

## International hand of cooperation welcome

*But local capacity building crucial*

**T**HE capture of Shaekh Abdur Rahman and Bangla Bhai has evoked enthusiastic response of support from the international community. A hand of cooperation has been extended to Bangladesh government in three areas: investigating the cases involving the two arrested terror masterminds, imparting training and technical assistance in detecting routing sources and channels of funding militants, and enhancing local intelligence skill to track down more terrorists. The offers have come from the US and Australia, while the UK stands ready to extend its helping hand. As a matter of fact, some intelligence cooperation with Interpol and FBI has been going on for some time, something adduced to by the Prime Minister in her post-duo arrest address to the nation on a positive note.

That we have succeeded in encaging the two terrorist supremoes, however belatedly, demonstrated public urging and pressure for their capture and finally their cooperation in netting them, is a proven fact. But where we go from here and how we use the arrests in obliterating all traces of ideological terrorism to offset its recurrence is something that not only the whole world would be watching out for but which we should unflinchingly do in our best national interest. So, the top priority issue now is credible, transparent and prosecution-wise result-oriented. Remember, weak prosecution got Bangla Bhai off the hook once!

So far as the externalities to militancy operations go -- in terms of suspected motivational nurture, financing and networking or apparently disconnected, isolated working outfits in response to a high degree of alert the great need for globally and regionally interactive intelligence and technological sharing efforts cannot be overemphasised. It will be a rank folly in today's world to view terrorism as endogenous.

But the emphasis of cooperation should be not on any critical dependency relationship, but on a self-propelling and effective local capacity building to fight off terrorism on a sustainable basis. Where we have gaps in technology, equipment, intelligence sharing and analytical skills, we do need filling in. The idea is to benefit from the experience (including pitfalls) and latest know-how and technology of the advanced countries.

Overall, it is highly important that the government takes the opposition along to combat terrorism from here on. For that to happen the ruling party and the opposition need to become more respectful of each other. Why we say this is because there is a strong belief that if the government and opposition had not blamed each other for the series of bombings that rocked the nation and bled it, the religious extremists wouldn't have got a free rein to spread their networks and perpetrate their crime with a sense of impunity. We suggest there be a cross-party committee, either in parliament or outside, as a national committee to oversee progress of investigation, prosecution and trial in the cases involving the top terror leaders and following other vital operational aspects of counter-terrorism.

## Opting out of science studies

*Stem the tide of regression*

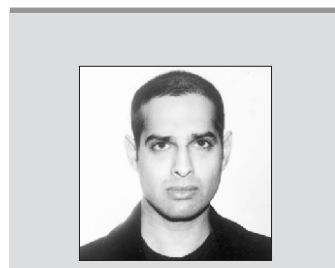
**L**AST month, two particular tragedies hit us back to back. A factory caught on fire in Chittagong where some of the workers died and some got crippled for life. Another factory collapsed in Dhaka, crushing many to death and trapping countless others. If decency is supposed to be up there like the stars in the sky, it wasn't shining in those dark hours.

We did usual things like we have done before, condemnations, talk shows, strikes, demonstrations and outcry for justice. Then we returned to normal, embracing our vacations, holidays, politics, trade and commerce. We forgot that it was obscene not to keep promises, not to do anything to prevent recurrence of these accidents, and not to care if anyone got punished for downright negligence. Life goes on, we move on until it happens again. People get roasted alive or squashed like insects and rodents. Then we start all over again.

In the building that collapsed, some people died because they couldn't be readily rescued. Not to speak of us as a nation, I bet even the owner of the building didn't

lose any sleep over the horror that people were still trapped in the debris, struggling to breathe under crushing slabs of concrete, perhaps pierced by stray pieces of steel or metal, choking on dust and fumes, slowly bleeding to death in the dark jumble of wreckage. I bet in his unaccustomed anxiety the owner took some relaxants or double shot nightcap, while servants and family guarded the silence he needed to catch a good night's sleep. Many of us may be willing to

## Still no answers



ZAFAR SOBHAN

**O**NE thing is certain, even though in the immediate aftermath of the capture of JMB kingpin Shaekh Abdur Rahman, the PM herself wasted no time in triumphantly addressing the nation and showering her own administration with generous words of self-praise, the government cannot credibly claim too much credit for the captures.

If I sound uncharitable, it is only because, as a member of the media, I have a clear memory of the government's initial response to the rise of the militants and its on-going duplicity and mendacity in this connection.

The reason the government should not be able to claim any anti-terrorist triumph as its own is that it was only the constant reports in the media, that were bitterly criticized by the government at the time, of the reign of terror that the terrorists had imposed on the north-west of the country, that forced the government to actually pursue the militant threat in the first place.

It is quite clear that left to its own devices the government would have preferred to continue to turn a blind eye to the atrocities being perpetrated by the terrorists. Indeed, according to ex-BNP MP Abu Hena, who has been cashiered from the party for having the temerity to speak the truth, and numerous other credible and substantiated sources, sections of

the administration were deeply complicit in the rise of the militants, and local government leaders actively collaborated in their reign of terror.

The sequence of government responses has been very revealing. Its initial disgraceful gambit was to contemptuously deny the very existence of any kind of a threat and to accuse those who suggested such a thing of conspiring to discredit the country. Parenthetically, one would have

authorities to do anything so radical as to actually actively pursue the militants. Once again, the question of government complicity raises its head. The reason that it took so long to bring the senior JMB leadership to justice was that they retained the support and sponsorship of a section of the government. It is not for nothing that it took one year and one week after the banning of JMB and six months after the serial bomb blasts of last August 17 that the top two

little for the government to congratulate itself upon.

Congratulation and commendation can be reserved for when we get to the bottom of who is behind the terror threat and uncover precisely how the militants have managed to operate and establish themselves so widely and without detection for so long.

There is no doubt that the capture of five out of the seven members of the JMB executive council, including the two biggest fishes,

"foreign hand," though it is perhaps worth remarking that in the PM's speech in the aftermath of Abdur Rahman's capture, she did not repeat this accusation.

The opposition has similarly made allegations that the government has been behind the terrorism. There is more corroboration for the opposition's accusations in the form of confessional statements and established links of the captured JMB cadres, but this allegation, too, raises more ques-

tion than it answers. Is it the high command who might be responsible or another faction of the government? If it is another faction, is this faction at odds with the high command, and what exactly would either have to gain from sponsoring such actions? Even if the opposition allegations are taken at face value, these are all questions that need to be addressed.

At long last, we might now get some answers. Or not. But, either way, it will be instructive. If the captures do not ultimately lead to any new revelations, that in itself would be significant.

The government, as all previous ones, has played its investigations into the terror threat very close to its chest. This has, understandably, created suspicion, and now is the time to dispel it. Even the arrests have raised suspicions which need to be fully answered.

What are we to make of Abdur Rahman's reported request to

## STRAIGHT TALK

**However, at this early stage there are still more questions than answers, and it is in finding the answers to the questions that success in the counter-terrorism campaign lies. The recent captures have not as of yet answered any of the questions that the nation has with respect to the militants, and things are as uncertain and as opaque as they were before the captures, if not more so.**

thought that the capture of senior terrorist leaders would lead to the resignation of those government ministers who have stated publicly that such a threat did not exist and that the country's biggest enemy was not the terrorists but the media who were claimed to have fabricated the entire threat.

I seem, however, to be mistaking Bangladesh for a country where there exists any concept of shame or accountability, and to be mistaking the ruling alliance ministers who made such slanderous claims for people with any sense of decency or honour.

Then, when the media drumbeat grew too loud and the terrorist atrocities too numerous and horrific to ignore or deny, the government quietly, and with neither apology nor embarrassment, backtracked and conceded that militants did indeed exist and present a threat to the security of the nation.

Not that this initially inclined the

JMB leaders were captured.

Together with the tactic of soft-pedaling the anti-terror campaign went the tactic of implicating, with neither support nor substantiation, the opposition and an unnamed "foreign hand" for fomenting the terror in order to discredit the government and the country. Meanwhile, even though the government had been forced to tacitly concede the point that terrorism was indeed a threat, the ugly campaign to impugn the motives and patriotism of the media continued.

This, let us not forget, is the background to the recent sensational capture of JMB chief Shaekh Abdur Rahman and operations commander Siddiqi Islam (could we please stop referring to him by the sobriquet Bangla Bhai, which he has done nothing to merit and which demeans our entire nation).

Given the full context of its actions of the past few years with respect to the terrorist threat, I see

has opened up a door of opportunity for the country in terms of uncovering those who are responsible for the sponsorship, support, and sheltering of the militants, and ensuring that the threat can be extinguished once and for all.

However, at this early stage there are still more questions than answers, and it is in finding the answers to the questions that success in the counter-terrorism campaign lies. The recent captures have not as of yet answered any of the questions that the nation has with respect to the militants, and things are as uncertain and as opaque as they were before the captures, if not more so.

The burning question with respect to the terrorists remains who is behind them. Where has their funding come from? Where have their weapons come from? How is it that they have enjoyed virtual immunity for so long?

The government has pointed the finger at the opposition and a

box of ballpoint pens.

And while the price of slaves has gone down, the return on the slaveholder's investment has skyrocketed. In the antebellum South, slaves brought an average return of about 5 percent. Now bonded agricultural labourers in India generate more than a 50 percent profit per year for their slaveholders, and a return of 800 percent is not at all uncommon for holders of sex slaves.

I know I have digressed from where I started. Then so has the

carted away. There must have been stains of blood, crushed bones, scraped skin and torn flesh. There must have been wet spots on the ground where life being squeezed out, bodies discharged fluids. Did the owner try to visualize the scene? Did he ever try to comprehend how so many lives perished under the crushing weight of his monumental greed?

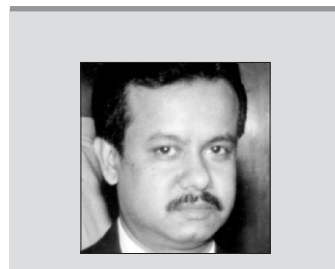
The tragedies of last month are already forgotten, and our minds have turned to other things. Sooner than we think, the factory owners will be back in action, the memories of their atrocities vaporised like the cologne on them after a long dog day. Once again, they will drink and be merry, and their wives and children will look prim in their fancy clothes and costly jewelry. Once again there will be cackle of voices in their parlours exploding with roars of laughter and sound of music. Lust for life will take over the dread of death.

Again there will be fire in another factory, again the main gate will be locked and people in their rush to get out will trample some to death before others get fried in flames. Again a building will collapse and people will get crushed. In so much as life has changed, death has remained the same. It hunts with the masters and runs with the slaves.

Some disposable people died last month, and many more will die again. We all live in the shadow of death, but slaves die in the shadow of disgrace. I don't know how it works for others. Every death diminishes me, but death of slaves makes me brave. One day those lowlife masters are going to get it back.

Mohammad Badrul Ahsan is a banker.

## The new slaves



MOHAMMAD BADRUL AHSAN

**L**AST month, two particular tragedies hit us back to back. A factory caught on fire in Chittagong where some of the workers died and some got crippled for life. Another factory collapsed in Dhaka, crushing many to death and trapping countless others. If decency is supposed to be up there like the stars in the sky, it wasn't shining in those dark hours.

We did usual things like we have done before, condemnations, talk shows, strikes, demonstrations and outcry for justice. Then we returned to normal, embracing our vacations, holidays, politics, trade and commerce. We forgot that it was obscene not to keep promises, not to do anything to prevent recurrence of these accidents, and not to care if anyone got punished for downright negligence. Life goes on, we move on until it happens again. People get roasted alive or squashed like insects and rodents. Then we start all over again.

In the building that collapsed, some people died because they couldn't be readily rescued. Not to speak of us as a nation, I bet even the owner of the building didn't

lose any sleep over the horror that people were still trapped in the debris, struggling to breathe under crushing slabs of concrete, perhaps pierced by stray pieces of steel or metal, choking on dust and fumes, slowly bleeding to death in the dark jumble of wreckage. I bet in his unaccustomed anxiety the owner took some relaxants or double shot nightcap, while servants and family guarded the silence he needed to catch a good night's sleep. Many of us may be willing to

60 per cent of U.S. export was cotton. From the cotton fields of America to the killing fields of modern business, nothing has changed in terms of how ruthlessly men keep exploiting men. Kevin Bales, a former professor at the University of Surrey Roehampton in England, argues in his book Disposable People: New Slavery in the Global Economy that slavery is alive and well in the world today. In the old days, ethnic differences were

Kevin estimates that the number of slaves in the world today is around 27 million. In fact, there are more slaves alive today than were brought over from Africa on the middle passage. The population explosion, combined with the economic and social vulnerability of large numbers of people in the Third World, means that there is a glut of slaves on the market. The result is that slaves have become cheap -- far cheaper than at any other time in history. In the United States before the Civil War, the

average slave cost the equivalent of about fifty thousand dollars. The average price of a slave is much lower now, perhaps no more than fifty or sixty dollars. Then he connects the dots. Low prices influence how the slaves are treated. Slave owners used to maintain long relationships with their slaves, but slaveholders no longer have any reason to do so. If you pay just a hundred dollars for someone, that person is disposable, as far as the slaveholder is concerned, Kevin argues. Slaves are so cheap that they're not even seen as a capital investment anymore. Slaveholders don't have to take care of them. They can just use up these slaves and throw them away. Human beings have become disposable tools for doing business, the same as a

whole nation. In the past weeks we have moved away from the tragedies. Nobody is interested to know how many people died under that heap of concrete which came crashing down on unsuspecting people. Nobody is bothered to keep count, because they were nameless, faceless people. In Alex Haley's Roots a rebellious Kunta Kintu told his friend Fiddler that he was a Mandinga Warrior. Fiddler, who had accepted his fate as a slave, turned to stable horse and said it didn't matter what Kunta Kintu thought of himself so long as Fiddler said he looked like a horse to him.

Where we saw humans, perhaps the slaveholders saw disposable people. I don't know if anybody noticed whether human remains were mixed with rubbles as ruins of the building were

whole nation. In the past weeks we have moved away from the tragedies. Nobody is interested to know how many people died under that heap of concrete which came crashing down on unsuspecting people. Nobody is bothered to keep count, because they were nameless, faceless people. In Alex Haley's Roots a rebellious Kunta Kintu told his friend Fiddler that he was a Mandinga Warrior. Fiddler, who had accepted his fate as a slave, turned to stable horse and said it didn't matter what Kunta Kintu thought of himself so long as Fiddler said he looked like a horse to him.

Where we saw humans, perhaps the slaveholders saw disposable people. I don't know if anybody noticed whether human remains were mixed with rubbles as ruins of the building were

## CROSS TALK

**Again there will be fire in another factory, again the main gate will be locked and people in their rush to get out will trample some to death before others get fried in flames. Again a building will collapse and people will get crushed. In so much as life has changed, death has remained the same. It hunts with the masters and runs with the slaves.**

look the other way. The owners of those factories are entrepreneurs, who have set up business and created jobs, the mighty hands that turn the wheel of our economy. May be that is why the police hasn't been looking that hard for them, may be that is why the owner of the Spectrum Garments in Savar was arrested and released. Keeping those imbecile men in custody would have brought the economy to a grinding halt!

Guess what! The same mindset worked to justify slavery in the American South. It was said that the slave owners took on the burden of caring for the interests of inferior beings, seeing that they would be fed, clothed and given religious instruction. It was also said that slavery was the key to national prosperity, since nearly

important: whites enslaved blacks, for example. Now ethnic differences are secondary to economic considerations.

Otherwise, it's almost exactly the same as the slavery of two or three hundred years ago. People are still controlled by violence, allowed no free will, paid nothing for their labour, and economically exploited. And the coercive power of the slaveholder is, as always, intimately tied to the coercive power of the state. Kevin chooses to use the word slaveholder instead of slave owner, because in the past, one person could legally own another. That is not possible today, which goes in favour of the slaveholders anyway. They can enjoy all the benefits of ownership without the obligations and legal responsibilities.

average slave cost the equivalent of about fifty thousand dollars. The average price of a slave is much lower now, perhaps no more than fifty or sixty dollars.

Then he connects the dots. Low prices influence how the slaves are treated. Slave owners used to maintain long relationships with their slaves, but slaveholders no longer have any reason to do so. If you pay just a hundred dollars for someone, that person is disposable, as far as the slaveholder is concerned, Kevin argues. Slaves are so cheap that they're not even seen as a capital investment anymore. Slaveholders don't have to take care of them. They can just use up these slaves and throw them away. Human beings have become disposable tools for doing business, the same as a

whole nation. In the past weeks we have moved away from the tragedies. Nobody is interested to know how many people died under that heap of concrete which came crashing down on unsuspecting people. Nobody is bothered to keep count, because they were nameless, faceless people. In Alex Haley's Roots a rebellious Kunta Kintu told his friend Fiddler that he was a Mandinga Warrior. Fiddler, who had accepted his fate as a slave, turned to stable horse and said it didn't matter what Kunta Kintu thought of himself so long as Fiddler said he looked like a horse to him.

Where we saw humans, perhaps the slaveholders saw disposable people. I don't know if anybody noticed whether human remains were mixed with rubbles as ruins of the building were

## Exchange rate volatility: Wish list versus ground realities

MAMUN RASHID

**F**OR quite some time, the volatility of foreign exchange rate has been a major topic of debate in our country. In 2005, United States Dollar/Bangladesh Taka has depreciated by almost 10 percent. Also, in 2006 the trend looks ominous till now. In view of the increased price of petroleum and other major commodities and uncertainties regarding post-MFA situation, this was not very surprising. Still, there has been lot of uproars. Some of which are very logical and some are not so. Some of the thinking has been more of a wish list, detached from ground realities. We must analyse, what really happened and why did it happen. We must also understand where the situation might lead.

Let us start by putting the facts straight. Bangladesh Taka has been under pressure. As I said, this is not surprising considering the fuel price volatility. We are having excess demand for dollar against taka with insufficient increase in supply. While our exports and remittances grew at 14 percent and

23 percent respectively from a much lower base, our imports have increased by 12 percent from a higher base. Although our current account balance for July-December, 2005 period is showing surplus, it is not taking into account huge outflow for the service sector that would amount to almost \$1.2 billion for the entire fiscal year.

The service sector payments include remittances made by airlines, independent power producers, oil and gas companies, dividend and technical fees for multinational companies. Adding to this we have encouraged opening of deferred payment L/Cs to the tune of almost \$1 billion in the previous year, which we have to settle throughout this year. So, we would have to take measures to reduce demand and increase supply of foreign currency (FCY).

We are in a situation where we have to curtail our unnecessary import significantly. Our policy makers have taken measures to reduce import growth by creating obstacles on credit growth and this is evident in the reduction of import year after year. However the interesting thing is that, while we have been willing to curb credit growth,

**The more important question that we now face is what actually will happen. The situation would continue to be bad, if we let the current market distortion to go on. Our policy makers have taken some good measures to control outflow. However, if we do not use exchange rate to control the outflow, this would not be very effective.**

we have not been able accept the necessity of depreciating BDT as a tool for readjusting the demand-supply gap. At one hand we were mentioning the very necessity of reducing import and other outflows, on the other hand we were proposing to keep foreign exchange rate at an artificial level.

We have seen Bangladesh Foreign Exchange Dealers' Association (BAFEDA) deciding to keep foreign exchange rate at a fixed level (at taka 65 first time and then at taka 67). This gave a very wrong signal to all concerned parties in the market and taka was not allowed to find its own level in the market. Everybody had the feeling that the market was not suffering from any supply-demand mismatch. Adding to that, banks started to shift current payment obligation to future, by opening deferred payment L/Cs. This created twofold problems.

First of all it created a huge problem of liquidity. As the deferred L/Cs started to mature, it created additional pressure on the outflows. As a result, the situation has become such that there is no price available for USD against BDT. Even if someone is willing to pay taka 80, there is no guarantee that he would be able to have his desired amount. Secondly, it destroyed the transparency of the price level. As the USD/BDT inter-bank rate was not allowed to rise, a separate -- and totally against the spirit of a healthy inter-bank or money market -- and non-transparent market evolved where USD is being traded indirectly through other currencies like EUR, GBP etc. At present USD/BDT inter-bank rate is about 67.80/90 levels and the volume is really very thin, whereas USD is being effectively traded at 74/75 level through other currency route. This has confused everybody and has

added to the liquidity crisis. More over is not reflective of the true market scenario.

Often, we tend to forget the bigger purpose of adopting the principles of market based floating exchange rate. We have accepted market based floating exchange rate system, as it would ensure optimum allocation of resources. If the fuel price rise has created supply-demand imbalance in our economy, we have to depreciate our currency to correct that imbalance. Otherwise, the outflows from the economy would continue to be encouraged while the precious inflows would be under priced and discouraged. As a result, the gap between supply and demand would continue to grow and will create a lingering crisis. By trying to artificially keep the USD/BDT rate low, we have encouraged more imports and other outflows and deprived our exporters and remit-

ters from much-desired incentives.

All of these contributed to the chaos prevalent in the current market, where scrupulous speculators are taking undue advantage and resources have been shifted to undesirable sectors. We have adopted floating exchange rate so that we can bring transparency in the market. But, by deviating from the true spirit of the market economy and trying to artificially control the foreign exchange rate, we have just created more distortion in the market. An often-used excuse for controlling the exchange rate has been to check the inflation. This has little validity as inflation would go up anyway, and it did. The factor price for all inputs would be higher even if we let it be priced at lower exchange rate. The overall downside has been that, we have not been able to control the inflation rate with controlled foreign exchange regime or rate. At the

same time, we have let lot of undue consumption to happen at much lower cost, even though the constituencies of those consumption could well afford that incremental cost. This deviation from market principle creates quite a bit of resource drag from sectors where they were much required.

The more important question that we now face is what actually will happen. The situation would continue to be bad, if we let the current market distortion to go on. Our policy makers have taken some good measures to control outflow. However, if we do not use exchange rate to control the outflow, this would not be very effective. So, if the market demands that BDT has to be depreciated, we have to allow that.

The more we would try to control, the longer the period of illiquid situation would prevail, the more we would see price distortion in the market. If we would let USD/BDT to operate freely, it would come into a stable equilibrium level. At some point the rate may even correct itself in a way of BDT appreciation (what we get to see in Sri Lanka, Pakistan or even India).

The important thing for us is to

ensure that market has sufficient liquidity and there is no distortion in prices in the form of various level of exchange rate. For the greater interest of the market, we must be able to say good bye to this "alternate market" which incidentally is becoming the mainstream market, reflecting the true but underlying market situation.

In the longer term export and remittance has to grow to meet ever-increasing demand for growth financing in Bangladesh. In other countries, in the interim commercial borrowing is supporting this. Since our development partners are reluctant to let Bangladesh borrow from the international market, they should seriously think of funding Bangladesh's import of fuel, especially for the increased price and allow private sector other than Bangladesh Petroleum Corporation (BPC) to enjoy the benefit of higher exports and higher remittance, though not high enough to support \$1 billion additional fuel import cost.

The writer is a banker.