

Coping with the global crisis

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THE impact of the still unfolding global crisis on the economy of Bangladesh and actions needed to counteract/minimise the potential adverse consequences have become subjects of intense discussions in various circles. Policy choices in this regard must be based on: (a) the identification of the channels of transmission of the crisis to our economy, (b) assessment of the intensity of negative impact, if any, and (c) evaluation of trade-offs among policy instruments.

A paper presented by the Centre for Policy Dialogue at a seminar on March 28 correctly identifies four transmission channels: (i) exports, (ii) remittances, (iii) official development assistance, and (iv) foreign investment inflows -- both direct (FDI) and portfolio. The paper observes that movements in the latter two variables are unrelated to the current crisis. I agree fully with this observation.

Given a large pipeline of previously committed but undisbursed aid, a record level of new commitment of \$1.34 billion by the World Bank (of this amount \$ 958 million was approved by the Bank's board during the tenure of the caretaker government) and express declaration by the leaders of many developed countries that development assistance will not be reduced despite their own budgetary problems, ODA flow to Bangladesh is unlikely to shrink.

Investment inflows to any country are usually subject to considerable annual fluctuations, influenced by many factors. Moreover, a recession in source countries releases two opposing forces. On the one hand, lower sales and profits may deplete investible surplus. On the other hand, depressed domestic conditions encourage active search for profitable opportunities for investment abroad.

FDI inflow to Bangladesh in the first half of the current fiscal year was nearly 25 per cent higher than the average

annual flows of the preceding three years. Portfolio flows constitute a very small proportion of market capitalization; movements in this variable do not, therefore, pose a threat to growth or capital market stability.

As regards exports and remittances, the situation so far is not greatly worrisome, though there are some budding concerns. Back in October 2008 when the first signs of recession in the real economy of developed countries were becoming visible, my response to a question asked in a seminar at the World Bank headquarters was that I did not foresee any serious adverse impact during FY08-09.

The logic was that as income fell, consumers would switch to lower end garments which constitute 75 percent of our exports. Nearly 70 per cent of our remittances came from the Middle-East countries awash with earlier petroleum bonanza. Any alarming fall in demand for labour and hence remittances was, therefore, also unlikely. Of course, if the recession became protracted and very deep, some unsavoury consequences could not be avoided. The logic has held up so far.

Total exports during Jul 2008-Jan 2009 recorded a healthy growth of 18.2 percent, backed by growth of 26.2 percent for knit garments and 20.6 percent

for woven garments. Given either negative or much lower positive growth of most of our competitor countries, Bangladesh has actually increased its share in world export.

A small negative growth (1.2 percent in the last quarter of 2008) does not necessarily presage an emerging trend as the fall in October was followed by an increase in November. The fall in December was also followed by a pick-up in January 2009. Overall, therefore, our export sector is not yet in a state of distress and apparently far removed from disaster.

However, some of the sub-sectors may have been adversely hit. Based on Jul 2008-Oct 2008 or Oct 2008-Jan 2009 data, the sub-sectors that might have been adversely affected would include raw jute, jute goods, leather and leather goods, agricultural products, tea, and frozen foods.

Remittances have also followed a pattern similar to exports. There was a substantial fall in October 2008, but a fairly steep rise in November 2008. There was a minor decrease in December 2008, but again a steep increase in January 2009, recording the highest monthly flow during July 2008 to January 2009 period.

Overall, there was a 27.1 percent increase during July 2008 to February



The garment industry is still unaffected.

2009. Here the concerns relate to decline in the number of new people migrating for work, low growth in issuance of new work permits and visible increase in the number of returnees.

In light of the above analysis, I will provide 12 suggestions that may be considered in designing future policies in the concluding part of this article in tomorrow's Daily Star. Some of these

are directly related to redressing the potential adverse impact of global recession. Others are more relevant to medium-term considerations, but have assumed some degree of urgency in the present circumstances.

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Eve-teasing and violence against women

A greater proportion of women than before hold authoritative positions in politics, business and academia today. The change is a positive development. However, it does not mean that true gender equality has been achieved.

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AROUND the world, more women than ever have greater equality in legislative rights and more rewarding opportunities in economic activities. A greater proportion of women than before hold authoritative positions in politics, business and academia today. The change is a positive development. However, it does not mean that true gender equality has been achieved. The material and visible changes might seem remarkable however, the social and mental acceptability have been improving at a relatively slower pace. There is a lot of cosmetic demonstration of accommodation of women in different spheres because of the pressure from civil society, legislation, and government. However, the true acceptance is reflected through

different day-to-day behaviour of men in their day-to-day interaction in life.

"Eve teasing" on the street is one such reflection of the inner beast in men. Women are subjected to this social evil irrespective of what background they are from. The dictionary meaning of "teasing" is to make fun of a person playfully, unkindly or annoyingly. Its a euphemism used in the sub-continent for public sexual harassment or molestation of women by men, with eve being a reference to the biblical Eve.

"Eve teasing" or sexual harassment of women in public places is a growing concern in Bangladesh and throughout this sub-continent. It is a crime easy to commit, but difficult to prove, as "eve-teasers" often devise ingenious ways to attack women, even though some feminist writers term it as "little rapes," and usually occur in public places. In



A woman has the right to walk without being stared at.

spite of remarkable development in many areas of women's empowerment, women are not safe while walking on roads.

Bangladesh with her micro-credit operations has improved the economic and social status of women tremendously even in rural areas. It has shown

the world how a Muslim society can effectively deal with issues of gender discrimination. Women have led both the country and the two main parties for the past 15 years. In addition, large numbers of women sit on Bangladesh's superior courts. It has achieved impressive results in education and economic opportunities for women. Bangladesh was one of the first developing countries to establish a Ministry of Women's Affairs in 1978, three years after the Mexico Conference. The Constitution of Bangladesh guarantees equal rights to all citizens. The importance of women as an important human resource has been recognised by the Constitution of Bangladesh and accorded equality to women.

But discriminatory treatment and violence against women has remained widespread across the country. Teasing and staring at women is common on all public places where unidentified men and women face each other. Teasing, odd gestures and verbal abuses are considered as sexual harassment in many developed societies, however our society this is seen as 'acceptable.'

State intervention towards preventing violence against women has been inadequate to date. Laws are there but enforcement is weak. Moreover, the legal process to combat gender-based violence is complicated. In Women and Children Repression and Prevention Act 2000 an excellent provision was included in section article 10 that teasing of women like making obscene comments or gestures was an offence covered by it providing for up to seven years of simple imprisonment or meticulous imprisonment for two years. But the act was amended in 2003 where no one could be charged with sexual abuse of a woman until it is physical.

Although the government has signed different international conventions and introduced special laws to protect women and children, it has not succeeded in providing adequate security to them. It is possible to stop this harassment only if the law is enforced on the perpetrators. Men's education, sensitivity, cooperation, respect and ethics can help change the scenario.

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When political friends become opponents

The Congress clarified its intentions when it decided that it would not fight the 2009 elections as part of an UPA alliance, but seek partial adjustments as suited its purpose. It has prioritised its opponents from the list of allies.

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THE first pattern of this general election has emerged; the really fierce contest is not between traditional foes, but between yesterday's friends, particularly where they shared power. The BJP's sense of betrayal in Orissa is palpable. The more decisive story is within the UPA, where shifting mindsets have ignited a splinter-explosion.

In 2004, the Congress had a single aim; to defeat the BJP. This time, its objectives have doubled. Its parallel purpose in 2009 is to expand its base. Where this expansion is sought at the cost of the BJP there is only minor con-

fusion, created by large-scale intrusions by Mayawati or more modest forays by Mulayam Singh Yadav.

The contradiction within the UPA lies in the fact that the Congress space in the Gangetic belt and Maharashtra has been usurped by its allies. The Congress clarified its intentions when it decided that it would not fight the 2009 elections as part of an UPA alliance, but seek partial adjustments as suited its purpose. It has prioritised its opponents from the list of allies.

At the top of the Congress hit-list is the Left, which opposed its heavy strategic tilt towards America. The Congress accepted a humiliating seat-sharing arrangement with Mamata

Banerjee in order to maximise the damage to the principal Left citadel.

In practical terms, this alliance will not help the Congress very much; it would have retained its six seats even without Trinamool. But the Congress vote could help Mamata Banerjee to poll vault from one seat to 10 or even more.

Curiously, the Congress walked away from similar electoral terms in Bihar, giving a lifeline to the BJP and the NDA. Lalu Yadav and Ram Vilas Paswan offered the Congress what it had, three seats. The Congress could even lose all three seats, because it is contesting alone. It accepted a double jeopardy in Bihar in order to begin the process of revival.

Ditto in Uttar Pradesh. Mulayam was more generous than Lalu. The Congress had nine seats; it was being offered 17. A Mulayam-Congress deal would have pressurised Mayawati, squeezed the BJP and taken Congress from nine seats into double digits.

Double jeopardy again, BSP and BJP will increase their tally now. The collapse of the Jharkhand pact with JMM will be even more beneficial to the BJP. Is there an explanation?

The Congress stuck with Sharad Pawar only because it did not want its chief minister to resign before the Assembly elections in autumn. But Sharad Pawar is also dispensable in the large scheme of things; he blocks Congress growth in the second largest state, just as Mulayam and Mayawati choke it in the largest. In Tamil Nadu, Karunanidhi retained his alliance with the Congress only by increasing the latter's seat share to 14 out of 39.

Congress has calculated that when the treads dry and the numbers are counted, the cost will not amount to loss of power in Delhi. It believes it will still emerge as the largest single party, and then be able to cajole or bully the very allies it has damaged by whipping up a "Stop BJP at any cost" campaign.

They would not be politicians if

Pawar, the Yadavs and Ram Vilas did not instinctively recognise the dangers of this squeeze. They have responded by squeezing back. Pawar has pre-empted the post-election bullying with a question of his own; if the Congress is so anxious to stop the BJP, why doesn't the Congress support a Third Front government from outside, or even inside, instead of demanding primacy of power in any coalition?

In 2004, he and the others were caught flat-footed. This time they have begun a dance to a tune of their composition. Pawar has made it clear that he considers himself a better future prime minister than Dr. Manmohan Singh or Rahul Gandhi.

Prakash Karat, who has no debts to pay the Congress and feels betrayed, is categorical that the Left will not support a Congress-led government in 2009. If UPA is the modern coalition in Indian politics, the Marxists are saying that they are all post-modernists now.

Conflicts of regional interest have

added a Fourth Front to the Third, but these parties will rearrange themselves after the results. Where conflicts are incompatible, parties like BSP and SP will be in different camps, depending on who has reached where first. Do not imagine that all "Front" parties have closed the backdoor to the NDA. Indian politicians love the freedom of a two-way street, and some of them are dexterous enough to negotiate any round-about.

But both the walk and the talk will start only on the afternoon of May 16. Professional politicians pay for opinion polls, and then dismiss those they don't like. This may occasionally reflect an inability to face the unpleasant; but they also know that polls are not necessarily the truth. An opinion poll is what it says it is; an opinion. The fact of the matter is that only facts matter. Till then, ignore the spin, enjoy a rest, but do wake up to vote.

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Four recent dumb criminal cases



ONE! I was horrified to discover that thieves had stolen my three children's bicycles from outside our building. "This is terrible," I said to the kids. "They may hurt themselves." But what I was actually worrying about was: they may hurt themselves and sue me. These days, there's bound to

be some sort of law against "recklessly endangerment of the criminal classes by the deliberate supply of dangerous, substandard goods for purposes of theft."

Stealing those bikes was not a clever thing to do. They were ancient death-traps dating back to the 20 years or so between the late Stone Age and the release of the Rolling Stones' first album.

In the distant past, those bikes must have been aging constructions of metal with a few patches of rust. But by the time they were stolen, they'd become aging constructions of rust with a few patches of metal.

"Where do you think the thieves will

be now?" one of the children asked.

I realised they were probably sitting in the middle of the expressway wondering why the bikes they'd been riding had disintegrated like baddies in an Indiana Jones movie. "They may already be in heaven, sweetheart," I replied.

The children, of course, were absolutely thrilled. They realised that it would be physically impossible for Dad to replace their bikes with older, more decrepit ones, unless I actually stole early Stone Age forms of transport from a natural history museum.

How could villains have been so unwise? Maybe it's something in the air. There have been several recent "dumb

criminal" incidents. A burglar in Malaysia waited until residents had gone for a long weekend and broke into their home, I heard from a reader in Kuala Lumpur.

Unfortunately the burglar couldn't get out of the house. The householders came back three days later, found him in a distressed state, and sent him to hospital. Moral: don't break in if you can't break out.

Then there was gangster Philip Collopy of Ireland who decided to give a quick lesson in assassinating people to his family members. Sitting at his kitchen table, he put his gun to his head and pulled the trigger.

Unfortunately, he had forgotten to remove the bullets. His gang organised a hero's funeral for him, but you could tell from the press coverage that members were really embarrassed about the whole thing.

But the big prize goes to a 19-year-old man in the US who last week sneaked into the toilet of a large meeting hall with his gun in a bid to relieve convention-goers of their money. He leapt out of his hiding place, pointed his gun and demanded cash.

Unfortunately, he had not noticed that he was attempting to raid up a police officers' convention. There were 300 cops present. A police officer described

the man as "probably the dumbest criminal in Pennsylvania."

Incidentally, my neighbours reckon our bikes weren't stolen, but eroded into unrecognisable shapes before being binned by estate managers who were actually trying to be helpful.

Whatever. Anyway, I just checked the price of new bicycles on the Internet. They cost almost the same as cars! I desperately need an alternative solution.

Anyone know a museum with really, really poor security?

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