

Thank you for the Nildus Speech, Mr. President

"Islam and the West" is another phrase wandering through a dialectic shaped within the Queen of Alice's Wonderland. Islam is a faith; the West is geography. How do you construct a relationship between faith and geography?

M.J. AKBAR

DEAR Brother Hussein, I am certain about two things. I am a Muslim, and I live in this world. Now the uncertainties begin. On June 4 you gave what was heavily advertised as a major speech to the "Muslim world." Does that mean that while every Christian believes in the divinity of Jesus, he can be legitimately and widely varied in his political interests, but Muslims must have both Allah and politics in common?

As an Indian Muslim I belong to the second largest Muslim community in the world. I also live, proudly, as an equal, in India, a nation that contains the largest Hindu community in the world. Do you think I have the same political views as my fellow Muslims in Pakistan or Bangladesh or Nepal?

You did mention that there are around six million Muslims in America. Were you speaking to them, or on their behalf, in Cairo? But for the accidents of life, you could have been an American Muslim, a Kenyan Muslim, or an Indonesian Muslim. Would the same speech serve for all three?

Muslims live not only in different cultures and geo-political spaces, but also under different constitutions. Indonesia, which is the largest Muslim nation, does not believe in a state religion. Pakistan, the second largest, became the world's first Islamic republic. There are kings and autocrats and elected heads of government in the "Muslim world," and one category that

can only be described as "immoveable object," unopposed by any irresistible force.

Many Muslims live on the margins. Not many seem aware of this fact, and it is possible that none of your speechwriters pointed it out, but 10 per cent of the Russian population is Muslim. Islam came to that vast Eurasian region around the same time as the Christian church. Do Russian Muslims belong to the same "Muslim world" as Indonesians and Moroccans?

The Chinese keep their Muslim-majority province, Xinjiang, a sort of closely guarded state secret, frightened that Islam might jump up and bite off communism's ear. Which world do these Muslims belong to? And what about the chaps in Britain, who probably went over on the assumption that Britain was still Great. Or the French Muslims, whose ears are still ringing with the famous Sarkozy dictat: "Off with their headscarves!" Where would you place them? In Above-Saharan Africa?

At one point you were kind enough to suggest that "America is not -- and never will be -- at war with Islam." But no sane person ever accused America of being at war with Islam. America would have to be a theocracy, with Inquisition as its preferred domestic policy, and conversion as the principal instrument of foreign affairs, to declare war on Islam.

I hope you will not accuse me of being pedantic, in the sense of calling a toothache a gum-ache. The conflation of Islam and Muslims is precisely the kind of misconception that encourages pre-nation-state fantasies like the revival of a Caliphate.

One might add that while every Muslim was deeply committed to his faith, political disputes among Muslims began with the election of the very first caliph, Hadrat Abu Bakr. Muslims see themselves as a brotherhood, not a nationhood. If Islam is sufficient glue for nationalism, why would Arabs be living in 22 countries? That should have been obvious while you were snacking on Arab cookies and Islamic lemonade in Cairo.

A complicated relationship with the "Muslim World."

of Islam and Muslims is precisely the kind of misconception that encourages pre-nation-state fantasies like the revival of a Caliphate.

"Islam and the West" is another phrase wandering through a dialectic shaped within the Queen of Alice's Wonderland. Islam is a faith; the West is geography. How do you construct a relationship between faith and geography? You can have a debate on Islam and Christianity, or indeed between the West and West Asia, or the West and South Asia, or South East Asia. There is a past and a future to discuss.

"Islam and the West" is straight out of 19th century orientalism, laden with a sub-text that is best left to warmongers. Peace requires a different idiom.

We understood your problem as you weaved through political and rhetorical swamps, because your predecessor managed to achieve what the mightiest of Muslim rulers failed to do -- unite Muslims, albeit against him, rather than for something. But every Muslim does not need a homily on democracy. Muslims of Indonesia, Malaysia, Bangladesh, and India, who add up to nearly half the Muslim population, are not democracy-deficit.

The appropriate venue for a speech on Islam would have been Mecca, Medina, or Jerusalem. But the first two cities are barred to non-Muslims or

apostates; and the third would have been too toxic for an American president.

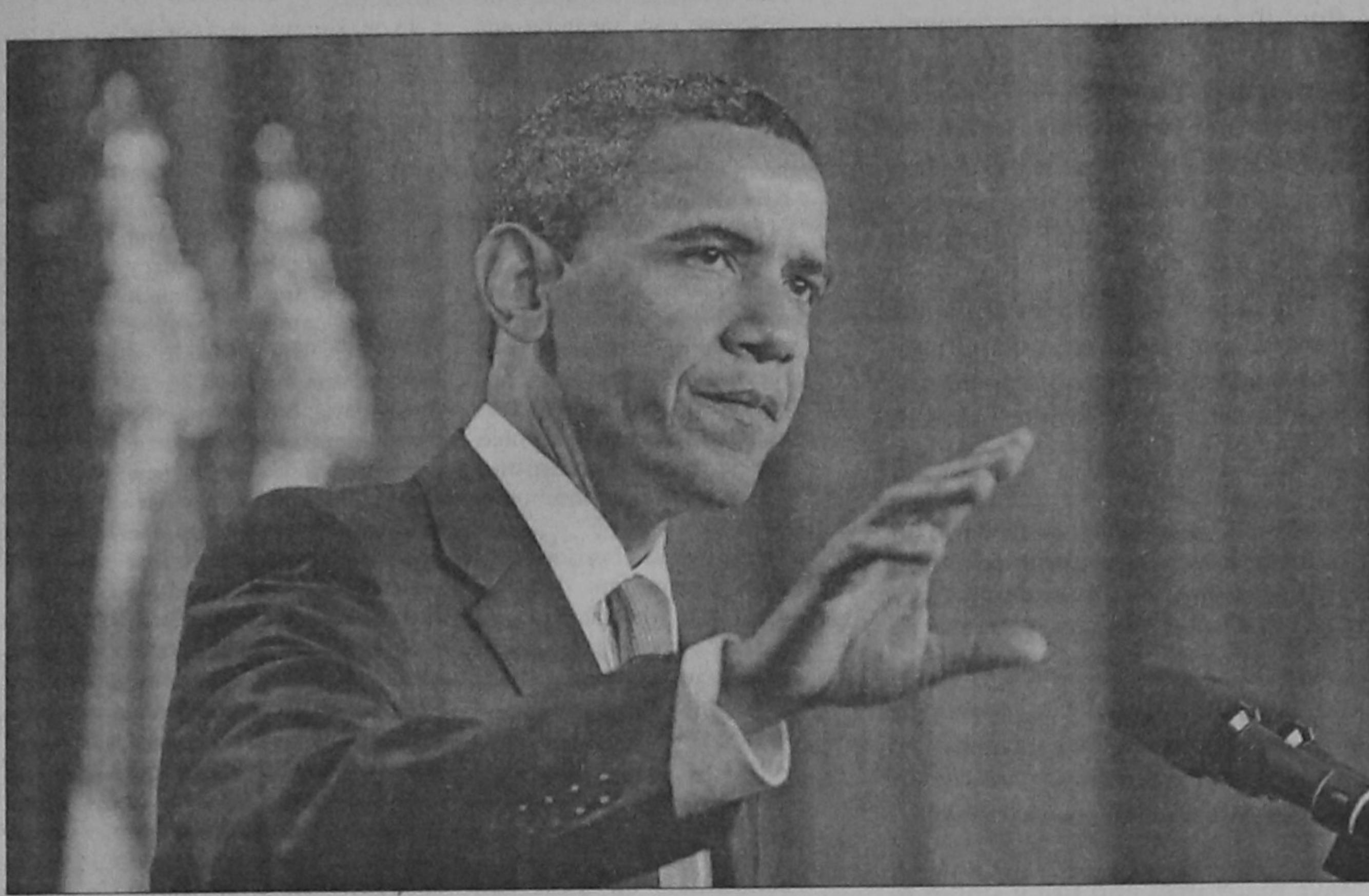
Cairo was the perfect podium for the speech that we did hear, since your true theme was not the "Muslim world" but the region between the Nile and the Indus, which I have, elsewhere, called the "Arc of Turbulence." Those searching for a convenient caption for the Cairo oration might want to call it the "Nildus Speech."

For the citizens of this region between Egypt and Pakistan, and particularly for Muslims, this was a brilliant gleam in the gloom to which they have become accustomed. Its great merit was justice and fairness, virtues that are repeatedly exalted in the Holy Quran. You did not deny Palestine its rights because you wanted to preserve what Israel has acquired. Of course you will be criticised for being even-handed, but you have survived worse.

It was extremely important that a president of the United States quoted the Quran's unequivocal condemnation of terrorism, through a verse that is particularly beautiful. This will go a long way to correct the propaganda unleashed by those who controlled the White House and influenced media before you.

There was one element of your speech that did address almost the whole of the Muslim world: your stark, unambiguous condemnation of gender bias, one of the besetting sins of the "Muslim world." If Muslims do not eliminate gender bias, they will not be permitted into the 20th century: who is going to send them an invitation to join the 21st? Barack Obama has offered the key, but it is up to Muslims to open the door.

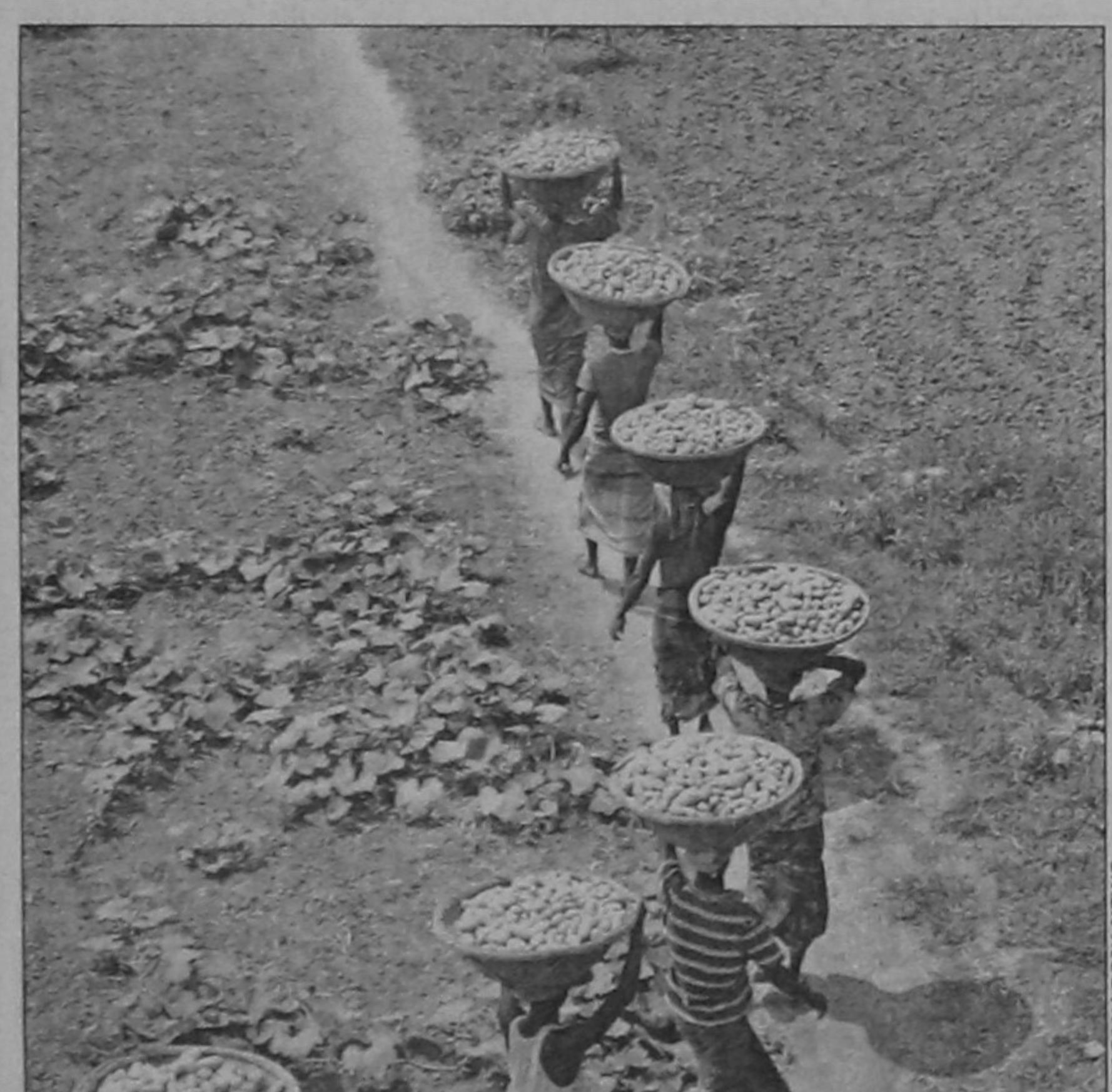
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Giving farmers a price

Given the fact that ours is an agrarian economy and rice is the mainstay, the government always finds it hard to strike a balance in rice price.



The government must provide a fair price for the farmers.

REAZ AHMAD

PROVIDING farmers with due prices for what they produce has never been an easy thing to do though it may often sound so. There are so many market players with their diverse and, often, conflicting interests that offering the farmers best prices, which they deserve, for all their toils become even more challenging.

While consumers want the best buy in terms of getting quality foodgrains at affordable prices, growers expect a marginal profit, if not more, over the production costs of the grains, and all that the middlemen and hoarders care about is profit maximising even if they have to pursue unethical means.

Given the fact that ours is an agrarian economy and rice is the mainstay, the government always finds it hard to strike a balance in rice price in a way that neither deprives the growers nor pummels the urban consumers. As Bangladeshi rice farmers occupy over 70% of the total land available for producing the staple only, the price of rice always has a significant impact on their livelihood.

Thanks to the imbalanced dietary habit in Bangladesh, people here have to depend on rice for more than 75% of their daily average calorie intake. So, rice price fluctuations do have serious ramifications on people who spend an over-

whelmingly large sum of their food budget on rice. And people in the lower echelon of income have to spend comparatively more on food.

During the peak harvesting season when markets glut with sacks full of paddy and rice, market prices tend to fall in favour of middlemen and hoarders and ultimately, in disfavour of the farmers. The government intervenes in the form of procurement drive and tries to offer the farmers a price that should cover their production costs and ensure some profit.

Through this process what the government intends to do is set a price benchmark that it expects the private buyers would also offer to the growers and also replenish the public granaries to offset emergencies, as well as to run the food-aided programs i.e. food for work (FFW), food for education (FFE)

vulnerable group development (VGD), vulnerable group feeding (VGF), test relief (TR), gratuitous relief (GR).

To recoup the losses they incurred due to natural calamities in the previous season, farmers in Bangladesh have gone extra miles in covering more arable lands under the Boro cultivation this year. Now that farmers started reaping the Boro rice, since late April, there are all indications that this year's Boro output will surpass all previous records and hit

18 million tones.

The government rightly responded to this buoyant rice production scenario by significantly raising the procurement prices to Tk.22 per kg for paddy and Tk.14 per kg for rice and started the four-month procurement drive from May 1. But the current rice market scenario in Bangladesh is a classic example of the fact that mere announcement of a premium price, and launching of a procurement drive does not necessarily guarantee farmers' getting a due price for their produce.

But if the government doesn't address the core issue of its grain storage management, the procurement drive is not going to serve the purpose.

If there exists a shortage of storage capacity, and if the government fails to launch the drive in a vigorous way from the very beginning of the harvesting season, farmers will continue to fall prey to low-price offers by middlemen, millers and hoarders.

One thing we have to keep in mind is that the government's target of procuring 1.2 million tons of Boro rice and paddy accounts for less than 7% of this year's projected Boro output of 18 million tons. So, if the government wants to make an impact on the market price of rice with that 7% procurement, and ensure fair price to the rice growers, it really needs a lot of improvements in its grain storage management.

As against this Boro season's procurement target of 1.2 million tons of rice, the government's food department has got a total grain storage capacity of 1.3 to 1.4 million tons. But again, half the granaries are already filled up with previous stocks. It's encouraging to know that the government plans to build more food silos, thereby enhancing the rice-wheat storage capacity, at least, by 0.3 million tons by next year.

But again, this is not just a question of enhancing silo capacity; it's a question of the government's capacity to run food-aided development work efficiently, timely and thereby, exhausting the old stocks in granaries to a substantial level.

The areas of development have to be identified properly through a bottom-up approach, instead of having the Members of Parliament call the shots.

Food from the public granaries has to be utilised in proper timing in works under FFW, FFE, TR, GR, VGD, VGF etc. thereby, serving the double purposes of creating employments to the rural poor and largely emptying granaries only to be replenished by the new stocks. This cycle must work efficiently. Otherwise, the purpose of giving farmers a fair price will remain elusive.

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Budget thoughts

The fall of international prices has created some space for Bangladesh in the form of reduced import bills on many items. The government can use the money saved for providing fiscal stimulus to the adversely affected sectors.

MUINUL ISLAM

IN Bangladesh, the negative effects of the global financial crisis are not yet that severe. In the financial year 2007-08, Bangladesh's export earning came to \$14.1 billion. With the GDP in current prices amounting to \$79 billion in that year, the export/GDP ratio was estimated at about 17.8 percent.

The import bills of Bangladesh amounted to \$20.2 billion in the financial year 2007-8, giving an import/GDP ratio of 25.6 percent. The recorded remittances during the same financial year from non-resident Bangladeshis and Bangladeshi migrants through formal channels amounted to another \$7.9 billion, which amounts to 10 percent of GDP.

The actual disbursement of official development assistance (ODA) amounted to \$1.9 billion (2.4 percent of GDP) and the net foreign direct investment (FDI) flow amounted to \$650 million only, a paltry 0.8 percent of GDP.

Foreign Portfolio Investment (FPI) was a very negligible inflow. In the context of the above macroeconomic indices, it has to be admitted that the Bangladesh economy cannot remain immune to the on-going world crisis.

But, there is no need to be panicky.

There are six transmission channels of the contagion effects of the global crisis into the Bangladesh economy: a) export, b) import, c) overseas employment of Bangladeshis and the flow of remittances, d) foreign loans and grants, e) foreign direct investment, and f) the flow of foreign portfolio investment into or out of Bangladesh.

If we analyse these six channels of transmission carefully we will find out that Bangladesh has yet to experience the severe fall-outs from the current global crisis, and has largely escaped the negative impacts of the global slowdown.

What is more significant is that the collapsing world prices of a number of very vital products like oil, food grains, fertilisers, consumer necessities, industrial raw materials, etc. have rather helped the Bangladeshi economy by largely dousing the inflationary fire of the years 2007 and 2008.

Woven garments and knitwear account for about 76 percent of Bangladesh's export earnings from goods. About 95 percent of our exports

in these two categories go to industrialised countries of the West, which have become direct victims of the current crisis.

Therefore, there is widespread fear among the exporters that sooner or later the negative effects of the slowdown of the developed economies will be affecting us through reduced orders and collapsing demand. But, Bangladesh produces mostly low-priced items, which may not face substantial demand cut immediately.

Rather, the low-end products may even benefit from the so-called "Wal-Mart Effect" -- the diversion of consumer preferences in favour of low-priced garments in face of income loss and job-loss. This effect may be the factor behind the continued robust growth of export orders observed in both woven and knit-wear sectors during the first eight months of the current fiscal year.

However, some signs of decline in number of orders and volume of average order have been noticed in April 2009, which need to be monitored very carefully. We are still achieving positive rates of growth in both the sectors, though the rates will be lower compared to those of the last year.

More importantly, our competitive edge over other apparel exporters cannot be allowed to be eroded through depreciation of their currencies or through export subsidies given by them to their exporters. The immediate need of the hour for us is for close monitoring of the unfolding scenario. But there is no need to be panicky in these two sectors.

In case of leather goods, frozen fish, shrimp, jute goods and raw jute and textile products, the wave of world recession has already reached our shores. Therefore, these sectors deserve adequate policy support in the form of cash incentives, loan rescheduling, interest rate cut, tax rebates and other types of fiscal stimulus.

What needs to be ensured is that the adversely affected enterprises do not lay-off workers in large numbers. The stimulus package should be directed at saving jobs rather than at narrow coterie interests of the owners of the enterprises.

The government has already declared a stimulus package of about Tk. 3,424 crore, which has by and large addressed the immediate concerns satisfactorily. We are happy that the

government has allocated Tk. 1,500 crore for subsidy to be given to the agricultural sector.

The remittance flow into Bangladesh remains quite healthy, and the flow has been increasing at about 30 percent growth rate this year compared to last year. What needs to be vigorously pursued is the search for new job destinations. Diversification of overseas employment targets for Bangladeshi migrant workers other than the traditional job markets can reduce the risk of return flow of migrants, if the current global crisis lingers.

Skill development programs, enhanced efforts of economic diplomacy, smooth travel and emigration formalities, effective steps to alleviate exploitation and harassment of migrants during their journeys, fast and hassle-free procedures for remittances, etc. should get the priority of our policy makers at the current juncture.

The transmission channel of imports has brought positive impacts for the Bangladesh economy in the form of lower prices for many vital items of import like oil and petroleum products, edible oil, food grains, fertilizers and industrial raw materials. But, some faulty government policies, oligopolistic cartels and market syndicates have been depriving the consumers from reaping the full benefits of price decreases world-wide.

There is no indication of a sharp fall in ODA in the immediate future resulting from the global economic crisis. Moreover, any such fall in foreign loans and grants may be a booby in disguise for the Bangladesh economy, I think.

The flow of FDI into Bangladesh is already low. The flow of FPI is almost inconsequential. So, there is no big danger from these two fronts.

The fall of international prices has created some space for Bangladesh in the form of reduced import bills on many items. The government can use the money saved for providing fiscal stimulus to the adversely affected sectors. It can also provide some enhanced subsidies to the direct producers and the low-income consumers in the form of price supports and targeted rationing respectively.

The government may resort to increased deficit spending in the field of infrastructure building to create employment opportunities. It can also use the extra food grains collected through the price support programs for providing extra purchasing power to the rural vulnerable groups of people.

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