

A teacher dying like this!

Symptomatic of deeper campus ailment

ONLY a year ago, Rajshahi University witnessed the murder of a teacher Dr Md. Younus; and now it's Prof. Abu Taher, felled by a premeditated lethal stroke. We are deeply concerned at the deteriorating security situation in the RU campus. But we suggest that the home ministry make a reassessment, in the light of the latest gory incident, as to whether there has been any downward trend in the administration of the police and other law enforcing agencies, particularly at district levels. Needless to say though that the university administration has to take the blame for the security slack which is apparently a byproduct of poor internal risk assessment and consequent lack of timely precautionary measures being put in place.

What primarily fuelled the murderous impunity seems to be the absence of any tangible and credible progress in the investigation of the murder of Dr. Younus. If that one and a half year old murder mystery (or was it a mystery!) were resolved, and the culprit brought to book, the last tragic incident most probably would have been averted. Similar observations were made by two former vice-chancellors of the university.

There is no hiding the fact that today student and teaching communities at the university level are highly conflict-ridden with their different shades of partisan political opinion and philosophy; yet we must deal with a murder as murder without any political finger pointing or blame-trading whatsoever. The latter invariably proves to be a costly distraction.

All this is not to preclude, however, the pressing need for an all-round improvement in the various aspects of academic management so as to create a congenial atmosphere, in which the pursuits of high learning are made to feel free of threats on the life and freedom of the teachers and the students alike.

Our condolences to the members of the bereaved family as we urge the government to bring the killers of Dr Younus and Prof Taher speedily and unflinchingly to book.

Shoaling river routes

Remedial action apologetic

POOR navigability of our rivers is increasingly becoming problematic. How much so, can be gauged by the fact that only 1,000km of waterways out of a total span of 6,000km is now fully navigable. Heavy sedimentation of riverbeds, contrasted by extremely inadequate dredging, has created a situation where smooth river transportation is becoming a thing of the past.

The river routes have been traditionally used for mass mobility and carriage of heavy freight, particularly in the southern districts, but the blockage of the routes is now severely affecting all kinds of economic activity. The on-going diesel crisis has a lot to do with the fact that a number of fuel tankers were stuck in the river Jamuna due to poor navigability at certain points.

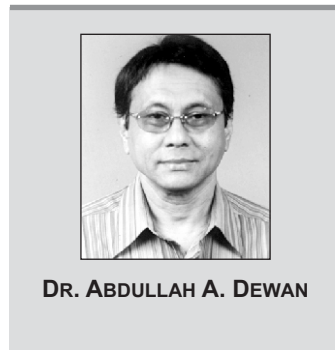
The real problem is, the navigability issue as such, has never received the kind of attention that it deserved, from successive governments and parliaments, nor do the relevant departments have the necessary equipment and manpower capacity to handle the problem of rapid siltation. They are too cash-strapped to be regularly carrying out dredging, a highly cost-intensive proposition that it is. Finally, there is lack of initiative as reflected on the non-utilisation, even of the installed capacity for dredging.

Little wonder, nearly a hundred out of the country's 310 rivers have been reduced to a mere trickle due to lack of proper river training and protection. Apart from creating the problem of navigability, this is going to spell an environmental disaster for the country in the very near future. The government should treat this as the last wake-up call.

Expected inflation and BB monetary policy

NO NONSENSE

Politicians may not act in the best interest of the country's long-term economic outlook and goals because they have a vested interest to appease their constituents before the next election -- including manipulating interest rates to bring an elusive short-term prosperity at the expense of long-term stability. Given the power to choose, politicians will opt for monetary policies that are overly accommodative. Low interest rates are alluring to politicians because there are more borrowing voters than lenders. While many politicians do act in their countries' long-term interests, there is no dearth of examples of reckless fiscal behaviour in our world.



DR. ABDULLAH A. DEWAN

BEFORE persistent inflationary pressure gets unleashed, the Bangladesh Bank (BB) in its first-ever Monetary Policy Stance (MPS) set a goal to wither private sector credit growth by 3.3 percent, from 17.2 percent to 13.9 percent. The BB argued that the projected 13.9 percent private sector credit growth for FY06 is consistent with 7 percent real GDP growth and 7 percent inflation rate. The central bank maintained that the policy is designed not to slow down the GDP growth but to derail demand pull inflation fueled by rising inflationary expectations.

The nation must congratulate the BB and support its vision towards evolving into an independent monetary policy authority.

Unfortunately, notwithstanding the prospects of long-term economic welfare at the expense of some short-term hardships, both the Daily Star editorial and the business community reacted unfavourably in haste. For example, Chamber of Commerce and Industries (CCI) President Nasir Hossain viewed it as a difficult to borrow policy which will affect business expansion and production. Isn't it precisely the reason the BB designed the policy? He argued that businesses have already imported the capital goods and now without sufficient working capital there will be unused idle capacity straining production.

Prices are precursors to everything that happens in a market economy. The information they provide forms the rational basis for individuals and firms to ensure that resources are allocated efficiently. Economists generally agree that low inflation is the basis for general economic prosperity and high inflation retards economic growth by distorting resource allocations.

Understanding the economic processes that generate inflation has been an important, yet elusive objective for macroeconomists and monetary policy authorities. The Phillips curve notion of a trade-off between unemployment and inflation (lower inflation is associated with higher unemployment and vice versa) provided an early theoretical framework, but in its original form failed to provide a reliable basis for forecasting and policy-making. One piece of the puzzle is the role of inflation expectations in the inflation generating process.

Higher expected inflation feeds into itself and breeds a spectre that fuels further inflation. In an effort to beat tomorrow's price increases people rush to buy goods today to hoard them aggravating the already vicious price spirals and aggregate demand. Unless this price inertia is disrupted by immediate monetary and fiscal restraints coupled with increased supply of goods whose prices are increasing (e.g. rice, edible oil, lentil, sugar, salt etc), price instability will befall into a nightmare.

There is another channel by which higher expected inflation fuels inflation. Real interest rate = nominal interest rate minus the expected inflation rate. This equation implies that as expected inflation rate increases, the real interest rate decreases (assuming the nominal interest adjusts upward slowly). This decrease in real interest rate lowers the real cost of borrowing and thus stimulates businesses' borrowing for capital expenditure. This amplifies aggregate demand and consequently actual inflation.

Expected inflation is a menace in that it affects labour negotiations and consequently, wages, production costs, and actual inflation. Economic policies work not only through their direct effects, but also through their effects on expectations, including expectations of inflation. Thus, expectations of inflation play an important role in economic activities and policy making.

The current CPI inflation rate of over 7.8 percent with a real GDP growth of 6.8 percent given the recent successive crude oil price hikes may not seem alarming to some quarters. But people with fixed incomes are hurting because their purchasing power has decreased by 1 percent. With further upward adjustment of oil prices, the inflation rate is expected to slide up bringing more miseries to fixed income consumers due to further erosion of purchasing power.

Controlling money and credit growth to achieve the target output growth and price inflation is the goal of all central bankers. To implement such a policy requires advanced economic models with trained economists capable of interpreting model's estimated parameters and predictions using new and revised data under evolving market conditions. In the absence of economic expertise, the BB will have to rely on "guessing and missing" and in the process risk the possibility of

throwing the economy into credit crunch, deep recession or into a run away inflation.

In order to manage its money and credit growth policy BB may have to deter adverse noises percolating from the following sources:

- Political pressures in an election year of borrowing and spending.
- Should not accommodate inflation induced increase in money demand. Money demand, which is not controllable by the BB, generally accompanies high inflation as people need more money to buy the same basket of consumption goods.
- A lot of money is loitering outside the banking system. During periods of high inflation these money slowly tiptoes into market places pulling prices of daily essentials higher.
- In periods of high inflation followed by rising interest rates, there is a potential for more loan default.
- The implausible effects on the financial market of the "black money whitening" episode?
- Supply shocks pervading out of uncertain oil prices, political strife, terrorists' violence, natural disasters etc.
- To achieve its policy goals, the BB may also review the following suggestions:
- The regional BB branch offices should be assigned with collecting price information on various products to construct BB's own CPI. This should then be compared with the CPI constructed by the Bangladesh Bureau of Statistics to fine tune the policy as needed.
- The BB should maintain a "Base Book" like that of the US Federal Reserve about changing business conditions across various regions of the country and then aggregate the data to

fine tune its policy parameters, if warranted.

Monitoring the money and credit growth on a weekly basis and adjust their growth rates as the CPI and other indicators are made available.

To accommodate concerns about credit crunch, a selective credit rationing regime should be innovated allowing businesses to borrow enough working capital to support the capital investment already made. Credit should also be extended to other businesses facing the immediate need for replacement of worn out capital goods but not for expansion.

At my seminar in the BB on March 9, 2005 on "Macro Economics of Survey Measures of Inflation Expectations," I argued that collecting inflationary expectations data based on random scientific survey of consumers similar to many industrialized countries would enable the BB to better understand the inflationary process for prudent policy making.

Politicians may not act in the best interest of the country's long-term economic outlook and goals because they have a vested interest to appease their constituents before the next election -- including manipulating interest rates to bring an elusive short-term prosperity at the expense of long-term stability. Given the power to choose, politicians will opt for monetary policies that are overly accommodative. Low interest rates are alluring to politicians because there are more borrowing voters than lenders. While many politicians do act in their countries' long-term interests, there is no dearth of examples of reckless fiscal behaviour in our world.

The author is Professor of Economics, Eastern Michigan University.

Palestinian elections and Hamas

Hamas's long term policy, beyond the Peace Process, aims at replacing Fatah as the main political party in Palestine. Its agenda lays emphasis more on social and religious transformation than national liberation through armed struggle. Contrary to propaganda, Hamas has adhered to the truce with Israel over the past year and elected officials (in municipalities) have coordinated their activities with the Israeli administration.

KAZI ANWARUL MASUD

THE stunning victory of Hamas in the Palestinian parliamentary elections has introduced a new dynamic into the Palestinian crisis. Notwithstanding the fact that Hamas won the elections, described as free and fair by the international observers including former US President Jimmy Carter, the US and EU are reluctant to honour the people's verdict and are refusing to interact with a Hamas-led government unless the party renounces violence and removes the destruction of Israel from its political agenda.

US Secretary of State Condoleezza Rice declared that a party cannot have "one foot in politics and the other in terror." The Quartet (US, EU, UN, and Russia) is already on record as saying that "there is a fundamental contradiction between armed group and militia activities and building of a democratic state."

The West insists that Hamas must recognise Israel's right to exist (not that Israel's existence is dependent on Hamas's recognition) and join the negotiating political process by first disbanding its militia.

While Hamas's rhetoric to destroy Israel needs to be excised from its political platform, one needs to explore the question as to why Hamas needs to resort to violence and why Hamas's violent activities are so popular among the Palestinians living in the occupied territories.

Initially Hamas targeted Israeli soldiers and settlers in occupied lands. The party later extended its operations to suicide attacks on Israeli civilians, justifying the

attacks as retaliation for Israeli killing of Palestinian civilians. Hamas is believed to have offered on several occasions to the Israeli authorities that both sides refrain from attacking civilians, but the offers were rejected by the Israelis.

The problem with the West and its loss of credibility lies in the fact that while the West condemns Palestinian terrorism, it turns a blind eye to state terrorism incessantly practiced by the state of Israel.

Why else did Negroponte, the then US ambassador to the UN, refuse to vote for an Algerian resolution in the UNSC denouncing Israel for the murder of Hamas's spiritual leader Sheikh Yassin, unless the resolution described Sheikh Yassin as a terrorist?

The European media questioned the logic behind the use of state of the art weapons to kill a paralysed wheelchair-bound Sheikh Yassin as self-defense against terrorists. The Europeans to a greater degree than the Americans had described Israel way back in 2003 as the greatest threat to global peace. Stung by this description by the Europeans, Israel urged the European Union "to stop rampant brainwashing against and demonising of Israel before Europe deteriorates once again to the dark sections of its past."

Israeli delusion about global "support" of its genocidal behaviour resides in its arrogant and "inerrant" belief theorised by Theodor Herzl, the father of Zionism, that Palestine was "a land without people for a people without land." Therefore Israel continues to believe that extra-judicial killings of

unarmed Palestinians (including women and children) are justifiable self-defense measures against interlopers.

The terrorist acts of 9/11 which have defined world politics has intensified global debate on terrorism. It is uniformly accepted that terrorism can never be supported in any form and must be repulsed at any cost. It has become equally important to understand the root causes and the driving force behind the making of a terrorist.

Political analyst Khalid Shikaki traces the growing support for Islamic groups Hamas and Palestinian Islamic Jihad's suicide bombings and violence against Israelis from "Palestinians' growing fear and thirst for revenge. Average Palestinians [are] feeling more and more threatened by Israeli imposed check points, curfews, and siege of Palestinian cities, and towns; by the separation barrier being built deep in the West Bank; and the continued Israeli confiscation and settlement construction."

Israeli withdrawal from Gaza was seen by many Palestinians more as a culmination of the war of attrition waged by Hamas than as a result of negotiations by President Mahmoud Abbas. The people were also frustrated by widespread corruption, cronyism, and mismanagement by the Palestinian Authority (PA) dominated by Fatah. This was compounded by factionalism in post-Arafat Fatah. The Fatah General Congress, the supreme body which elects the Central Committee and the Revolutionary Council, has not met since 1989, and consequently the powerful elements of the party apparatus continue to be dominated by the old

guards.

According to a Middle East analyst: "The battle within Fatah is waged by multiple antagonists, not two (old guard and the new guard), meaning that rather than the possibility of a neat split, the fragmented party is facing the prospect of disintegration."

As opposed to Fatah's disintegrative personality, Hamas, an offspring of Muslim Brotherhood, cultivated the electorate through addressing their religious, social and cultural needs. Gaining the city halls in the municipal elections, Hamas affiliates started to deliver on their promises to the people. In addition to fielding some of the best talents, Hamas presents itself as honest public officials imbued with superior discipline and coherent ideology.

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Hamas finds the Western chorus to disarm as premature when the Palestinians are facing Israeli tanks and planes raining down death and destruction on a daily basis. If Hamas is allowed to form a government despite Western criticism of its militancy, the party can be expected to behave responsibly and devote itself to domestic issues, e.g. improve the quality of life of the people, reduce corruption, tackle lawlessness and let Mahmoud Abbas to deal with foreign affairs.

As it is, a solution to the Palestinian problem is not in sight, as Ariel Sharon for all practical purposes is destined to disappear from the Israeli political scene and his newly founded political party, Kadima, may find it difficult to hold on to the slim lead till the Israeli

general elections scheduled to be held in two months time.

President Abbas, Washington's favourite man in Palestine, has delivered very little since his election to the presidency. Being dubbed as Bush's man can be by itself the kiss of death for Abbas, and if non-performance is added to his record, then Mahmoud Abbas could become expendable.

Western threat to stop financial assistance to a Hamas-led government could destabilise the Palestinian Authority. The \$1.5 billion budget is mainly externally sourced (more than half coming from European nations). Though US aid forms a small part of the total assistance package, preponderant US influence could stifle the financial flow to the PA, which either could force the Hamas to adopt a pliant attitude towards the West or could act as an incendiary element fuelling further anti-US feeling and show up the hollowness of the American advocacy of democracy but flouting the wishes of the Palestinians expressed through their votes for the Hamas.

The hard-liners who reject the Hamas victory argue that building a genuine democracy needs more than elections. It requires supportive role of civil society, rule of law, and protection of minority rights against the tyranny of the majority. They argue that a democratic political party must disavow violence, intimidation and terrorism. Hamas's popularity alone should not be regarded as sufficient to merit the recognition of the Bush administration.

The hard-liners who continue to look at the Palestine issue through the Israeli prism and that of historian Bernard Lewis's millennial rivalry between Islamic and Judeo-Christian civilisations should take note of an emerging trend throughout the Middle East and possibly beyond "of a shift towards religion based Islamist parties" as a revolt against the traditionally corrupt political class and system.

In Egypt, candidates for the Muslim Brotherhood (who ran as

independents due to ban on religious parties) did significantly well in legislative elections. In Iran, a puritanical ideologue has been elected president. In Iraq, secular Bathists have been replaced by conservative Shias. Municipal elections in Saudi Arabia saw significant gains for conservative religious candidates. In Turkey, the ruling party has Islamic orientation. In Pakistan, successive military regimes sought to promote an Islamist agenda as bulwark against comparatively less Islamic-minded political parties. In Bangladesh, not only are Islamists part of the government, but violence wrought by Islamists portends ominous signs for the country's future, inviting Western concern.

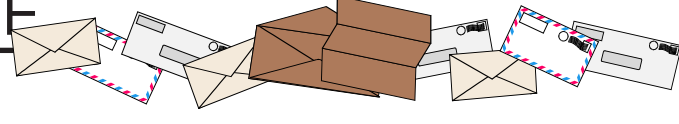
Perhaps the world at large may wish to face up to the possibility that the Islamic world may not seek liberal democracy, considered by Francis Fukuyama as constituting the "end point of mankind's ideological evolution" and "the final form of government."

Islamic values could be fundamentally different from the religious and social, if not political values, nursed by the West. The West, contends Yale Professor Paul Bloom, is no less wedded to religious fundamentalism. It has been found that more than half of the supporters of a major political party in the US believe that God gave Israel to the Jews and that its existence fulfills the prophecy about the second coming of Jesus Christ.

In such a situation, the appeal of Hamas is more likely to increase, perhaps aided by Western efforts to asphyxiate the natural tendency of the Palestinians to free themselves from the Israeli yoke. Perhaps the most responsible course for the West would be to invite Hamas for constructive engagement and gradually lead the party to disarmament, while at the same time to encourage Israel to negotiate both with Hamas and President Abbas. Only then the world may find a solution to the decades old Palestinian crisis.

Kazi Anwarul Masud is a former Secretary and Ambassador.

TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR TO THE EDITOR



Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

Enemies of Islam?

This letter is in response to the letters of Mr. Sabu and Mr. Mamun published on the 1st of February. In their letters, Sabu and Mamun accused the US of being an enemy of Islam and observed that the US economic sanctions on Iraq annihilated thousands of infants. Well, I will not try to defend the US because it is not my purpose even though I think that the US war on Iraq was not religiously motivated, rather the motive was political and economic. What I would like to say to the writers is that they should be impartial, if the economic sanctions on Iraq annihilated thousand of infants, the war between Iraq and Iran, two Muslim nations, killed hundred of thousands of people, including tens of thousands of children. Also, I don't understand why they were so quick to criticise the US action but didn't protest the

killing in Darfour, when the Sudanese government sent its army to fight against the tribal people of Darfour. Tens of thousands of people were killed, do I need to bring to your attention that the members of the Sudanese army were Muslims, and also that they fought and killed the Muslims in Darfour. Do I also need to bring to your attention that the insurgents in Iraq are also Muslims that are bombing and killing dozens of Muslims every day. How about what's going on in Pakistan, Shites kill Sunnis and Sunnis kill Shites. Aren't they Muslims? How about Bangladesh, where supporters of the JMB in the name of Islam kill other Muslims, like we have been seeing recently. My question to you: Who is the real enemy of Islam? Aren't the Muslims that kill other Muslims even without being condemned or criticised by the victims the real enemies of Islam?

I think that we need to think clearly and try not to be partial in our views.

Mr. R. Akbar
Uttara, Dhaka

Gyanendra takeover

Apropos the editorial "A year after Gyanendra takeover" (February 2), Nepal is going through a social and political revolution to oust the anti-democratic King Gyanendra, who captured the royal throne on February 1, last year. People are locked up during curfews, peaceful rallies are suppressed brutally, political leaders are arrested and Maoists are knocked down. The media men are threatened. The situation has gone out of control in the Himalayan Kingdom.

It all started last year, when the Maoists ended their unilateral truce and started forging alliances with the political parties to come to the

fore of mainstream polity. People have come out to the streets, shouting slogans (Gyanendra, leave the country...).

Amidst this revolutionary turmoil, the King decided to hold municipal polls on February 7, 2006. This decision met with stiff opposition from all quarters. Observers saw this decision as a ploy by the King to give him a constitutional legitimacy, by installing a puppet government. Maoists revolted by killing a few candidates, and threatening to boycott the polls.

Meanwhile, media reports suggests that even the pro-monarchy party Rashtriya Prajatantra Party wants to have talks with the Maoists. But, at least as of now, the King has ignored all appeals of the international community and the UN, to restore democracy. Since the people of Nepal want to establish democracy; since political parties represent ninety five per-

cent of the parliament; it is expedient that the King realises the gravity of the situation and lays the foundation of democracy.

Amit V. Sengupta
Rajbari, Kolkata, India

Biman flying low

There was a news item in the papers regarding passengers of a New York bound Biman flight being stranded in Brussels. The interior of all planes of Biman gives a very gloomy and dirty look. The schedules are so poor that it amounts to oppression.

In order to save the passengers from unnecessary harassment and oppression the right thing to do would be to close Biman down.

The way the last Hajj flights were handled is a disgrace. The state minister for civil aviation acts more like MD of Biman than minister for civil aviation. Besides, there is

high-level corruption in sale and purchase of aircrafts. Selling or privatisation of Biman will save the government from such corruption.

Biman is nation's disgrace on the air. Sooner it is closed down, the better it will be for our impoverished nation.

I would like the readers to give us one good reason why we should remain saddled with a white elephant called Biman
Izhar Ahmad / Salahuddin Ahmad
Bangabandhu Avenue, Dhaka

Mobile phone

Mobile phone is arguably the most useful thing in this world, without which no one can get along. But I as a user see no way out but to protest against all the free talk-time plans at midnight. We as customers want to have a clear, congestion free and smooth going network.

I strongly solicit to have this

problem solved.
Abdul Fatha Asif
East West University, Dhaka

Bangla film & our culture

Where is our Bangla film going? It is getting worse day by day. For a long time the films are being made on themes that are vulgar, to say the least.

During the liberation war, people were encouraged through the movies. We came to know the real history of the country through the post-war movies, some of which are both artistic and exciting. Alor Michil, Ora Egarojn, Joyjatra are some of the movies that could make us duly proud.

Dear learned readers, if you have enjoyed any movie in recent times, I believe you know what is going on in the name of film making.

The decision makers should

look into the matter and save the movie watchers from the torture that they are subjected to by our filmmakers. They have got an absolute freehand to ruin our culture! This is something totally unacceptable to the viewers.

MANazim, DU

Karachi Test

Imran Khan, one of the greatest all rounders in the history of cricket, rightly said that bowlers win Test matches, while batsmen are the key factor in one-day cricket. His assertion was proved right in Karachi once again. The Pakistani bowlers were superior to their Indian counterparts. And that is what mattered during the Test match which took a rather unusual course.

Sunil Akash
DU