

## JMB claws hardly blunted

*A lot more needs to be done to neutralise them*

**T**HE bombshell of a terrorist act by a JMB operative in the jaws of police custody, with his associates keeping him company, at a press conference in Gazipur, has definitely heightened concern about the extremists' undiminished capacity to unleash terror at the time and place of their own choosing. That they can show their hand in the unlikely of circumstances has been proven once again.

The sheer dare-devilry and desperation, brought to bear on the rueful action of the captive who flung himself on the seized grenades to pull the pin out of one to detonate thereby hurting a dozen including policemen and journalists, should be an eye-opener to the length to which terrorists can go to demonstrate their prowess.

There are precisely two sets of questions that arise in the aftermath of the unprecedented show of claws by the terrorist. The first one relates to the handling of the captives, especially with grenades being on display at a close range from them. Why weren't the grenades kept at a safe distance from them, even allowing for the fact that the police needed to show both the captives as well as the weapons? More importantly, why were the grenades not disarmed before displaying, which is a normal practice? Obviously, in dealing with the freshly netted JMB operatives, a close watch had to be kept; instead, a relaxed and casual approach was taken to the risky part of parading them before the journalists. Quite clearly, the police need to be trained in the best practice of handling terrorists in custody with their cache of weapons.

The Gazipur incident is a ringing wake-up call as to how networked the outlawed JMB has managed to remain despite the execution of its stalwarts through court verdict. In addition to the apprehensions about its second or third tier operatives trying to reincarnate, the appearance of trained female militants on the scene, with one of them taking out a SIM from a cell phone and biting it into pieces in front of the police point to their high skill acquisition and activity levels, which in turn, would raise suspicion about possible international linkages. There seems little doubt that between the time that the JMB leaders were hanged and now the outlawed organisation may have struck some fresh roots.

It is, therefore, imperative that the government shakes off any trace of complacency over the growing terrorist threats, and being fully focussed on the issue, makes its counter-terrorism moves with lot of preparedness, grit and punch. Nothing short of this will ever help contain terrorism.

## Tragedy on the Kirtonkhola

*Some stern measures are now in order*

**T**HE tragedy which occurred on the river Kirtonkhola on Thursday is only one more instance of the callous indifference shown by people in charge to passenger safety concerning movement of river vessels. The story, as tragic as all others of its kind in the past, is simple: one vessel, in this case a cargo-carrying one, rammed into a launch that was, as usual, overloaded with passengers. There are a couple of questions that immediately arise in the aftermath of the accident. Firstly, why was an individual other than the captain of the cargo vessel allowed to operate the vessel? Secondly, despite all the rules and regulations periodically spouted out by the authorities about the number of passengers river vessels can carry, why are there no efforts at all to see such measures through?

The shame about the Kirtonkhola tragedy is that no one knows precisely how many people were on board the launch ML Fahmida Happy Express when it was rammed by the sand-laden vessel MV Sanim. The launch is expected to carry no more than ninety five passengers. One can be quite sure that the number far exceeded that. Worse, there are a very large number of the bodies of those who perished in the accident yet to be recovered. As for MV Sanim, those in charge of it have been taken into custody. The question now, though, is whether full and appropriate legal measures will be initiated to ensure that those responsible for the accident face justice. And then of course comes the matter of overloaded vessels. The first question here relates to those whose job it is to ensure, round the clock, that all river vessels comply with rules before setting out on their journeys. Oddly enough, when the Bangladesh Inland Water Transport Authority itself laments the absence of skilled crew on the vessels, an absence of hydraulic steering systems, flaws in design, et cetera, one realises clearly the huge vacuum that prevails between the law and its application. Everyone appears to have a hands-off attitude where river transport is the issue; and the relevant authorities only sit up every time some more people die when their vessels sink into the river. The chairman of a three-member inquiry committee into the accident has informed us that the documents relating to the two colliding vessels have been examined. Should such an exercise not have been gone through beforehand?

Let a purposeful inquiry be made; and let the families of those who have perished be compensated adequately. And let there be a complete overhaul of the administrative structure regarding an assurance of travel security on the rivers.

## Does Bangladesh need a stimulus package?

Though the currencies of our neighbouring countries have depreciated due to market driven factors, the taka has maintained its position, as we have not experienced large capital outflows like those countries. If devaluation is not possible, we can also think of providing targeted subsidy to sectors that are hard hit.

MAMUN RASHID

**T**HE global financial crisis has made all the countries think about protecting as well as reviving the growth of their respective economies. Most of them have already come up with various stimulus packages to bolster economic activities.

There are debates on how to execute this stimulus, and on the best possible way to attain the ultimate objective -- to enhance economic growth amidst global meltdown. However, there is little doubt about the necessity of the stimulus package, or encouragement to the growth sectors.

As Bangladesh was not directly affected by the global slowdown, there was some complacency in the beginning. However, this crisis is still unfolding, hurting asset groups and countries in different ways.

We are aware that our exports and remittances have become vulnerable in the face of diminishing global demand. Although we have not as yet been hurt significantly, the uncertainty raises the question of what we should do to protect our economic growth.

One way is to stay as we are, and take action as the situation unfolds. However, it may be too late if we let this situation worsen further, and then even an active stimulus package may not be effective enough. A stimulus package is needed right now to tackle the problem before it becomes a threat.

What kind of stimulus will be appropriate for Bangladesh? Do we want to push for continued expansionary monetary policy, or focus more on fiscal stimulus? Which one will be more effective? What would be the price of this stimulus? Can we afford

this? Our budget deficit is already at 5%. Should we not be concerned about increasing the deficit further?

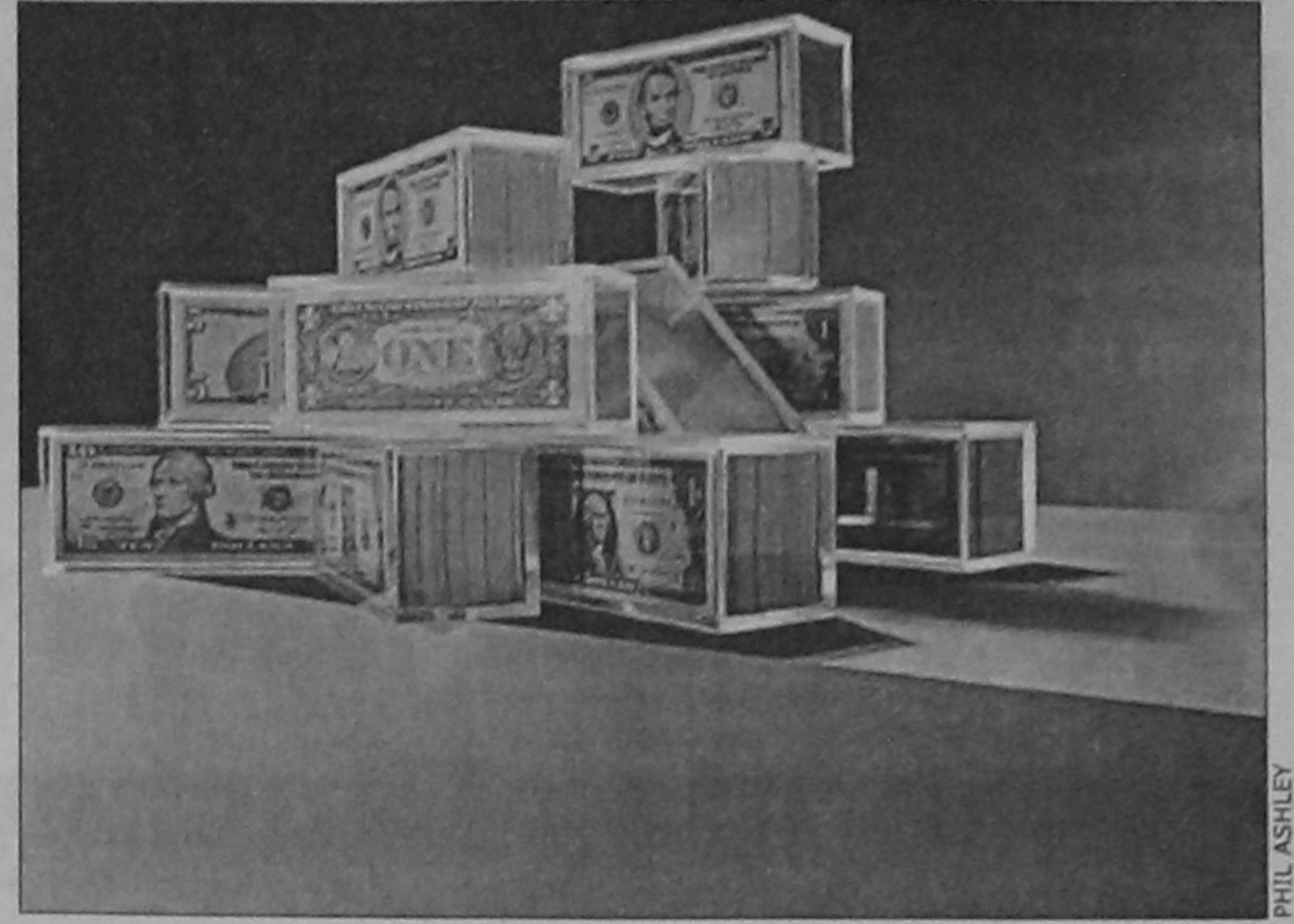
The government has been elected with a strong mandate to curb inflation. Further easing of monetary policy may create obstacles in keeping price level at the desired level. How can the government strike a balance between these two?

The high level of inflation in the last 2-3 years mostly stemmed from international commodity prices. As we import a lot of commodities, we were impacted significantly. The continuous credit growth of around 25% in the financial system also bore evidence to that.

However, since September, international commodity prices have started to come down. As a result, inflation is going down and should go down further. The reduction in prices of commodities has also curtailed the value of our imports significantly. As a result, the credit flow will also come down.

But as we are monitoring the data with a lag of 2-3 months we are finding it difficult to determine how much room we actually have to increase credit flow and inflation. The January L/C opening data shows 37% reduction from last year. Also, our revenue collection has been well below the target level as the value of imports came down significantly. We are also observing that all the banks have surplus US dollars, which they are surrendering to the central bank.

If the central bank had not bought the dollars, the taka would have largely appreciated, whereas our policy makers want to devalue the currency a bit more to support our exporters and remitters in the face of devaluation of our competitors' currencies. As global demand is drying up rapidly,



Where do we fit in the financial matrix?

it is imperative that we support our exporters to maintain and, in many cases, expand their market share.

All this suggests that the fundamental principle of any stimulus should be to enhance the credit flow. In the current scenario, we have enough room to expand the credit flow to 30% and still keeping inflation within single digits.

Enhanced credit flow, on one hand will help create incremental economic activities and employment, and on the other hand will help our exporters to snatch away market share by expanding capacity.

Though the currencies of our neighbouring countries have depreciated due to market driven factors, the taka has maintained its position, as we have not experienced large capital outflows like those countries. If devaluation is not possible, we can also think of providing targeted subsidy to sectors that are hard hit.

We can also think of reducing the reserve ratios, which has recently been adopted by many Asian countries to increase liquidity in the market. This stimulus would have to be simultaneous

in both the monetary and the fiscal fronts.

With monetary easing we would make the banks liquid enough to expand credit flow. The government should spend on infrastructure building, which will indirectly improve the business viability of a lot of SMEs. With a more viable business environment, SMEs will find enough room to grow with greater availability of credit from the financial sectors.

All this will generate more economic activity and create employment, with a relatively stable price level. The reduced international commodity prices will ensure that we will not have to pay as much subsidy for food and oil as previously anticipated.

We should plough back this amount to the financial system to generate more economic activities without much threat of incremental budget deficit. Enhanced credit flow would also ensure the growth of our revenue collection, which is also necessary to maintain macro-economic sanity.

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## Dancing with a bear

A friend reminded me of an even more appropriate aphorism, and was kind enough to add that this had become relevant to the whole of South Asia. The quotation was from the Bible of South Asian democracy, Alice in Wonderland. If you don't know where you are going, any road will take you there.

M.J. AKBAR

**I**NSTEAD of banning opinion polls during election time, the government should ban subversive academic organisations like Kolkata's Indian Statistical Institute (ISI). Opinion polls and exit polls are way off the mark, so why bother? A ban only betrays the nervousness of a government anxious to come to power but uncertain about how this will happen.

It is true that the slightest shift in the electoral demographic could send a government from the heaven of office to the hell of irrelevance. But does the cabinet of Dr. Manmohan Singh and the party of Sonia and Rahul Gandhi actually believe that the Indian voter sits biting his nails before a television while making up his mind about this vote?

The really accurate pollster is not a pseudo-scientist available on hire, but the social scientist whose name you do not know.

Facts on the mood of the voter have been gathered by the ISI, based on data collated by the National Sample Survey Organisation from about 124,000 house-

holds. Get ready for a sharp crack in your first illusion.

The UPA government, through its economic spokesman Montek Singh Ahluwalia, has sold us the bait that poverty has gone down. Fact: the number of people living below the poverty line has actually increased by 20%.

India had some 270 million people below the poverty line when the present government took office. That number has increased to 55 million after five years of policies named after the "aam aadmi" (common man) but shaped for the "khaas aadmi" (vested interests).

The economic map of India has shifted the axis of tension. The old notional north-south line that divided the country into broad politico-cultural halves is passé. There is a new poverty diagonal that separates the nation on a north-west to south-east arc.

The India to the east is sinking towards Bangladesh and Burma; India to the west is rising, and becoming the stuff of popular aspiration and fantasy.

A stunning 14 out of Bengal's 18 districts

are among the 100 poorest in India, after three decades of Marxist rule. The most indigent district in the country is not in Bihar, Orissa, or Jharkhand, but in Bengal: Murshidabad, capital of a principality that once included the whole of Bengal, Orissa, and a significant part of Bihar.

When Robert Clive stepped into Murshidabad in 1757 after victory in the Battle of Plassey, he looked around in wonder and exclaimed that it was richer than London. Today he would look around and find women slaving away, making bids at the rate of Rs 41 for a thousand, out of which the middleman keeps six rupees.

Muslim-majority Murshidabad has a population density of 1,102 per square km against a national average of 590. Among its constituencies is Jangipur. Its member of parliament is the present finance minister of India, Pranab Mukherjee.

Wouldn't it be ironic if the Marxists were pushed back in Bengal but won Jangipur, as the law of accountability began to extract its price? The job losses that could cross over a hundred million by March are going to have significant impact on voter mood.

January saw a fall of 24% in exports from last year. Realists consider the Reserve Bank of India's projection of 7% growth optimistic. Rising India might be under a cloud for the last six months, but Stagnant India has been in gloom for years.

There is little coverage of this gloom since media is driven by advertising; advertising is interested in consumption, and the hungry do not even consume food. It is extraordinary how political parties shy

away from decisive facts, and chase ephemeral ones. The extended BJP family is sending vigilantes to check on what the young are doing in their leisure time, but displays little interest in what the young really want -- someone to worry about their workplace.

It is understandable when a ruling party shies away from the economy because it has no answers. Why should an opposition party be averse? All it has to do is ask questions.

The political discourse is consumed not by issues that are relevant to the voter, but by posturing and negotiations for partnerships of convenience.

The parties do not even pretend to have any ideology in common, or similar purposes. Everyone knows that the negotiations for office after the results will have little to do with the manifestos that will be printed before the elections. There is only one weight that will be placed on the scales of judgment, the weight of numbers.

One is often reminded, while watching the pantomime, that when you dance with a bear you don't stop. Those who stop get mauled before they can walk off. A friend reminded me of an even more appropriate aphorism, and was kind enough to add that this had become relevant to the whole of South Asia.

The quotation was from the Bible of South Asian democracy, Alice in Wonderland. If you don't know where you are going, any road will take you there.

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## It takes two to tango

The Republicans and the Democrats have diametrically opposite views on the burning issues of the day, such as how to revive the economy, deregulation, environmental protection and healthcare. Bipartisanship would mean compromising with the Republican policies that has devastated the country over the last eight years.

FAKHRUDDIN AHMED

**O**LD habits die hard. The Republicans have had so much success with the Karl Rovian tactics of attacking an opponent's strength, such as swift-boating John Kerry's war records, that they are attempting to do exactly the same to President Barack Obama.

Bipartisanship is Obama's strength. Therefore, the Republicans are determined not to let Obama be bipartisan! President Obama had offered Republican Senator Judd Gregg of New Hampshire the very important cabinet post of commerce secretary, which he initially accepted. Under heavy pressure from his Republican colleagues, Gregg withdrew his name from

consideration last week.

Although Obama had wined and dined Republican congressmen and senators and met with them repeatedly, not a single Republican congressman voted for the \$787 billion stimulus bill that President Obama enacted into law on February 17. Only three Republican senators -- Arlen Specter of Pennsylvania, Olympia Snowe and Susan Collins of Maine -- voted for the bill. That had more to do with political expediency than conviction. The three senators represent states that are increasingly Democratic.

The official reason for the Republican opposition to the stimulus bill is that it involves "generational theft" (John McCain) and wasteful spending. Funny, these are the same Republicans who gave

George W. Bush everything he wanted so that he could run the country into the ground. For the Republican legislators to pretend that they are now all fiscal responsibility is a hard sell.

The real reason is the Republican hope that the stimulus bill will fail to stimulate the economy, so that they can say that it was a Democratic bill passed without Republican support; therefore Democrats are to blame for the failure and the Republicans should be elected to correct it.

Of course, this may be wishful thinking. Most Americans support the stimulus bill; President Obama's approval rating is 70%; 48% of Americans favour the congressional Democrats, compared to 32% who support the congressional Republicans. With their opposition to a popular president and a popular bill, the Republicans may be committing political suicide.

Bipartisanship requires a willing partner. The Republican Party is anything but. Their aim is not only to deny Obama bipartisanship, but also to derail his presidency from the outset, so that a successful Obama presidency is impossible.

Bipartisan is a nice sounding word that does not accomplish much politically. It entails compromise; meeting the other party half way. The Republicans and the

Democrats have diametrically opposite views on the burning issues of the day, such as how to revive the economy, deregulation, environmental protection and healthcare. Bipartisanship would mean compromising with the Republican policies that has devastated the country over the last eight years.

Americans rejected the Republicans and their policies decisively last November. It will be a mistake if President Obama allows the failed policies of the Republicans to reappear in compromised bills in the guise of bipartisanship.

For most Americans bipartisanship means a more civil discourse between the political parties -- not a hybrid legislation that contains the good and the bad. Regardless of what the Republicans may attempt to do to discredit him, Americans have concluded that President Obama is "bipartisan." Not only that, Americans firmly believe that President Obama is post-partisan and instinctively civil.

If the Republicans do not wake up to that reality and continue to be obstructionists, they will learn their lesson through another electoral catastrophe.

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