforcement.
- On election day, there were numerous reports of polling stations being taken over by government supporters, preventing voters from casting their ballots and instead allowing party workers to fill in votes on their behalf.
- The opposition faced relentless harassment leading up to the election, with thousands of BNP and opposition activists arrested on fabricated charges, effectively neutralising political competition. Media reports indicated that opposition candidates were either coerced into withdrawing or were intimidated by pro-government forces.

These tactics created an atmosphere of fear and deterred many voters from participating in the election, leading to what many described as a "sham election" where the outcome was predetermined. The Awami League won 288 out of 300 parliamentary seats, a result met with widespread disbelief.

In both the 2014 and 2018 elections, opposition leaders, activists, and journalists faced systematic suppression. Digital surveillance and online censorship were also employed to stifle dissent,

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15 Years Of Flawed Democracy - Electoral Authoritarianism continued...

with critical voices often targeted under laws like the Digital Security Act (DSA). Online platforms became another battleground for the Awami League to control the narrative, with accounts critical of the government being censored or removed altogether.

By 2024, Bangladesh witnessed yet another uncontested election, characterised by opposition boycotts, low voter turnout, violence, and accusations of vote rigging, after which the AL formed its fourth consecutive government. Despite the facade of regular elections, Hasina's government was not held accountable to the people, resulting in a steady erosion of human rights, the rule of law, and the economy.

“Scandal exemplified the deep-rooted corruption within the financial sector and exposed the extent to which political patronage had infiltrated state-owned enterprises. Despite initial arrests, the government’s failure to fully prosecute those involved and recover the stolen assets demonstrated the impunity enjoyed by those with political connections.”

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Key Corruption Scandals

4

Key Corruption Scandals

Several high-profile corruption scandals have rocked Sheikh Hasina's government, each revealing the interconnectedness of political elites, businesses, and public institutions. These incidents highlight not only the misuse of public resources but also the entrenched system that protects the ruling class from facing consequences for their actions.

1. Hallmark Group Scandal (2010–2012)

The Hasina era was marred by financial scandals, particularly in the banking sector. A series of bank scams involving companies such as Hallmark, Basic Bank, and Islami Bank resulted in the embezzlement of billions of takas or BDT. Between 2009 and 2024, the amount of defaulted loans ballooned from Tk 22,481 crore (USD 1.8 million) to over Tk 1,82,295 crore (USD 15.3 million). Adding to this, Tk 2,57,392 crore (USD 21.6 million) in rescheduled loans brought the total amount of bad debt to Tk 4,39,689 crore (USD 36.7 million) by March 2024.

The stock market also suffered due to manipulation, with ordinary investors losing at least Tk 1 lakh crore (USD 836.8 million) in a 2011 scandal. High-profile individuals close to the government, including influential business leaders, were implicated but never held accountable.

The Hallmark Group embezzled nearly Tk 27 billion (USD 226 million) from Sonali Bank, Bangladesh's largest state-owned bank, through fraudulent loans secured with falsified documents. The complicity of corrupt bank officials in this massive financial heist sent shockwaves through the nation. Despite arrests of some Hallmark executives, a significant portion of the stolen funds was never recovered, and the government's lack of resolution in the case further eroded public confidence in the banking system.

This scandal exemplified the deep-rooted corruption within the financial sector and exposed the extent to which political patronage had infiltrated state-owned enterprises. Despite initial arrests, the government's failure to fully prosecute those involved and recover the stolen assets demonstrated the impunity enjoyed by those with political connections. The scandal also revealed how regulatory bodies, meant to safeguard the financial system, were either complicit or powerless in the face of such grand-scale corruption.

2. Padma Bridge Corruption Allegations (2012)

The Padma Bridge, an infrastructure project intended to be a symbol of national progress, became a lightning rod for allegations of high-level corruption when the World Bank withdrew its USD 1.2 billion loan in 2012, citing credible reports of bribery involving top officials. While the bridge was eventually completed with domestic funds, the international fallout from the scandal was severe, damaging Bangladesh's reputation and casting doubt on its capacity for transparent governance.

The Padma Bridge controversy highlighted the far-reaching costs of corruption in national infrastructure projects. The withdrawal of World Bank funding not only delayed the project but also diverted domestic resources that could have been allocated to other vital sectors such as health and education. This scandal underscored the broader governance failures in Bangladesh, particularly in how large-scale infrastructure projects are managed and monitored.

3. Railway Bribery Scandal (2012)

In April 2012, the close associate of then Railway Minister Suranjit Sengupta was found carrying over Tk 7 million (USD 59,000) in bribes intended

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Key Corruption Scandals continued...

for senior railway officials. Despite public outrage, no significant legal consequences followed, and the minister remained in office. This scandal reinforced the perception that political elites are immune from accountability, so long as they maintain loyalty to the ruling party.



The Railway Bribery scandal demonstrated the entrenched nature of corruption in Bangladesh's public sector management. The lack of punitive action against those involved, despite overwhelming evidence of misconduct, exposed the selective nature of law enforcement in the country. This scandal also illustrated how corruption within key infrastructure sectors stifles efficient service delivery and undermines public trust in government institutions.

4. Al Jazeera Exposé on London Properties (2024)

Hasina's administration fostered a system of crony capitalism, where government officials, politicians, and business leaders operated with near-total impunity. This system enabled widespread corruption, bank embezzlement, and money laundering. Huge sums of money were siphoned abroad to purchase luxury properties in places like London, Dubai, and Canada, while domestic corruption flourished through illegal land grabs, smuggling, and procurement irregularities.

In a 2024 investigative report, Al Jazeera revealed how Saifuzzaman Chowdhury, a former Jatiya Sangsad member representing the Chittagon-12 and 13 constituencies and where he served as the Minister of Land from 2019 to 2024, had acquired properties in London through illicitly obtained funds. The exposé showcased how Bangladeshi political elites launder corrupt earnings by investing in foreign real estate markets, with little accountability at home.

Despite the documentary's damning evidence, no significant action has been taken against the minister, raising concerns about Bangladesh's unwillingness to address the issue of illicit financial flows.



The Al Jazeera report not only brought international attention to the scale of corruption in Bangladesh but also exposed the structural weaknesses in Bangladesh's financial oversight mechanisms. The ability of political elites to move large sums of money abroad without scrutiny speaks to the broader issue of institutional complicity. It also highlights the need for stronger international cooperation to track and recover illicit financial flows.

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Key Corruption Scandals continued...

5. Rooppur Nuclear Power Plant Scandal (2022)

The Rooppur Nuclear Power Plant, one of Bangladesh's most significant energy projects, has been marred by allegations of corruption, with claims that over USD 5 billion was siphoned off by high-level officials, including members of Sheikh Hasina's family. The accusations raised concerns about the management of the project, particularly in terms of transparency in awarding contracts and overseeing financial expenditures.

The Rooppur scandal is symptomatic of the wider issue of mismanagement in Bangladesh's mega-projects. The lack of accountability, transparency, and independent oversight in the allocation of contracts has allowed corruption to fester. The long-term consequences of such corruption include inflated project costs, delays, and compromised quality in critical infrastructure projects.

6. Suppression of Free Expression

During Hasina's rule, freedom of speech was stifled through various laws, such as the ICT Act of 2006 (amended in 2013), the Digital Security Act (DSA) of 2018, and the Cyber Security Act (CSA) of 2023. These laws enabled authorities to arrest and detain individuals indefinitely without a warrant for charges such as "defamation," "spreading false information," or "hurting religious sentiments". This created an environment of fear that silenced journalists and political activists.

Between October 2018 and January 2023, over 7,000 cases were filed under the DSA, involving more than 21,000 individuals, including journalists and politicians. Many of these cases were politically motivated, with nearly 80 percent of complainants linked to the ruling Awami League.

Online criticism also faced severe repercussions. Hundreds were prosecuted for social media posts, including 190 cases for allegedly defaming the

Prime Minister. Even children were not exempt from the DSA's reach, with 28 minors accused and 22 arrested under the law. Besides legal actions, the government exerted control over the media by shutting down critical outlets and applying pressure through intelligence agencies. Internet blackouts and collaboration with global tech companies to remove critical content further restricted the flow of information.

7. Enforced Disappearances and Extrajudicial Killings

Under the Hasina government, enforced disappearances and extrajudicial killings became routine tactics to suppress opposition and dissent. Since 2009, at least 623 individuals have been forcibly disappeared, with 84 found dead and 153 still missing. A secret detention centre, Aynagar (House of Mirrors), run by the military's Directorate General of Forces Intelligence (DGFI), was used to hold many of these detainees. The government often ridiculed the victims' families by dismissing claims of abduction, though some victims resurfaced after Hasina's fall.

Extrajudicial killings were also frequent, particularly in the name of counterterrorism or narcotics operations. Reports of individuals being killed in "crossfire" or "gunfights" were common, with human rights group Odhikar estimating that more than 2,600 people were killed in such incidents between 2009 and 2023, while over 1,000 died in police custody.

8. Unsustainable Development and Rising Inequality

While the Hasina government touted economic development, much of it was dependent on foreign loans for costly infrastructure projects that did not yield proportional benefits. By 2023, Bangladesh's foreign debt had quadrupled, but export earnings and reserves did not grow at the same pace.

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Key Corruption Scandals continued...

Projects were often mired in corruption, with construction costs far exceeding those of similar projects in other countries. This debt-fuelled development failed to address the country's growing inequality, which reached unprecedented levels during Hasina's rule.

While millions of Bangladeshis struggled with rising living costs and food insecurity, the wealthy elite, including politically connected businesspeople, enjoyed increased wealth. By 2022, the richest five percent of the population controlled 30 percent of the country's income, while the poorest five percent held just 0.37 percent.

9. Criminal Investigation Department (CID) Probe into Laundered Wealth by Former Prime Minister's Staffer

In a recent investigation by Bangladesh's Criminal Investigation Department (CID), startling revelations emerged regarding Jahangir Alam, a former staff member (peon) of Sheikh Hasina's residence. Jahangir, who had held the position of a peon, accumulated a staggering fortune exceeding Tk 400 crore (USD 33.5 million). According to CID's preliminary findings, a significant portion of this wealth was transferred abroad, including through illegal channels such as hundi. Jahangir's wife, Kamrun Nahar, was also found to possess property worth over Tk 7 crore (USD 586,000).



Jahangir's opulent lifestyle and dubious wealth came under scrutiny when former Prime Minister Sheikh Hasina publicly expressed disbelief at how a mere peon had amassed such a fortune, reportedly including properties, luxury cars, and land holdings. His financial empire includes multiple properties in various locations such as Mirpur, Dhanmondi, and Noakhali, further highlighting the extent of his fraudulent activities.

CID officials have already communicated with Bangladesh Bank and plan to engage international authorities to trace and recover the laundered funds. Despite being dismissed from his role in 2019, Jahangir continued to wield influence by posing as a personal assistant to the Prime Minister, facilitating illicit dealings including the manipulation of job appointments and party postings.

This case is yet another example of how individuals close to power can exploit their proximity to accumulate immense wealth while evading legal consequences, a pattern often seen in Bangladesh's high-profile corruption cases. The CID's ongoing investigation under the Money Laundering Act is expected to further expose the intricate web of illicit financial activities associated with political elites.

10. Mostafa Kamal of Meghna Group - The Key Financier of the Hasina Regime

Often depicted as a self-made businessman, Kamal's rapid ascent from a humble salt trader to one of Bangladesh's wealthiest individuals is deeply rooted in political patronage, systemic fraud, and financial manipulation. His wealth has not been the product of market forces but rather the result of exploiting his close relationship with Sheikh Hasina and her key advisors, including Salman F Rahman.

Kamal's rise was facilitated by regulatory exemptions, state-backed contracts, and a vast

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Key Corruption Scandals continued...

network of illicit activities, including tax evasion schemes that have deprived the government of billions in revenue. Investigations reveal that he engaged in under-invoicing of imports, misappropriation of insurance premiums, and evasion of bank commissions and stamp duties, siphoning off vast sums of public money. These practices have not only enriched Kamal but also entrenched the authoritarian rule of Hasina's government by providing a financial lifeline to sustain its power.



Moreover, Kamal's control over media through EKATTOR Television has allowed him to manipulate public opinion in favour of the regime, silencing opposition voices and promoting disinformation during times of unrest. This paper lays out the comprehensive evidence of Kamal's involvement in widespread corruption, including illegal land acquisitions for economic zones, the manipulation of commodity markets through syndicates, and his use of familial ties with the Sheikh family to secure political protection. The white paper calls for Kamal's accountability, underscoring the urgent need for reforms to dismantle the corrupt structures that have allowed figures like him to thrive unchecked.

11. The Fifteenth Amendment - Consolidation of Power and Democratic Decline

Enacted in 2011 during Sheikh Hasina's second term, the Fifteenth Amendment has significantly weakened Bangladesh's democratic fabric. This controversial amendment rendered over

50 articles of the Constitution unamendable, blocking future legislative changes to fundamental laws. This decision contradicts a 1998 ruling by Bangladesh's Appellate Division, which declared that no legislature has the authority to make laws that bind future parliaments, as seen in the Shariar Rashid Khan v. Bangladesh case.

One of the most detrimental changes brought by the Fifteenth Amendment was the abolition of the non-partisan caretaker government system, which had ensured free and fair elections. Without this safeguard, the ruling Awami League has further consolidated its power, undermining electoral transparency and fairness. This shift towards a more centralised political system has led to widespread concerns about democratic integrity, as evidenced by allegations of electoral fraud and rigging in the 2014 and 2018 elections.

The Fifteenth Amendment also introduced new provisions mandating the display of Bangabandhu Sheikh Mujibur Rahman's portrait in key government and educational institutions, which, like other provisions, were made unamendable. This entrenchment of certain constitutional provisions has stifled progress and reforms in critical areas like freedom of speech, education, and civil liberties.

Moreover, the amendment has exacerbated political polarization and public disenchantment with the political system. By eliminating the caretaker government, Bangladesh has seen a rise in electoral controversies and a decline in public trust in the democratic process. The Appellate Division's recent acknowledgment of an interim government in the absence of parliament highlights the constitutional challenges created by this amendment.

Legal scholars have also criticised the amendment for locking the Constitution in time, preventing it from evolving in response to societal changes. Former Attorney General Mahmudul Islam

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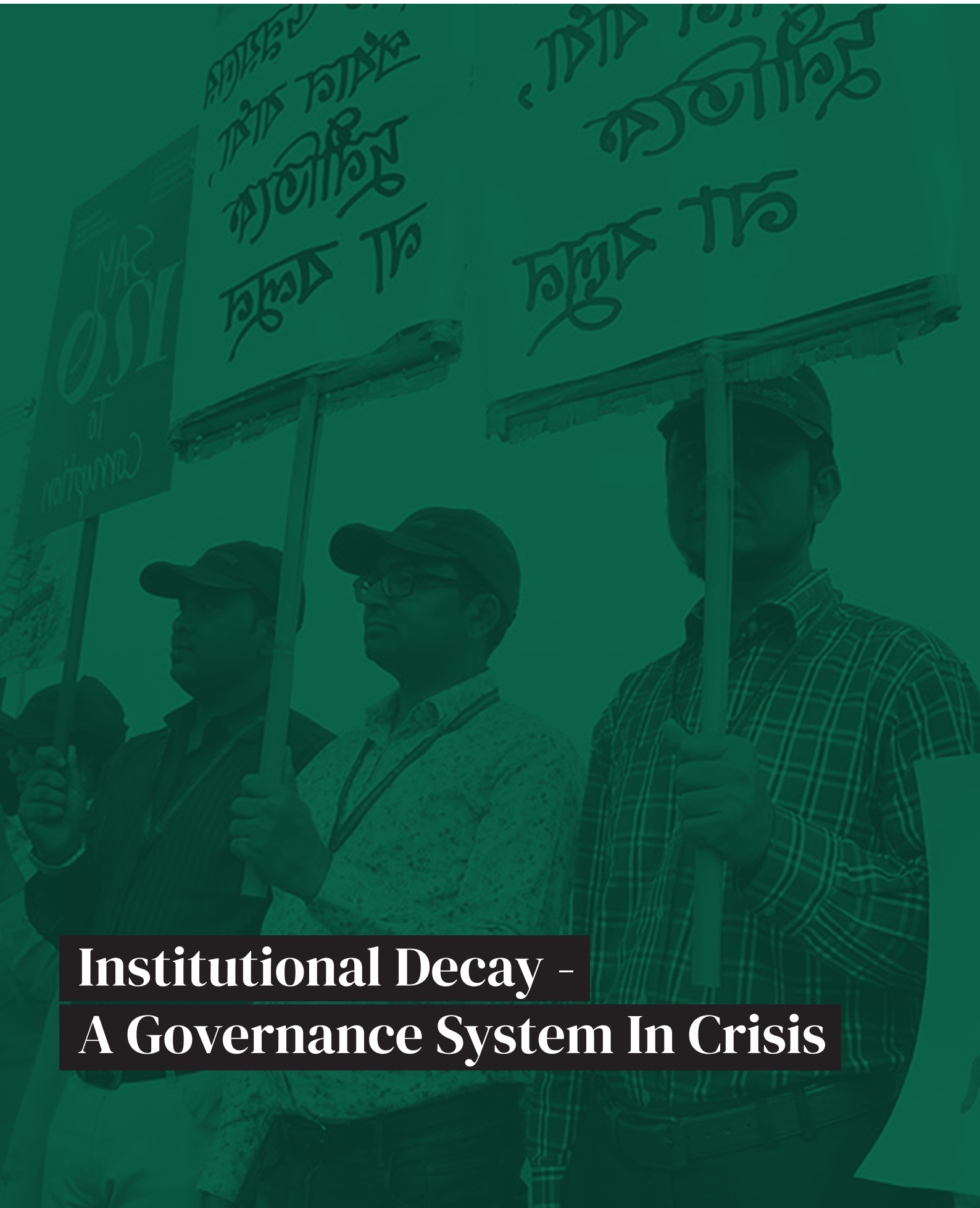
Key Corruption Scandals continued...

emphasised that a constitution must grow and change to remain relevant. The rigidity introduced by the Fifteenth Amendment hinders Bangladesh's ability to adapt to new political, social, and economic challenges.

The Fifteenth Amendment is emblematic of the ruling party's efforts to entrench itself in power, weakening constitutional safeguards, and limiting the space for political pluralism. The decline in judicial independence, highlighted by the Supreme Court's 2017 ruling against the Sixteenth Amendment Act of 2014, further underscores the erosion of checks and balances in the political system. These amendments have left lasting scars on Bangladesh's democratic institutions, which may take years to heal.

“Sheikh Hasina’s government has systematically weakened the very bodies meant to hold it accountable, allowing corruption to thrive.”

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Institutional Decay - A Governance System In Crisis



Institutional Decay – A Governance System In Crisis

Corruption in Bangladesh is not limited to individual acts but has become deeply embedded within the fabric of its institutions. Sheikh Hasina's government has systematically weakened the very bodies meant to hold it accountable, allowing corruption to thrive.

1. Anti-Corruption Commission (ACC): A Captured Institution

The ACC, established to investigate and prosecute corruption cases, has become a tool of the ruling party. Under Sheikh Hasina's administration, the ACC has selectively targeted opposition figures while shielding government loyalists from scrutiny. Its lack of independence and political interference in its operations has rendered it ineffective as a watchdog agency.

The ACC's ineffectiveness has been a critical enabler of corruption in Bangladesh. Without an independent anti-corruption body to investigate and prosecute high-level officials, the culture of impunity persists, particularly among political elites. Reforming the ACC to operate free from political influence is crucial to restoring public confidence in Bangladesh's governance system.

2. Judiciary - The Erosion of Independence

Once a bulwark against executive overreach, Bangladesh's judiciary has increasingly come under the influence of the ruling party. Judges who rule against government interests face intimidation, reassignment, or removal from office, undermining the judiciary's ability to act as an impartial check on executive power.

The co-opting of the judiciary is one of the most dangerous consequences of Bangladesh's corruption crisis. Without judicial independence, the rule of law cannot be enforced, and public

trust in the legal system collapses. This enables the government to suppress dissent and avoid accountability, further entrenching corruption within the political system.

3. Media Suppression - Silencing Accountability

The media in Bangladesh has faced increasing restrictions under laws such as the Digital Security Act (DSA), which has been used to harass, imprison, or silence investigative journalists exposing corruption. By curbing press freedom, the government has limited the public's ability to scrutinise its actions and hold officials accountable.

A free press is essential to exposing corruption and fostering public debate. By stifling independent journalism, the government has effectively insulated itself from criticism and accountability. The crackdown on media freedom has deprived citizens of their right to information and hindered efforts to combat corruption.

“Growing diplomatic isolation, as well as threats to foreign aid and development assistance, could have severe economic implications, particularly in areas like infrastructure, healthcare, and education.”

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The International Response - Mounting Diplomatic Pressure

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The International Response - Mounting Diplomatic Pressure

The international community has increasingly expressed concern over the deteriorating governance, corruption, and human rights violations under Sheikh Hasina's government. The World Bank's withdrawal from the Padma Bridge project was one of the earliest examples of international disengagement due to corruption allegations. Additionally, the imposition of U.S. sanctions in 2021 on the Rapid Action Battalion (RAB) officials for human rights abuses highlighted the growing diplomatic isolation that Bangladesh faces as its governance crisis deepens.

Various human rights organisations, including Human Rights Watch and Amnesty International, have continued to raise alarm over the government's suppression of dissent and its failure to address institutional corruption. The European Union and other international donors have also expressed concerns about the efficacy of their development assistance, with corruption often undermining the intended impact of aid and investment.

The international response underscores the far-reaching consequences of unchecked corruption on Bangladesh's global standing. Growing diplomatic isolation, as well as threats to foreign aid and development assistance, could have severe economic implications, particularly in areas like infrastructure, healthcare, and education. In an increasingly interconnected world, continued corruption may limit Bangladesh's ability to attract foreign investment and damage long-term relationships with key allies and development partners.

“As citizens grow disillusioned with the state’s inability to deliver services without bribery or favouritism, many lose faith in their role as voters, believing that political involvement offers no tangible benefits.”

A large, long bridge spanning a wide body of water, with a dark green overlay. The bridge has a complex truss structure and multiple piers. The background shows a cloudy sky and the horizon line.

The Economic And Social Costs Of Corruption



The Economic And Social Costs Of Corruption

The systemic corruption under Sheikh Hasina's government has had profound and wide-ranging economic and social costs, exacerbating inequality and undermining development. Although Bangladesh has experienced consistent GDP growth, corruption has diverted resources away from critical sectors, inflated infrastructure costs, and weakened service delivery in education, healthcare, and social welfare.

1. Infrastructure and Development Impact

Corruption has inflated the costs of national infrastructure projects, such as the Padma Bridge and Rooppur Nuclear Power Plant, causing delays, cost overruns, and questions about the quality and sustainability of these projects. The diversion of public funds for personal gain has also deprived the government of resources that could have been better spent on social services, including education and healthcare, where improvements are sorely needed.

The cost of corruption in infrastructure extends far beyond the immediate financial misallocation. Projects critical to Bangladesh's development, such as roads, bridges, and power plants, are compromised in terms of quality and efficiency, undermining long-term economic growth. Corruption also deters foreign investors who are unwilling to engage in a system where contracts are awarded based on bribes and political favours, further isolating Bangladesh from potential international partnerships.

2. Erosion of Public Trust

Widespread corruption has eroded public trust in government institutions and the political process. As citizens grow disillusioned with the state's inability to deliver services without bribery or favouritism, many lose faith in their role as

voters, believing that political involvement offers no tangible benefits. This has led to decreased public participation in democratic processes and a growing sense of frustration and alienation among ordinary citizens.

The erosion of public trust is perhaps one of the most significant consequences of systemic corruption. When citizens perceive the government as self-serving and unaccountable, they are less likely to engage in the democratic process, leading to voter apathy, civil unrest, and the potential for radicalisation. Restoring this trust requires a complete overhaul of the governance system and a commitment to transparency, accountability, and the rule of law.

3. Exacerbation of Inequality

Corruption has exacerbated social and economic inequality in Bangladesh by concentrating wealth and power in the hands of a small elite, while the majority of the population remains excluded from the benefits of development. Public resources that should be allocated to poverty alleviation and social services are instead siphoned off for personal enrichment, further widening the gap between rich and poor.

The long-term impact of corruption on inequality is profound. When the benefits of economic growth are not distributed equitably, social cohesion is undermined, and marginalised communities are left without the tools or resources to improve their lives. This creates a vicious cycle where inequality breeds further corruption, as elites use their power to entrench their privileged position, while the poor become increasingly disillusioned and powerless.

“His [Yunus’s] position as a non-partisan figure, unaligned with the established political machinery, offers a rare opportunity to restore the integrity of Bangladesh’s governance system.”

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A portrait of Dr. Muhammad Yunus, a man with short grey hair, smiling slightly. The image is overlaid with a semi-transparent red filter. The text is overlaid on the bottom of the image in white on a black background.

**Dr. Muhammad Yunus And
The Role Of An Interim Government
In Tackling Corruption**

8

Dr. Muhammad Yunus And The Role Of An Interim Government In Tackling Corruption

In the face of the deeply entrenched corruption in Sheikh Hasina's government, a growing consensus within civil society, international observers, and parts of the political opposition suggests that reform cannot be effectively achieved under the current regime. This has led to calls for the establishment of an interim government, led by credible figures untainted by political patronage, to restore public trust and chart a new path for Bangladesh's governance. Dr. Muhammad Yunus, the Nobel Laureate and pioneer of microfinance, has emerged as a potential figure capable of leading such an effort.

Dr. Yunus, with his global stature, long-standing advocacy for social justice, and proven track record in poverty alleviation, represents a symbol of ethical leadership. His position as a non-partisan figure, unaligned with the established political machinery, offers a rare opportunity to restore the integrity of Bangladesh's governance system. An interim government under his leadership, working in concert with civil society organisations, international partners, and key institutional actors, could tackle the rampant corruption that has corroded the country's institutions.

1. Re-establishing the Independence of Anti-Corruption Institutions

One of the critical reforms necessary under an interim government would be to overhaul the Anti-Corruption Commission (ACC), which has been rendered toothless under the current regime. Dr. Yunus, known for his non-partisan stance and credibility with international stakeholders, could ensure that the ACC is reconstituted as a genuinely independent body, free from political interference.

Proposed Actions:

- Dr. Yunus could work with international anti-corruption experts and civil society to appoint a new leadership team at the ACC, ensuring they have the mandate and resources to prosecute high-level officials, regardless of their political affiliations.

- The interim government could introduce a new system of public accountability, requiring the ACC to publish regular reports on ongoing investigations and prosecutions, fostering transparency.

- Partnering with bodies like Transparency International and the United Nations Office on Drugs and Crime (UNODC), the ACC could benefit from technical support and global best practices, helping to build its capacity to tackle complex cases of corruption.

2. Judicial Reform and Restoring Rule of Law

The erosion of judicial independence under Sheikh Hasina's administration has been one of the most significant enablers of corruption. Judges face intimidation or political manipulation, preventing them from holding officials accountable. An interim government led by Dr. Yunus could initiate reforms that insulate the judiciary from political interference, ensuring that it becomes a key pillar in the fight against corruption.

Proposed Actions:

- Establishing an independent body responsible for judicial appointments would ensure that judges are selected based on merit and not

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Dr. Muhammad Yunus And The Role Of An Interim Government In Tackling Corruption continued...

political loyalty. This would be a crucial first step in rebuilding trust in the legal system.

- Legal and constitutional safeguards would need to be introduced to protect judges from political reprisals. The interim government could work with international legal organisations to draft these protections and monitor their implementation.
- Special anti-corruption courts could be established to fast-track cases involving high-level officials, ensuring that justice is delivered swiftly and without interference.

3. Strengthening Media Freedom and Civil Society Engagement

Under the current regime, the media has faced increasing censorship, particularly in relation to corruption. The Digital Security Act has been weaponised to silence journalists and stifle investigative reporting. Dr. Yunus, who has championed transparency and ethical leadership, would prioritise restoring media freedom and empowering civil society to play a critical role in holding the government accountable.

Proposed Actions:

- One of the first acts of an interim government would be to repeal or significantly amend the Digital Security Act, ensuring that journalists can operate without fear of harassment or imprisonment.
- The interim government could create a fund to support independent journalism, particularly in uncovering corruption and exposing state malfeasance. Collaborating with international press organisations could further strengthen investigative capacities.
- An inclusive process would be established where civil society organisations, such as Transparency

International Bangladesh, the Ain o Salish Kendra (ASK), and other advocacy groups, are invited to play an active role in oversight and public policy discussions on transparency and governance reforms.

4. Addressing Illicit Financial Flows and International Corruption Networks

One of the hallmarks of corruption under Sheikh Hasina's government has been the outflow of illicit funds, with political elites investing in foreign real estate markets, as evidenced by the recent Al Jazeera exposé. Tackling this issue will require both domestic reforms and international cooperation, with Dr. Yunus's stature providing a unique opportunity to galvanise global support for such efforts.

Proposed Actions:

- Dr. Yunus could leverage his international reputation to engage with foreign governments and institutions, such as the Financial Action Task Force (FATF), to assist Bangladesh in tracing and recovering illicit funds. This would include signing international treaties on anti-money laundering and the repatriation of stolen assets.
- Establishing a specialised unit within the ACC or Ministry of Finance dedicated to tracing, freezing, and recovering illicit financial flows would be a priority. With technical assistance from global financial institutions, this unit could track down assets held by corrupt officials in foreign jurisdictions.
- Domestic financial reforms, such as more stringent anti-money laundering (AML) protocols, could be introduced to prevent the outflow of corrupt funds. This would require collaboration between Bangladesh's central bank, international banks, and regulatory authorities.

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Dr. Muhammad Yunus And The Role Of An Interim Government In Tackling Corruption continued...

5. Electoral Reforms to Prevent Corruption in Governance

Any meaningful anti-corruption initiative must also address the electoral system, which has often been marred by allegations of vote rigging, intimidation, and abuse of state resources by incumbents. Dr. Yunus's role as a neutral figure could be instrumental in leading electoral reforms that ensure future elections are free, fair, and transparent.

Proposed Actions:

- Reforming the Election Commission to operate free from political interference would be essential to ensuring credible elections. This would involve the appointment of commissioners who are respected by all political factions and who are empowered to enforce election laws without fear of reprisal.
- The interim government could work with international election monitoring organisations to introduce technology, such as biometric voter registration and electronic voting machines, to reduce electoral fraud and ensure transparency.
- Dr. Yunus could champion legislation to limit the influence of money in politics, including setting caps on campaign spending and requiring greater transparency in political donations. Such reforms would curb the influence of wealthy elites and reduce the incentives for corruption among political candidates.

“[Yunus’s] ability to unite civil society, engage with international stakeholders, and implement structural reforms offers a critical opportunity to rebuild Bangladesh’s governance institutions.”

9



Conclusion

9

Conclusion - The Road Ahead

Sheikh Hasina's prolonged rule saw a steady decline in democracy, freedom, and economic stability. Despite attempts to control the narrative through media manipulation and development propaganda, public discontent reached a boiling point.

The mass uprising that ended her regime was a culmination of years of corruption, repression, and economic mismanagement. Bangladesh now faces the challenge of rebuilding its democracy and addressing the deep scars left by 15 years of authoritarian rule.

Corruption in Sheikh Hasina's government has transcended individual scandals and become a systemic issue, threatening the political stability, economic future, and democratic framework of Bangladesh. The nexus of financial corruption, institutional decay, and state repression has fostered a culture of impunity among political elites, while simultaneously eroding public trust in governance.

Addressing these challenges will require a comprehensive and multi-faceted approach that includes strengthening anti-corruption institutions, restoring judicial independence, protecting media freedom, and engaging with the international community to fight illicit financial flows. Failure to address these issues risks further isolation from the global community, economic stagnation, and potential social unrest.

As a globally respected figure with a track record of ethical leadership, Dr. Muhammad Yunus is uniquely positioned to spearhead an interim government that can address the deep-rooted

corruption in Bangladesh. His ability to unite civil society, engage with international stakeholders, and implement structural reforms offers a critical opportunity to rebuild Bangladesh's governance institutions.

Under his leadership, an interim government could initiate far-reaching reforms in anti-corruption institutions, the judiciary, media freedom, and electoral processes. This would set Bangladesh on a new path towards transparency, accountability, and inclusive governance, creating a foundation for a more democratic and prosperous future.



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