

Dealing with effects of global economic crisis

Need for a high profile task-force

At long last, we have an expert view urging the government to set up what we see as a radar screen of our own to monitor the world economic crisis threatening to aggravate into recession, and God forbid, into depression, with their likely knock-on effects on the economies of developing countries. At a CPD discussion meet on "The global financial crisis and what it means for Bangladesh", policy makers, economists and analysts demanded in one voice that a high profile committee be formed in line with the gravity of the unfolding situation to mitigate its spillover effects on our economy.

This finds a resonance with us almost instantly; for, in two previous editorials on the subject we had underscored the need for a clear-cut approach to the issue based on a serious perception of the possible ramifications rather than holding on to a mixed view that being insulated from the world economy we are likely to be negligibly affected. The CPD dialogue has clearly brought up the fact that Bangladesh would not be immune to the global financial meltdown and its negative spillover.

In broad strokes, as far as we can see, revenues from merchandise, services and manpower exports might shrink from a deep slide in consumer demands in the developed world; flows of foreign aid and FDIs could decline; and we might face the challenge of revaluing taka vis-à-vis dollar raising the twin issue of importing at higher costs and exporting at reduced values.

On the positive side, the lower global demand could trigger fall in oil prices leading up to decline in food and commodity prices. At least, these would be stable with the benefit of a fall in inflation rates.

We need a two-pronged strategy here; one is to minimise the negative effects by taking appropriate adjustment measures and the other concerns itself with obtaining the gains from the positive trends.

The competent taskforce that top economists have in mind is to include all the major stakeholders including politicians who are poised to run the country after the elections due in a few months' time. With the Bangladesh Bank Governor supporting the idea wholeheartedly, it remains for the government to put such a taskforce in place in consultation with the major political parties without further loss of time.

A watchdog on food safety

The matter is too important to be put off for tomorrow

It has been our consistent call to the government since the unfortunate and dangerous melamine affair surfaced that it must set up a central authority with the specific task of exercising oversight over the quality of food items, imported or produced locally. Our suggestion has been echoed by experts at a seminar in the capital recently.

Handling of the melamine issue has been woefully lacking in many respects. We essentially suffered from the absence of a central testing facility capable of testing the different brands of imported powdered milk. The utter helplessness of the public was compounded by the fact that there was need to test and retest the products there being no one laboratory that could be relied upon totally. Regrettably, the government shrugged off its responsibility in the matter by not putting out the necessary advisory for the public to act upon in the interregnum, till a definitive finding was made available on the brands under question.

This unfortunate and dangerous episode has exposed certain shortcomings of the system dealing with the quality of food. Apart from the fact that there is no one single testing unit, the laboratories that are there are not only short handed, they also suffer from the lack of adequate technical resources and logistic support. Along with the upgrading of the facilities one of these must be assigned the overall responsibility for testing and advising the government. What is often overlooked is that the various stages of monitoring that imported food items should be put through are often circumvented, and the point of containerisation of these items from bulk, for the local markets, is often spared the scrutiny, making adulteration of foreign products very easy. And because of shortage of manpower, the oversight during and after distribution is extremely lax, if not totally absent.

We believe that if the government had so far not realised that these measures required an apex body to coordinate the various steps, it is about time it did so. When there is a drug administration authority in the country why cannot we have one whose job it would be to constantly monitor the market to ensure that all the items of food conform to the prescribed standard laid down by the government?

It is a matter of utmost importance; it can brook no delay since it has to do with the very state of health of the nation. If today's children are fed with contaminated food we will soon have a generation of sick youth. That is a situation the country can ill afford.

The best of times, the worst of times



M. ABDUL HAFIZ

NOTWITHSTANDING its unfinished agenda and half-done undertakings, including the much-vaunted anti-corruption drive, the caretakers' reaching a broad understanding with the politicians while taking the nation along towards a democratic transition can be considered the magnum opus of their achievement, if any.

It's a refreshing experience that the country is readying for the much-awaited national election by the end of the year. We are told that the nation is pretty well on the highway towards the election and asked to maintain its momentum.

In achieving this feat a stage has, however, been reached when the authorities will have to sift what is practicable from a perfectionist view of things. Otherwise it may

PERSPECTIVES

The caretaker dispensation will absolve itself only by empowering those peripheral, incidental, and marginal millions through a credible election for which the stage is apparently set. But then we live in uncertain times and are on tenterhooks. While the BNP-led alliance has hardly changed much in substance, the disruptive forces contradicting the established values of the nation and denigrating our primordial cultural symbols have been baring their fangs.

lose its way in a cloud-cuckoo-land, missing what is almost in its grasp.

A reality check suggests that the arrangements crafted by the authorities for an orderly change of guard, ensuring at the same time a qualitative change of the polity, will just come crashing down, rendering the progress already made to go haywire if it continues to tread the never-never land of unachievable utopian ideas in the name of reforms.

Stretching matters too far is not always wise and can be counter-productive for everything has its elastic limit beyond which things usually end up in whimper. More so, at this critical time when the forces which sullied the past and

have little prospect in election may feel tempted to throw a spanner in the whole process of the historic transformation.

There are happy tidings that with the major differences between the politicians and the government reduced to bare minimum, that the rest can also be conveniently taken care of, as has been disclosed by spoke persons of both the AL and BNP which matter most in the ongoing dialogue after Thursday's crucial meeting with the government.

The BNP has toned down its schizophrenic demands and fallen in line with the EC's registration conditionality, of course, after a good deal of histrionics. The AL, ever reconciliatory to the govern-

ment initiative and scheme of things has apparently no major discomfort with the election schedule and plan.

Yet, there is a gray area which may render the electoral highway non-negotiable for both the AL and BNP, although both are positive on the participation in election. There is as yet no unequivocal official commitment with regard to the electoral status of both the top political leaders, Sheikh Hasina and Madam Zia; neither is there a clear official position on the lifting of emergency.

Both the top leaders' participation in the election and the lifting of emergency constitute irrevocable stands in the litany of demands by both the AL and BNP. The authorities' response in this regard is

ambivalent at best, although it does not reject them outright. There is still a great deal of optimism that this Achilles' Heel can be removed thanks to the brinkmanship of Hossain Zillur Rahman, the establishment's principal interlocutor.

So far, so good. We, the members of the public, also want to remain glued to this optimism. Now there can be debates and discourses with regard to the nitty-gritty of the electoral exercise itself, but a lid must be put on any major bargaining any more over post-electoral power equations in the name of reforms and soon.

After all, the present dispensation cannot cleanse the Augean Stable overnight. Let there be something left also for the collective wisdom of the people who are the critical mass of our democracy and not the urban elite who constitute the political leadership. It is only they who matter in taking Bangladesh out of the mess it is stuck in.

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stance, the disruptive forces contradicting the established values of the nation and denigrating our primordial cultural symbols have been baring their fangs.

The broad spectrum of religious rights euphemism for the extended support base of BNP-Jamaati so-called "nationalist-Islamist" goons are ominously on the rise. Their showdown with regard to the baul sculpture as well as the incendiary pronouncements of the leaders in the name of religion are pointers.

Yet the people and the authorities have a common stake in the election and are steadily moving towards a collective purpose in spite of snags awaiting their removal. The government may have a different perspective and action plan to deal with the looming danger, but the people are quite capable of dealing with the contingencies if allowed to exercise their electoral right unfettered.

The authorities have brought the nation to a valley both of hope and despair. How the situation eventually comes to pass will determine their ultimate success or failure. We, the public, want to trust in the government's sincerity of purpose and its oft-repeated optimism.

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Obama is a socialist now?



ABDULLAH A. DEWAN

FOR the last few weeks, McCain's campaign catchphrase was: "Obama palling with domestic terrorists." For over a week now, the catchword is Obama's economic agenda is "socialistic."

When explaining his middle class tax cut for families making less than \$250,000 annually in a campaign stump in Ohio, Senator Barack Obama used the "apparently" unpopular phrase "spreading the wealth around." Rival candidate Senator John McCain has since been hammering out to suggest Obama a "socialist" and that his middle-class tax plan "is not a tax cut it's just another government giveaway."

Driven by sheer desperation, McCain's unsavoury campaign is not only turning uglier as November 4 is closing in it's unfolding into a pattern of all out assault to demonise Obama and his tax cut for 95% of Americans.

In rally after rally, McCain and Palin are forewarning voters that Obama is a "shifty, job-killing socialist" one who is far more liberal than mainstream Americans, and is pursuing "socialist" tax policies.

At a fundraising event in North Carolina, Palin credited the constituency as "pro-America areas of this great nation." Another North Carolina congressman, warming up crowd in a Palin rally shouted: "Liberals hate real Americans that work, and accomplish, and achieve, and believe in God!"

In MSNBC's "Hardball" with Chris Mathew, a Minnesota congresswoman pronounced herself "very concerned that [Obama] may have anti-American views." Ohio Republican Senator George Voinovich, usually levelheaded,

NO NONSENSE

One wonders what the Republicans are thinking, given 80% of Americans live in metropolitan areas, not small towns; ethnic and racial minorities account for 33% of the US population; 45% of children under 5 are minorities and increasing; 88% people are God-fearing and 70% consider all other religions are valid for salvation.

said: "With all due respect, the man is a socialist."

Hard-hitting campaign of mails and automatic phone calls ("robo-calls") to voters in swing states assailing Obama's character, past acquaintances, record on abortion, patriotism, and lately "tax policies as socialistic" have already been running for over two weeks now, which most votes ignore as a mish-mash of irrelevance.

Does McCain really believe he would win the White House by relentlessly pouncing on every gaffe and association and fake controversy about his rival?

All of McCain's attacks on Obama have unpalatable racial nuance. As Rosa Brooks (Oct. 23, Los Angeles Times) decoded them: "There's the America that might vote for Obama (a suspect America populated by people with liberal notions, big-city ways and, no doubt, dark skin), and then there's the 'real' America, where people live in small towns, believe in God and country, and are ... well ... white."

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On the question of patriotism: 59% people think wearing an American flag pin is a way of showing patriotism but 66% think that protesting US policies they oppose is equally patriotic. Lastly, more than 50% prefer the Democratic Party over the Republican Party.

Everyone agrees if Obama loses

the election it's because white voters have changed their mind in the voting booth. But if the projections hold, Obama will be elected president by winning the largest

campaign is slowly unfolding. Nicholas Kristof (Oct 22, NYT) thinks that Barack Obama's presidential victory would help shape American politics in the way that



Rising above it all.

share of white votes by a Democrat in 30 years.

Knowing all these statistics --- and down in the polls in every swing state by at least 8% or more it's inexplicable why McCain's campaign is still pursuing a divisive and destructive politics of discredit. Latest CBS-NYT nationwide poll (October 24) gives Obama a 13% lead over McCain.

The campaign seems kaput with internal dissension and an "epidemic of incontinence" on his

the Marshall Plan did in the 1950s or that John Kennedy's presidency did in the early 1960s.

In his endorsement, George Bush's former secretary of state General Collin Powell (a lifelong Republican) said that Obama is a "transformational figure" and that his win "will also not only electrify our country, I think it'll electrify the world."

These assertions are visibly borne out by a 22-nation BBC survey in which the people polled favoured Obama over McCain in

McCain's new "wealth-spreading" or "socialistic" campaign slogans against Obama overlooks the fact that the US always had a progressive tax code higher income earners progressively pay higher taxes. The facts are:

In 2001, McCain voted against Bush tax cut arguing that "the benefits go to the most fortunate among us, at the expense of middle-class Americans."

Calling Obama's tax credit to those who pay none as "socialistic"

is distorting since the 40% working people who don't pay income tax still have 7.65% taken out of their payroll taxes.

Social security, Medicare, Medicaid, unemployment insurance, food stamps are social welfare programs supported by tax payers.

The \$700 billion Wall Street rescue package that includes buying shares of nine largest banks, government takeover of mortgage giants Fannie Mae, Freddie Mac and lending money to other large financial institutions and businesses such as automobile companies is also socialistic.

McCain's \$5000 tax credit for the 47 million uninsured to buy health insurance is a welfare program taking money from the tax-payers and giving them to non-tax-payers.

Ruth Marcus (in Oct. 22, RealClearPolitics.com) said: "The government is fundamentally about sharing for the common good; taxes are, as Oliver Wendell Holmes said, the price of a civilised society. McCain is running a campaign both uncivil and uncivilising one I expect he will rue win or lose."

If elected president, Obama will face many challenges:

Rescuing the country from the ongoing financial imbroglio to a path of stable growth and prosperity.

Pass a health-care reform that essentially realises health insurance close to universal coverage.

Infrastructure investment and achieve energy independence away from a reliance from imported fossil fuels.

Bringing the Iraq war to a peaceful end.

Formulate a winning strategy against al-Qaeda in Afghanistan.

On foreign policy, Obama favors greater international cooperation and the forceful use of diplomacy before being adversarial.

These aren't easily attainable goals by any stretch but then no president is known to achieve all of his agenda. If he succeeds in achieving many of these goals, Obama would be acclaimed as the most accomplished president since Franklin Roosevelt.

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The Great Depression



M.J. AKBAR

THE big debate about when the next general elections should be held, whether in February next year or April is a lot of wasted waffle. You have to be a bit out of touch to believe that the voter really cares whether it comes thirty days before or after. The moment of decision has long past.

I suspect that much of the hot air spent on the argument is either simulated or an expression of anxiety. The anxiety is not limited to

BYLINE

Last year, this time, inflation was just a growing blip on the economic radar, not an established truth. Terrorism was a dull pain, not the searing psychological wound it has become. Very few governments can manage an adequate response to hunger and fear, particularly if they have been responsible for stoking both.

those in power, although they have monopoly rights over the decision. Those who want to get into power are possibly even more tensed. But seasoned politicians on both sides know in their gut that, minor variations aside, the voter has already made up his, or more importantly her, mind.

The Congress missed its moment twelve months ago. Mrs Sonia Gandhi for she makes this decision, not Prime Minister Manmohan Singh, though it is his government

which will be held accountable should have gone to the people just after the monsoons of 2007, along with the Gujarat Assembly polls.

There was still some marginal fizz around the Indo-US nuclear deal, largely because it was still within the zone of hazy promise. Since then facts have tumbled out slowly, as documents exchanged between George Bush and the US Congress could not be suppressed from public discourse. The deal is now flat, and vote-neutral. Compared to

inflation and the fear of terrorism, the deal is very small potatoes.

Last year, this time, inflation was just a growing blip on the economic radar, not an established truth. Terrorism was a dull pain, not the searing psychological wound it has become. Very few governments can manage an adequate response to hunger and fear, particularly if they have been responsible for stoking both.

Nor had the Congress made the serious tactical mistakes that are going to cost it big, as in the mishan-

dling of the Amarnath agitation. It takes a unique ability to end up on the wrong side of both Hindu and Muslim community sentiment, but the Manmohan Singh government has achieved that.

If Amarnath was the tipping point for the former, the encounter in which the Delhi police killed two young men near the Jamia Millia became the turning point for the latter. It needs to be noted that Home Minister Shivraj Patil took personal credit for supervising that encounter.

Different sections of the electorate have separate reasons for discontent. Inflation erodes support among the band between the poor and the middle class. Deflation of stocks values hits those with surplus incomes. Shrinking credit and capital flows depress industrialists, and put pressure on prices and jobs, which hurts consumers and the salaried. Bad news always tends to have a multiplier effect.

The real bad news for the

Congress may lie not only in the quality of its own fate, but also in the electoral fortunes of its allies. In 2004, the Congress had assets on every side, while BJP was weighed down with incumbency and the Gujarat riots. The Left was a huge plus. The Marxists do not exist merely in Bengal, Kerala and Tripura. There is a Left sentiment that reinforces any appeal to the poor and the minorities, particularly Muslims.

It may not be a decisive influence, but it matters. This time, the Left will accuse the Congress of running the most right-wing government, pro-rich and pro-American, since Independence. Allies with a more specific regional constituency are in a bad shape. Lalu Yadav cannot repeat his success in Bihar, where Nitish Kumar has reinforced his support with good governance. The DMK will drag down the DMK-Congress alliance in Tamil Nadu, where losses will be heavy.

The pro-Telangana movement bolstered the Congress in Andhra

Pradesh; this time it will take revenge for the fact that Congress reneged on its implicit promise of a separate Telangana. In addition, the new phenomenon of Chiranjeevi will eat away Congress votes. In Maharashtra, Sharad Pawar will be struggling to preserve what little he has that he cannot be of much help to his partners.

Elsewhere, the Congress has lost a great opportunity by alienating Mayawati. She might have extracted a heavy price in Uttar Pradesh, but she would have been a boon in a dozen northern and mid-nation states. She could hurt the Congress in about a hundred Lok Sabha seats.

The Congress preference for Mulayam Singh Yadav is curious. He is not going to be any more generous in Uttar Pradesh than Mayawati would have been, and offers nothing anywhere else. But when all your political calculations are compromised by the need to satisfy the Prime Minister's single-point obsession with one deal, then a

mess is probably inevitable.

The only difference that an April instead of a February election can probably make is that the Congress would lose half a dozen more seats. A trend only intensifies with time.

The Assembly elections of November and December are a bit of a trap. If the Congress cannot exploit the anti-incumbency sentiment in the BJP-ruled states, which it should, then its supporters will be further depressed after losing a string of states over the past year.

The Congress will need dramatic victories in Delhi, Rajasthan and Madhya Pradesh to create any buoyancy in its ranks.

The results of a general election are the sum total of federal results. The state of the states will determine who will form the next coalition in Delhi. If you want to find out who will rule Delhi, go south. And the south, in the next general elections, begins in Rajasthan.

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