

The Hizbut Tahrir issue

Government must deal with it firmly

EVERYBODY must have the right to practice his or her religion. But nobody can impose it on others. It is the tone of force or the tenor that concerns us and the sheer audacious manner in which some of those involved with it have been going about speaking of the objectives of the outfit.

The teachers arrested in Rajshahi the other day were carted off to prison because they happened to be distributing leaflets propagating the overthrow of the government. As if that were not enough, some other leading members of the outfit in the capital have now threatened to wage a movement and not allow anyone in Bangladesh to live in peace if the arrested teachers are not released in forty-eight hours.

The attitude smacks of intolerance and contradicts the outfit's claim that it does not believe in violence or force. Obviously, it is a situation that calls for tough handling, given the fact that threats are undermining the fundamental constitutional and political premise upon which the country functions.

The members of Hizbut Tahrir, which has been at work in Bangladesh since 2001, have of course claimed no links with terrorism or terrorist organisations. And yet the reality is that the outfit has been proscribed in a number of countries in the West as well as the Middle East. The question, therefore, is why?

Whatever be their goal, there is little for it to justify its publicly stated goal of overthrowing the government or any government based on democratic political principles. The organisation's chief coordinator has contemptuously rejected democracy. That attitude in itself is symptomatic of the potential for disorder. The unfortunate part of the story is that successive governments in Bangladesh have, in spite of the facts before them, always chosen to soft-pedal on the issue. The approach has been as mystifying as it has been disquieting. Hizbut Tahrir followers can be found holding responsible positions in such reputed bodies as private universities. Just how the organisation has managed to acquire such space leaves one wondering.

We believe that it is now extremely important for the government to deal with the problem, firmly and without losing time. There can be no denying that the contents of the statements and leaflets coming from Hizbut Tahrir are a frontal assault on the constitutional process and democracy. It is values -- those symbolised by the ideals of free speech, tolerance, equality, et al -- that are now under threat. If we are opposed to military coups or any other types of intervention in democracy, we are equally opposed to democracy being threatened with destruction in the name of our religion. Only firmness on the part of the government and an increased sense of awareness among citizens about the lurking danger can prevent this country from sliding into despotism.

Back with vengeance

Acid-burn incidence calls for effective antidote

IT was the height of barbarism perpetrated on a visiting family passing the night at their brother-in-law's house at Araihazar in Narayanganj. A band of acid throwers who had come looking for Mozammel Haque with whom they had an inimical relationship hurled the lethal liquid on the parents and their infant burning them severely. So blinded by rancour, vicious with intent and hell-bent on harming people were they that who fell victims to their heinous act hardly mattered to them. Such has become the manifestly dehumanised dimension of acid throwing.

Going by media reports of last one month, there have been several incidents of acid victimisation, indicating a level of recurrence that must set alarm bell ringing for all concerned. Although most incidents stemmed from dowry demands and unrequited fascination towards girls; these also took place as backlashes of hostile relationships in other forms.

Much as we have had well up emotions in sympathy for the victims, we have hardly been able to effectively combat the menace. There has to be a two-pronged containment strategy: involvement of the community and rigorous enforcement of law in terms of curbs on availability of acid, preparing fool-proof prosecution of offenders and their eventual conviction and punishment.

At the community level, messages for sensitisation against the crime are to be dinning into the ears of the youth, particularly the wayward among them. Of real practical value would be the community coming forward to stand witness against the offenders without fear or favour so that they can be prosecuted effectively. Many investigations fell through because of lack of witness, even though the offenders were all too known in the locality.

There is provision for capital punishment with a huge potential for deterrence that may be utilised. By all means, we must find ways to make availability of acid difficult and contingent upon pursuit of genuine business.

Pathways from poverty



ABDUL BAYES

BENEATH THE SURFACE

By 2007, it graduated into the top 10 percent by the same indicator. The story is invoked to argue for two points: (a) different pathways out of poverty apply for different groups of poor, and (b) other than land, there are many ladders which could help households graduate out of poverty.

THIS is the story of a poor turned rich household from Shibchar village under Laksmipur district. We have picked up this household from a sample of 2010 under a Brac-backed repeated sample survey carried out in three periods: 1988, 2000, and 2007.

At the outset, the household appeared among the bottom 40 percent in terms of per capita income. By 2007, it graduated into the top 10 percent by the same indicator. The story is invoked to argue for two points:

(a) different pathways out of poverty apply for different groups of poor, and (b) other than land, there are many ladders which could help households graduate out of poverty.

In 1988, the concerned household was headed by Mahfuzul Huq Bepari (50), educated up to 5th grade. He was the only earning member of an "oversized"

household comprising eleven members: Bepari and his wife, three daughters, and six sons. All sons and daughters were school going with five attending secondary level and three primary level. The primary occupation of Bepari was petty business.

Owning 60 decimals of land, the household had also to eke out a living by renting-in one acre of land from the tenancy market. Half of the members had no health problem; other half seasonally suffered.

Occasional natural calamities affixed agony on the household. The household owned few livestock animals and trees to make life easier. However, it was also heavily indebted, taking money from institutional and non-institutional sources. Income from business and homestead based activities hovered around Tk. 36,000 a year. In per capita terms this amounts to Tk. 3,272 a year.

Bepari seemingly banked on two important pathways. First, he

leaned on cultivating MV and homestead-based crops to ensure food security for the household (technology). Second, he established close contacts with agricultural extension officers to reap home the rewards from new technology.

For example, Bepari used to meet upazila agricultural officer, block supervisors, livestock official more than 10 times a year. He also discussed with local elites about increasing agricultural output (dissemination).

And third, he had developed social networks and norms (social capital) so much so that credit from institutional and non-institutional sources could be easily available at soft terms. By and large, Bepari's household could overcome the odds in the presence of the above-mentioned factors and somehow arrest the slide in economic condition at that time. Children were not withdrawn from schools.

By 2000, three sons went to other districts for jobs after com-

pleting, on average, 10 years of schooling. Internal remittances served as a sigh of relief for the household. Monthly net income was Tk. 12,000.

Bepari gave up cultivating crops, possibly due to growing older, but continued with business. However, home-based activities added some benefits.

The house was repaired and made of tin-mud and tin. A separate kitchen was built. Thus, the improvement this time came mainly from human capital formation and domestic migration.

The household could sometimes meet natural exigencies. All of the existing seven members could take three satisfactory meals a day. Other than rice, the menu consisted of fish (four days a week) and meat (one day a week). The perception is that economic condition of the household improved significantly owing to: (a) more earning members and hence increased earnings and (b) better business that is still continued.

By 2007, Bepari died and his wife took over as head of the household that comprised 10 members including in-laws and grand children. Meantime, two of the members have managed to go abroad and one migrated to other district for a job. The migrations took place in 2002, 2003 and 2006.

Interestingly, the information on job availability -- home and abroad -- was supplied by relatives and elites of the village (social capital). Again, the cost of going abroad (Tk. 250,000 each) was managed from own savings and the help by relatives.

In 2006, the outside members remitted Tk. 800,000 to the household. In per capita terms, this amounts to Tk. 80,000! Thus, from a feeble and one of the lowest per capita income of Tk. 3,272 a year in 1988, the household now stands with one of the highest per capita income among a sample of 2010 households.

It has now a pucca-pucca house with sanitary latrine. Television or entertainment and mobile phones for communication are now available. Another house was built. Both houses have nine rooms.

Fish and meat are now regular items in the menu of the household members who continue with three satisfactory meals a day throughout the year. Both in good and bad times, 4,000 grams of rice are cooked for the household.

Every week, Tk. 2,000 is being spent on buying daily necessities only. Religious and social functions cost Tk. 10,000 a year. The household claims itself to be of higher middle class category and added its uplift, during the last 20 years and even last one year, mainly to remittances.

The transition of Bepari's household from being poor to becoming rich warrants an explanation on the pathways. We reckon that few factors turned the tide and are important for an uplift of the kind that our concerned household witnessed.

First, human and social capital are two of the most important ingredients for the poor to get out of the poverty trap. Second, adoption of new technology in agriculture and accumulation of extension from government or NGOs is a sine qua non for raising land productivity and thus ensuring food security. Third, a vibrant tenancy market is needed for the poor to become de facto owners of land. Finally, more earning members with relatively good health always tend to help a household overcome poverty. A very unusual household size and landlessness could hardly stop the upward march due to the factors mentioned above.

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The perils of unfettered capitalism


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writes from Madrid

LETTER FROM EUROPE

There is no doubt that the current American administration bears a lot of responsibility for this debacle. Bush, Greenspan, and even Paulson are devoted to a free-market ideology and believe that the markets should be left to have their way. But the recent events have demonstrated clearly that when there is a crisis, the government, in order to avoid a total collapse of the economy, is forced to intervene with taxpayer money.

incurred on property, mortgages and leveraged loans.

Another prestigious bank, Merrill Lynch, was lucky. It avoided the collapse by being acquired by the Bank of America. On September 16, the US government in effect, nationalised AIG, the largest insurance company of the world.

As a consequence, stocks around the world, including Russia, plummeted and investors everywhere started pouring money into ultra-safe government bonds (as opposed to corporate bonds) and gold.

It is unbelievable that all this started with something as simple as giving mortgages to some home buyers without checking their solvency status. The lenders loosened the standards to such a level that loans were given to people with no income, no job, or no other collateral except the house on which the mortgage was given.

Everything hinged on a false assumption that house prices would never fall. So if the worst

came to the worst, the bank would simply take possession of the house through foreclosure, and eventually recoup the loan by selling the house.

This was not a very orthodox way of running a banking business but one could keep track of the individual loans, repayments made and mortgage defaults. But the process became far more complicated when, taking advantage of the slack regulatory system, the ever-innovative financiers, who are adept at financial engineering, found a way to trade these sub-prime mortgages as complex derivatives to investors all over the world.

The mortgages were classified by credit rating agencies and bundled together as blocks of CDOs (collateralised debt obligations) or (MBSs) mortgage backed securities, making it impossible to assess their real value at any given point of time.

Yet, banks (both depository and non-depository), hedge funds,

and insurance companies merrily used these CDOs to swap loans and risks with one another without bothering to update their real values.

Thus the bubble was created which kept growing until about a year ago when the number of foreclosures became unbearably high and house prices started to fall. The rating agencies were forced to downgrade the CDOs, thus starting the process of the sub-prime mortgage meltdown.

When this turmoil spread to other parts of the securities market, it created a huge liquidity crisis because financial institutions became hesitant to lend money not only to outsiders but also to each other because of a collective loss of faith in the financial system. Central banks across the world pumped and are still pumping billions of dollars into the market to stop the collapse.

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and even Paulson are devoted to a free-market ideology and believe that the markets should be left to have their way. But the recent events have demonstrated clearly that when there is a crisis, the government, in order to avoid a total collapse of the economy, is forced to intervene with taxpayer money.

This ideology also believes more in deregulation than in the need for a set of new rules and new mechanisms to take preventive actions before the crisis sets in. It thinks that too much regulation destroys innovation in the financial market and that "market discipline" would ensure proper functioning of the market.

Again, the current crisis has shown that the financial market, in general and the investment banking in particular, in the words of one analysis: "Need stricter regulation, more attentive supervision and new operating rules, in order to curb the unlimited risk-taking in a motley variety of markets which until now financial institutions have enjoyed. The survival of healthy and sophisticated financial markets will depend largely on the ability of banks, monetary agencies such as the Securities and Exchange Commission (SEC) to reach general agreement on the new rules of the game. The era of carefree, cheerful deregulation and the remote supervision of banking risks ought to have come to an

end."

The global dimension of today's financial market makes it even more urgent to have new regulations to control the market. Actually, the US was forced to nationalise AIG not only because its collapse would have wreaked havoc on the US economy but also "because it plays a critical role in the opaque and largely unregulated multi-trillion dollar market for a complex financial instrument known as credit default swaps -insurance contracts that protect investors against losses and bond defaults" on a worldwide basis.

Again, one of the principal reasons behind the decision to nationalise Fannie and Freddie was the fact that America's creditor countries like Japan, China and oil producing countries purchased Fannie and Freddie bonds amounting to many billions of dollars on the understanding that both these organisations were backed by the US government, therefore risk free. Being the world's largest debtor country, the US could not take the risk of seeing its reputation sullied. One may, of course, wonder how the US which is already burdened with fiscal and current account deficits will be able to honour its newly acquired commitments. But that is another story.

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Sovereignty and the rules of engagement



KAZI ANWARUL MASUD

GOING DEEPER

Regardless of the debate on a clash of civilisations, Islamic extremism has caused less damage in the Western world than it has in the Islamic countries. Afghanistan and the Nato forces have to judge whether, by inflaming the anti-West sentiment in a front-line state armed with nuclear weapons and engaged in the war on terror, they are not unwittingly falling into the trap of the Taliban.

In a recent report The New York Times revealed that in July this year President Bush had authorised US troops stationed in Afghanistan to carry out ground assaults in Pakistan without the permission of the Pakistani authorities. Under the new policy, the US would only have to inform the Pakistani government, but would not have to take permission.

The underlying reason for the order appears to be US disappointment over the failure of joint operations, such as the Bajur operations jointly undertaken by Nato and the Pakistani forces to catch al-Qaeda leader Osama bin Laden and his deputy Ayman al-Zawahiri, who were reported to have been in the area.

Two days before the troops

were ordered from the corps headquarters in Peshawar, the news of the impending attack was leaked to the militants and the al-Qaeda leadership vanished from the area.

The Americans were also not pleased at the Pakistan government's decision for ceasefire during the holy month of Ramadan because the Americans believe that the Taliban feel no such moral compunction.

Despite the assertions of

Pakistan ambassador to the US, Hussein Haqqani, that the US respects Pakistan's sovereignty and that media reports about US cross-border incursions were incorrect, the US State Department spokesman did not say that the NYT report was wrong.

Though President Zardari has reiterated his commitment to fight Islamic extremism, echoed by Prime Minister Yusuf Raza Gilani during his visit to Washington, former prime minister Nawaz Sharif's PML (N) is threatening to end Pakistan's cooperation with the US on the war on terror.

Sharif's party is demanding holding of a parliamentary session to discuss US intrusions into Pakistani territory. In the long run it is, however, doubtful that the parliament can do little more than condemn the American actions, as billions of dollars poured by the US into the Pak economy will dry up should Pakistan take retaliatory steps against the US. But then again, the US has to consider if it can

fight an effective war on terror without Pakistani help.

Pakistan's insistence on its sovereignty and territorial integrity has to be seen in the light of changing definition of sovereignty that is deemed to have decreased when a government is unable to control the whole of its territory.

A government to be sovereign has to be responsible as well as to the peace and tranquility of the world at large. Annie-Marie Slaughter, a member of the International Commission of Jurists, and Lee Feinstein of the Council of Foreign Relations advocate re-writing some of the rules and provisions of the UN Charter in view of the most dangerous security threat, posed by non-state actors, facing the 21st

century.

They argue that the UN Charter aimed at outlawing the use of force except in self-defense, or when used through a multi-lateral institution, was written in the context of classic inter-state conflicts waged by standing armies of identifiable soldiers.

Though President Bush's doctrine of pre-emption had been rejected by then UNSG Kofi Annan, yet recognising the gravity and the unprecedented nature of the threat, he called upon the UNSC to consider "early authorisation of coercive measures."

Slaughter and Feinstein argued that Kofi Annan's call for authorisation opens the gate for revision, or at least a reinterpretation, of what constituted a "threat to peace" under the UN charter.

Hamid Karzai's threat to send troops across the border is perhaps based on the assumption of a country's "right of hot pursuit" right of self-defense. Despite Pakistan's description of Karzai's comment as "irresponsible" and "illegal under international law," some analysts have drawn comparison with the Turkish hot

pursuit of Kurdish rebels into northern Iraq.

But Jim Denslow (of Kings College, London) has refuted the argument on the ground that at the time of the Turkish incursion, northern Iraq was not sovereign territory since 1991 due to the imposition of no-fly zone and the establishment of Kurdistan Regional Government, which was an autonomous entity.

Nich Grono of the International Crisis Group has doubts about the application of the doctrine of hot pursuit in Afghanistan because the concept originated from the law of the sea that authorised chasing of an offender ship that had crossed into the water of another country.

But the behaviour of the superpowers during the Cold War and beyond, of Colombia's pursuit of FARC rebels into Ecuador