

# Rice market and red alert!

## BENEATH THE SURFACE

**From the forecasts, it appears that rice market might roar again in the near future. It could be a wind fall gain for exporters but, definitely it will emerge as an economic downfall for rice consumers. But what about Bangladesh and other poor rice consuming countries? Surely the message is sour at least for the coming government. The apprehended volatility in the rice market reinforces our earlier observations in this column: rice is yet to be nurtured with care. Government should place more funds for furthering rice research so that productivity of land is raised.**



ABDUL BAYES

It is said that politics in our part of the world is propelled by the price of food grains, especially of rice. High price of just onion once caused a debacle for a government in India. High prices of rice threw many governments reeling under popular upsurge. The current government of Bangladesh might be feeling the pinch from high rice prices as revealed by the brewing anti-government behavior of the people. We shall argue in the following paragraphs that, the recent developments in international rice market might keep the coming government in Bangladesh on its toes, at least for a while, if proper policies are not afoot.

**International rice market**  
The international rice market has

traditionally been termed as "thin". It means, trade of rice represents a relatively small proportion of world production. Most of the rice producers are also dominant rice consumers, and hence, are able to spare a little for others. We can call it the marketing of residual rice. For example, in 1980s, only 3 per cent to 5 per cent of the world production rice was destined for overseas markets, but a strong expansion of world trade since then made it "deeper" as it has come to constitute 7 per cent of global production in recent years. But still thinness thrives compared with wheat or maize, the trade of which now accounts for some 18 per cent and 13 per cent of global production, respectively. The major exporters

are Thailand, Vietnam, India and major consumers China and Bangladesh to say the least. Since the market is thin, it is often subject to large swings in volumes, implying that a relatively small change in supply or utilization in important producing country may give rise to large increase or contractions in their exports or imports. According to various research reports supplied to webs, "global rice trade has fluctuated widely over the past two decades, from a minimum of about 11 million to 28 million tonnes. The variability measured by the coefficient of variation (CV) was as high as 37 per cent compared to 12 per cent variability global production. It was much higher than variability of

wheat and maize trade which had a CV of 6 per cent and 8 per cent, respectively".

**Golden era**  
Drawing upon available statistics on rice trade one could find that, in the 1980s, volumes exchanged in the international rice market fluctuated within a relatively small range of 11 million- 14 million tonnes, resulting in a variability of 8 per cent. This was not very different from wheat or maize markets. However, trade fluctuated within a much broader band of 12 million to 28 million tonnes in the 1990s, which gave rise to a much higher CV of 26 per cent. "Thus stronger tendency for international rice trade to grow in the 1990s was associated with

much greater volatility in volumes. By and large, although variability in the volume of rice trade rose in the 1990s compared to 1980s, this did not cause the variability of world prices to follow suit. On the contrary, rice prices have become more stable over time, to the point of achieving levels of volatility similar to those exhibited by wheat and maize prices. Actually on an annual frequency basis, prices in the 1990 were more stable for rice than for wheat and maize, in sharp contrast to the pattern prevailing in the 1960 and 1980s".

There were reasons for rising variability of volumes and falling volatility in world prices. First, the "deepening" of the international rice market has meant a greater dependability of supplies. The existence of large buffer stocks, the improved flows of information on markets and prices as well as policies impinged less variability. The reduction in thinness, distortions, more stability prompted lowered protection to the rice sector and increased reliance on imports in many countries.

**Red alert**  
However, there is now growing suspicions whether the trend in 1990s will persist in rest of 2000s and in the decades to come. The

shivering news tends to show that relatively quiet rice market may soon roar to put us reeling with our staple food. Some observers warn that the world may pay soon pay more than ever for its most abundant food. According to various sources, rice would double within two years to almost \$20 for 100lb (45kg) from the current \$9.90!

The submissions are supported by a number of factors. For example, fields in China were now being turned into land to build residential buildings, factories and roads. Indonesia turned itself into an importing country from exporting rice. Subsidies and investments in some countries dwindled over time in the face of 'gentle waves' in the international market. If only two countries China and Indonesia enter into the rice market in the wake of natural woes, stocks might deplete, price might soar.

When rice prices shoots up in the international market, supply should increase that what's first year micro economics says. But theory is far away from practice as far as food grains are concerned. If, for example, if price goes up, the exporters will try to protect their consumers first by reducing exports. Or, they may try to hoard rice to reap home a better harvest from trade. In any case, the thin

market will tend to get thinner. China should not have problems even if prices are rocket high, since they have huge foreign exchange surplus to buy expensive rice. China's economic growth strategy seems to turn cultivated lands into manufacturing plants for exports and infrastructure buildings and thus buy rice from the market. Any way, the prospect of reduced production threatens to spur inflation in rice importing countries from the Philippines to Nigeria.

Rice inventories worldwide were, reportedly, already near a 26-year low and would drop further- according to US Agricultural Department. "The quantity of unsold rice this year would be barely half of the level of 2000s surplus, reducing the buffer against a crop failure"- the Department said. Forecasts say that price will double in three years. November delivery last week gained 4.8 per cent to 9.98 a 100lb on the Chicago Board of Trade- the highest weekly close in more than two years. Prices have jumped 48 per cent in the past year outpacing the 19 per cent increase in wheat and the 8.3 per cent gain in maize.

**Windfall, down fall**  
From the forecasts, it appears that rice market might roar again in the

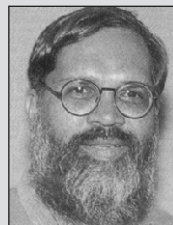
near future. It could be a wind fall gain for exporters but, definitely it will emerge as an economic downfall for rice consumers. But what about Bangladesh and other poor rice consuming countries? Surely the message is sour at least for the coming government. The apprehended volatility in the rice market reinforces our earlier observations in this column: rice is yet to be nurtured with care. Government should place more funds for furthering rice research so that productivity of land is raised. Let us first pour our plates and then listen to donors' "divine dictates".

Some economists might argue that short-run price fluctuations should not invite major policy change. But remember, it is "the rice" the staple food with very low price elasticity of demand for the poor. If politics is first, then cheap food should not have a second seat. In fact, that what it was and what it is now, in many countries our "advisor friends" hail from.

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# A turning point for terrorism?

## Malegaon in perspective



PRAFUL BIDWAI  
writes from New Delhi

THE bombings in Malegaon, which killed over 30 people, were a gory reminder of the depths to which India has sunk under the weight of sectarian hatred. Unlike many recent terrorist incidents, the blasts specifically targeted Muslims emerging from a mosque after the Friday prayers to observe *Shab-e-Barat*.

After initial hints that *Hindutva* elements were responsible, the police have attributed the bombings to *jehadi* Islamic elements. According to them, the attackers' sole motive was to spread "mayhem, confusion, and fear." It is possible that the culprits were Muslims acting under

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extremist influence. But the authorities haven't established a good *prima facie* case. The bicycles on which the bombs were planted had Hindu names painted on them. They're *overplaying* the claimed "tell-tale" use of RDX explosive, although only one of three forensic laboratories detected its presence.

Yet, the Union home secretary had himself ruled out RDX. RDX isn't a Muslim monopoly. It can be procured by any determined group.

The hypothesis assumes that the sole aim of radical Islamists is to create disorder -- even if that means killing devout Muslims. It holds that "Islamic" terrorists are so *completely irrational* that they can unleash mass destruction at the drop of a hat.

But the Malegaon violence wasn't random. *Jehadi* vio-

lence as a rule isn't "mad" or "mindless." It involves a certain (perverse) rationality. It aims to send a "message"-- about an adversary's vulnerability (the 9/11 attacks), register a protest (against, for instance, Spain's Iraq policy), or avenge injustices (Abu Ghraib, Guantanamo Bay), etc.

Even suicide bombers don't act randomly. Chicago University researcher Robert Pape recently studied suicide attacks in his "*Dying to Win*." He found that 95 percent were "demand-driven" and aimed at foreign occupation, not driven by the "supply" of fanatics.

Lebanon witnessed many suicide attacks during the post-1982 Israeli occupation. These ceased when Israel withdrew. Iraq witnessed no suicide attacks until the 2003 invasion. Since then, *fidayeen* attacks

have become commonplace. There's *no organic link* between suicide bombings and Islam. The *world leader* in suicide bombing is the non-Islamic LTTE.

Varities of the "*jehadi* attack" hypothesis use convoluted arguments, to which facts are irrelevant. Islamic terrorists strike, they say, because they are, well... terrorists.

There's a simpler, more direct, counter-hypothesis: *Hindutva* extremists consciously targeted Malegaon's Muslims. Location-specific facts support this -- especially the Bajrang Dal's activities in neighbouring Marathwada. In April, two Dal activists were killed in Nanded while fabricating a bomb.

The incident occurred in the house of an RSS-Bajrang Dal activist. A second bomb was

recovered from there. In April 2003 and August 2004, Bajrang Dal militants bombed mosques in Parbhani, Jalna, and Purna, injuring scores.

After Nanded, civil society organisations (CSOs), including People's Union of Civil Liberties, did some fact-finding. They produced convincing photographic evidence that bombs were being fabricated by Bajrang Dal-VHP activists.

Some pictures showed that the police tried to *cover up* the Dal's involvement by planting fire-crackers. The CSOs warned of a *Hindutva* attack. They were ignored.

The government would be disastrously wrong not to seriously investigate the Bajrang Dal's involvement in Malegaon. It shouldn't be led by the belief that Hindu extremists are more "patriotic," and less evil, than Islamic extremists. The belief presumes that Hindus, by virtue of being India's majority, are quintessentially more nationalistic.

This obnoxious presumption profoundly misrepresents India's constitutional *nationalism*, based on the *equality of all citizens*, irrespective of religion.

Powerful refutation of the presumption is provided by the barbaric burning of Graham Staines and his two children in Orissa by BD activist Dara Singh in 1999, and by the VHP-BJP's butchery of 2,000 Muslims in Gujarat. That carnage assaulted India's plural, multi-ethnic, multi-religious foundations.

The Maharashtra government hasn't covered itself with glory in Malegaon. The victims' families there were offered a compensation of Rs 2 lakhs, as against Rs 11.5 lakhs for Mumbai's victims. Many thoughtful and sober Muslims are dismayed by this.

Their concerns must be honestly addressed. This can only happen if the state stops blaming Muslims for all terrorism in a knee-jerk fashion, and starts acting against *Hindutva* lumpens. It must convince Muslims that they aren't selectively targeted.

The government should produce a *White Paper* fully documenting the VHP-Bajrang Dal's involvement in violence. The importance of this task is underscored by the report of an independent fact-finding team

headed by a former Bombay High Court judge (BD Kolshe-Patil), which says the anti-RSS Nagpur terrorist "plot" of last June might have been "staged."

Militant majoritarianism has held sway in India over 20 years and created fear among Muslims. This has given India's counter-terrorism strategy an Islamophobic edge.

In states like Maharashtra, Muslim alienation has never been greater. A significant minority of police and intelligence officials, serving and retired, have embraced hard or soft *Hindutva*.

The BJP's 2004 defeat hasn't changed this. Indeed, many officials commenting on recent terrorist incidents betray anti-Muslim prejudice. They speak of "us" and "them" as if the two belonged to two *different classes of citizens*.

Communal poison has penetrated these agencies. It must be purged through three kinds of efforts.

First, the agencies must be ordered to work impartially and to *be seen to be doing so*. They must be told that an anti-Muslim bias won't be tolerated.

Dr Manmohan Singh made a good beginning while addressing the chief ministers on September 5. He has since demanded rapid implementation of the 15-point minorities plan. He must go further.

Second, the government must sincerely try to win Muslim hearts. Muslims must find a respectable place in Indian police and intelligence agencies. Today, Muslim representation in these is barely *five percent*. It must be sharply raised through affirmative action.

Prosecution of the culprits of the 1992-93 post-Babri demolition violence must be expedited. The government must reach out to Muslims through the emerging secular, liberal intelligentsia.

Finally, Singh must set up a high-level commission on justice for Gujarat. The *Hindutva* forces must be told that their hatreds won't be allowed to tear Indian society asunder.

Praful Bidwai is an eminent Indian columnist.

# Redeeming A Nation

**But then bringing peace and harmony in a society is prose not poetry. Revolution, call it any poetic name, is a revolution. It will smell as repulsive as a Napoleon or a Louis XIV. I tend to agree with Tolstoy that revolution only brings a society to a dead end. Quiet revolution of the kind of Gandhi is a rarity. Ordinary, run-of-the-mill revolutions are violent with their opposite and not so equal reactions. Revolution is like letting loose the animal in you just because you have exhausted all your rational options. It's like killing the patient to save his eyes. No, I have no reservation in my mind to condemn revolution of any kind or form.**

BRIG GEN MIRZA JAZAMMAL HOSSAIN BEG (RETD.)

MOHAMMAD Badrul Ahsan is my favourite columnist. I am always drawn to his weekly column with more than usual interest. But this time he has given an exceptional twist in his thoughts. Badrul's write-up of September 1 is clear testimony of the extent people -- conscientious and well-meaning -- are pushed to the backwaters by unrelenting chain of events in the country.

As a quick response, and naturally emotional, one would fall overboard to lend support to his clarion call. Over the years, Badrul has established himself, through his inimitable weekly column, as a writer with a difference. He has the magical power with words churning out to most appropriately

describe the mundane and the profound with equal felicity and force.

The rare combination of honesty and purpose easily catches anybody's attention to his weekly recipe. I am a fanatic reader of his brilliant, thought-provoking and unabashed sharing of ideas. He is, if you will, the Bacon of Bangladesh.

It is not also uncommon to find Badrul picking up issues which would shake your complacency and tickle your imagination. I often come to terms with my uneasiness when I find the whole truth -- undisputed and unequivocal. But his write-up "Let's Go Against the Stream" stands out by its impeccable, surgeon-like precision. It really sent tumults in my mind. I was trying to weigh each and every line and its connotation. I did not miss his style changing remarkably from

the initial matter-of-fact description to the ultimate harangue, calling for action.

Suddenly there is a metamorphosis from Badrul the columnist to Badrul the avant-garde revolutionary. Suddenly it is not the Badrul wielding his mighty pen in the quiet space of a column but Badrul brandishing his index finger from a raised platform overlooking a sea of charged people, waiting for an unlikely signal.

That precisely has also made Badrul a stranger to me. He is not the same columnist I relish every week. Most of the time, he not only voices my own sentiment; he is to me the vox populi. This time, too, I fully understood the pangs of this silent social reformer. But I could not subscribe to many of his prescriptions. I understood the fugitive like spirit of one whose back has touched the

rock wall that only knows how to rebound.

But then bringing peace and harmony in a society is prose not poetry. Revolution, call it any poetic name, is a revolution. It will smell as repulsive as a Napoleon or a Louis XIV. I tend to agree with Tolstoy that revolution only brings a society to a dead end. Quiet revolution of the kind of Gandhi is a rarity. Ordinary, run-of-the-mill revolutions are violent with their opposite and not so equal reactions. Revolution is like letting loose the animal in you just because you have exhausted all your rational options. It's like killing the patient to save his eyes. No, I have no reservation in my mind to condemn revolution of any kind or form.

"It is time," Badrul says, "to deal extreme with extreme." What is fundamentalism, I pray? Don't we decry Abdur Rahman for his sheer extremism? "An eye for an eye" is the recipe the civilized world has long denounced and discarded. Name any revolution, and history will bear testimony to the trail of misery that followed suit. Revolution -- be it of nine months or nine years -- takes the clock back. A revolt of nine months, euphemisti-

cally called Liberation War, witnessed an apocalyptic change that society is still trying to come to terms with. "Tirish Bochor Pore," the melodious rendering of Haider Hussain's rocked aspirations finds echo in every Bengali heart.

Let's not mistake that while social changes are welcome, they should only be brought by tsunamis, not by rogue waves. To me, desperation is synonymous with defeat. Conrad's Lord Jim was an impulsive character who preferred death as a recluse from reality. Great things cannot be achieved by impulsive actions, Vincent Van Gogh asserted. Let's not forget the reality. We are destined to die the day we are born. It is because we are born to decay, to get corrupt and ultimately yield to the greater Will. This reality is hard to ignore because we are born to an inhospitable world out to make you a non-entity in the perennial fight between good and evil. The same is valid for the body politic.

Vices are like foreign bodies in our body politic. They have the potential to corrupt you both body and soul before you finally succumb. If the society is corrupt lock,

stock and barrel, the impact is colossal. It then not only scrapes the ability to fight but also takes away the will to fight. This degeneration in the body politic is very dangerous. The gangrene then spreads at a much faster pace. A time comes when the demos bereft of any sensation of what is right or wrong champion their own misdeeds. And we then live in a democracy, which cannot deliver. It then becomes the Albatross of the Sailor that is difficult to shake off.

So I am not for revolution. I am for redemption. The nation has to redeem itself of its sins. You can't chop off your head when you feel a headache. You also don't invite the urdees from the garrison to give you a good bashing. Martial laws have only short-lived honeymoons. It fails to woo people permanently.

And who are our leaders? Are they from Mars or the moon? Who elects them? Our actions are like us, aren't they? Don't we always have leaders we deserve? So the cherished dream of the demos fighting their own leaders they fondly elected may easily turn into a nightmare. I think "collective change" is a misnomer.

Change, to be meaningful and long lasting, must be slow, and it must come the "individual" way. Tolstoy believed in the individual goodness of man. You may be very visionary, a reformer, but you cannot expect it to happen overnight.

I salute Badrul's dreams. But I am afraid his dreams may not come true. I think the nation is corrupt down to the marrow. Phulbari or Kansat does not symbolize the disease but the degeneration of the society. The evil takes it all. The skirmishes, the deaths are all symptoms of the same disease -- corruption. When I fight, I fight in sheer ignorance. If I don't fight, I don't fight in clear knowledge of its necessity. The importance is lopsided. The corrupt soul cannot discriminate because it gets sustenance from another soul equally corrupt. Whipping the raw emotions of the demos can only mean letting the genie out of the bottle.

I wholeheartedly appreciate the righteous indignation of Badrul. I commend him also from the core of my heart because he has successfully come out of the Hamlet-like dilemma of the common people and spoke

out the whole truth. Yes, "it is time to reconcile the books." I agree with Badrul. But why pointing the fingers at others and not to our own selves? Why to sin more than sinned against? "Going against the stream" may be pretty popular. Why not go against the you inside you? It is often too easy to find a scapegoat. We as a nation probably excel in that. We find enough of the cult among those we have voted to power. They "represent" us, the self-conceit and notoriety of the much touted demos. Therefore, I don't see "revolution" as "a final solution." Don't ask "the demos to go crazy." They are already crazy as the devil in them always means business.

Let's be true to our own selves. Let's try to hear the murmuring of our souls. Let's find out how much we have contributed to the mess we live in. It's not our country alone which is passing through this ordeal. The whole world is at a peril now that all definitions have gone awry, and we remain in a perennial wilderness. I am for a benign revolution that will restore the lost faith and freshness. Maybe the fountain of goodness has not yet dried up.