

BNP's fifth council

It should be a turning point for the party

AFTER the debacle in December 2008's general election, the Bangladesh Nationalist Party (BNP)'s holding of council seems to have rejuvenated the leadership as well as the rank and file workers. The huge gathering of the councillors and delegates at the council venue is indicative of the great enthusiasm the event has created in the party.

Though holding of a council, if held regularly as provided in the constitution of a party, goes to reinvigorate it through the democratic exercise of electing office bearers, it has happened after a long gap of 16 years since the last (the fourth) one was organised in 1993. The great interest the party workers and supporters, the media, political watchers, other political parties, foreign diplomats and political representatives of different countries have shown through their participation and expression of goodwill at the council should help the party to realise the importance of this democratic exercise if held regularly.

The attendance of a member of the ruling Awami League, which is also its number one contender in the national politics, augurs well as it breathes fresh air into inter-party relationship.

However, successful and happy ending of the council notwithstanding, some questions linger. What examples have this fifth council of BNP set before the party's supporters, the well-wishers and the people at large? Though the different national, district and local committees of the party have been expanded to accommodate new entrants, the council in reality has hardly added any new dimension to party culture. It has concentrated power in the hands of party chairperson Begum Khaleda Zia as before by way of investing in her the authority to select the different office bearers, members of the National Executive and the Standing committees. Another marked aspect of the event is the election of the party chairperson's son Tarique Zia as a powerful senior vice chairman thus putting the future leadership of the party in his hands.

In the ultimate analysis, this major political party stands to gain by strengthening the foundations of intra-party democracy.

The fact that both the major political parties have held their councils has left a refreshing impact on the overall political atmosphere. It is hoped that the trend will continue and the national political climate would grow out of its prevailing inertia and inject dynamism into politics.

Newsmen and defamation

No warrant will be a confidence booster for them

WE welcome the cabinet's approval of a draft bill to drop the provision that gives the courts the power under sections 500 and 501 of the CrPC to issue warrant of arrest against editors, publishers, writers and reporters in defamation cases. This goes to meet a long standing demand of the journalist community.

We believe the cabinet has placed the defamation issue in the right perspective. Editors, publishers and journalists are often harassed through such cases by the complainants whenever they fail to accept a report in the right spirit. This usually happens where quarters having both political and financial clout feel aggrieved by some exposure they cannot come to terms with. It is not known how many editors, publishers and journalists have faced this situation over the years while reporting on corruption and abuse of power or gross violation of social norms. Sure enough, the number is pretty high.

Yet, the same journalists are expected to keep the nation abreast of all important developments. Obviously, journalists, facing all sorts of occupational hazards, come under added pressure when warrants are issued for covering events and episodes which they deem in the light of their professional responsibility to be deserving publication. Of course, we are talking about responsible journalism here.

But where infringements occur the journalists should be liable for explanation. The dropping of the clauses for arrest must not be seen as giving journalists an undue favour, for the court will retain the power to summon them when it deems necessary to get a clarification from the accused.

The cabinet decision will give the journalist a stronger position in law. Without question, they cannot unearth gross violation of the law or any other irregularities and anomalies if they have the constant fear of arrest.

The press in general will be better placed to bring to public glare matters that have a direct bearing on the rule of law and fair play, and only those on the wrong side of the law will feel the pinch.

It's time the government consider the oft-ventilated demand of the journalists that where a party feels genuinely aggrieved the matter may be resolved through the Press Institute.

ULFA leaders' arrests: Why the charade?

Therefore, one is at a loss to rationalise the present government's stand regarding the current episode. If it feels that our territory is not for conducting anti-state activity against another country, it is well within its right to take appropriate measures.

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WE have had to absorb two very different versions of the arrest/handing over/surrender of several top Ulfa leaders from/by/Bangladesh to India, in the last seven days. Either there was lack of coordination between the concerned agencies of the two countries, or there was an attempt at one-upmanship on the part of the Indian intelligence to go public on the status of the Ulfa leadership who had taken shelter in Bangladesh. Even the Indian version varied day to day, compounding the confusion even more.

However, I for one would like to believe the statements of our ministers in this regard, at the risk of appearing to be a fool. Bangladesh has constantly asserted that it has nothing to do with the Ulfa leaderships' finding themselves all of a sudden in Indian custody. And, as the home minister has further affirmed, under these circumstances the question of push back does not arise at all.

If one were to take the statements of the Bangladesh ministers at face value, would

it be out of place to inquire why the government of Bangladesh has not formally protested to India for the embarrassment it has caused to Bangladesh? Would one be wrong to ask what India's stake at giving varying versions of the event is? Our position has become even weaker by the statement made in the court by the arrested persons, that they were indeed, apprehended by the Bangladesh authorities inside Bangladesh.

The fact is that the people have not been given the entire truth in this regard. And as someone put it very aptly at a recent discussion meeting, there is bashfulness on the part of our government to be transparent and reluctant to come out with the real story. Why so?

Given the huge mandate that the current government enjoys, it is not only the expected but also the right thing to keep the people informed about its actions, particularly those that have to do with the nation's interest and security.

The Ulfa issue has been a thorn in the bilateral relationship between the two countries. It is a very sensitive internal issue for India, and something that has occupied its politics and its security forces

for a long time. The stated policy of all our governments, past and present, has been that the territory of Bangladesh has not been, and shall not be, allowed to be used by any anti-Indian elements, whichever way they chose to define their organisation, and whatever maybe their aim, vis a vis the state and the government of India, to prosecute their objectives.

I have, in the past, suggested in these very columns that it cannot be a policy of the GOB to patronise Indian rebel or insurgent groups, because such a policy cannot be sustained and was bound to prove counterproductive in the long run. I am fully convinced, that such a policy, was never followed in spirit either by any government, and I do not believe that the grassroots elements of Ulfa were deliberately allowed to establish camps within the territory of Bangladesh.

However, having said that, one must admit that the possibility of Indian insurgent groups seeking shelter in neighbouring countries, including Bangladesh, to escape the push of the Indian security forces from time to time cannot be ruled out.

Therefore, one is at a loss to rationalise the present government's stand regarding the current episode. If it feels that our territory is not for conducting anti-state activity against another country, it is well within its right to take appropriate measures. With the popular support it has, the government should have taken the people in confidence and made it clear that the

action it has taken regarding Ulfa leaders is in the best interest of the country. The impression one got was that the government itself was not sure that it was doing the right thing and that it was apprehensive of the adverse public opinion at home.

Some critics have suggested that the policy being adopted by the present government would make Bangladesh a party to a conflict that is internal to India, and cite the threats of Ulfa leaders after their arrests, to avenge the "betrayal," to reinforce their arguments. That holds little water because, by the same token one could argue that by deliberately looking the other way, if not directly supporting Ulfa activities, we had already become a party to the conflict, even more so when it has transpired that some of its leaders had found a safe haven in our country. The question is which is the worse of the two options? Which are we better equipped to face, the ire of a non-state actor or the degradation of relationship with a very important neighbour.

I feel that a government should stand by its policies and should convince the public that its actions are for the country's benefit. Actions that lack transparency or give the impression of a clock and dagger way of working, bring into question the intention of even perfectly sane and rationale acts.

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The second stimulus and the US economy

As the world economy struggles to recover from the current global recession, the focus now in the US is shifting to a new and politically charged question, "Do we need a second stimulus?" The arguments for and against a second stimulus package are both very strong, and often very convincing.

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AS the world economy struggles to recover from the current global recession, the focus now in the US is shifting to a new and politically charged question, "Do we need a second stimulus?" The arguments for and against a second stimulus package are both very strong, and often very convincing. The debate is also taking place in the context of a compelling time frame -- the mid-term elections in November 2010 -- which could very well be decided on whether the US economy has bounced back from two years of insipid performance, and whether the unemployment rate has turned around to go back into the single digit fold. The Democrats have reasons to be nervous that their war cry during the 1990's, which catapulted Bill Clinton into the presidency, "It's the economy, stupid," might now fall into the wrong hands

It is by now accepted by almost all involved in public policy debates in the US that President Obama's first stimulus package, in the form of American Recovery and Reinvestment Act of 2009 (ARRA), has shown lukewarm to modest results. Banks and other financial institutions are strong again, foreclosures are down, the precipitous decline in housing prices has been stabilised, and mortgage delinquencies are no longer out of control. There are signs of "green shoots," the first signs of spring, and regeneration in the bleak landscape that Obama inherited in January of this year.

The large auto companies have also successfully undergone major restructuring, and supporting policies, including low interest auto loans and innovative programs like "Cash for Clunkers" which allowed car buyers to trade in old gas guzzlers for new fuel efficient cars for a \$4,500 tax credit, have kept drivers coming to the showrooms.

While there is still some weakness in segments of the housing market, particularly in Nevada, California, and Florida, the inventory of unsold homes has steadily declined and so has the average time a house is on the market. This trend has been helped by the first-time homebuyers' \$8,000 tax credit and low mortgage rates. Low interest rate and rising home prices in some markets also helped those who have equity to borrow from home equity lines of credit.

It is worth remembering here that one of the triggers for last year's economic shock came from the extremely tight market for credit, both for institutional borrowers as well as for small business and homeowners. I can say from personal experience that borrowing against home equity has been a boon for homeowners who also own and operate a small business.

One factor that has given rise to the

current discussion on more economic stimulus is the weak employment market in almost all regions of the US. The national unemployment rate has reached the highest level in 26 years, and that's a major concern. Therefore, the Federal Reserve, the US central bank, and the Treasury need to keep focused on two dark forces threatening the economy, i.e., unemployment or lack of job growth, and inflation fueled by

show any major upward swing in the next year. International oil price is expected to be stable and, barring any major outbreak of violence in the Middle East, supplies are in sync with demand.

Even if we take into account that the Chinese and other emerging countries have recovered very strongly from the slump, their demand alone is not expected to cause any upsurge in oil demand or crude oil price. In light of this likely scenario, US economy is not expected to experience any strong inflationary pressures, if any at all.

Unfortunately, the job market or monthly unemployment figures that dominate the national press is another story. Job losses and the moderate job growth following the first stimulus is the 80-pound gorilla

vacations, businesses, etc., or wait until the jobs market really gets better. However, whichever measure you use, you don't have to be a rocket scientist to figure out that in the current economic situation the outlook for jobs is not very bright.

Many industries are still going under or need to restructure further (auto, heavy industries), others have had excess inventories and are now slowly picking up speed (timber, construction), and some others are just waiting for better times (retail, restaurant, entertainment). In the meantime, more than 7 million people are without jobs, and many of them are concerned about losing their health coverage.

So what's the problem with rolling out another stimulus package? Well, there are three issues that the team of Bernanke,



Is the job market an indicator of recovery?

exceptionally low interest rate and the stimulus money.

The Fed has always made inflation control a major cornerstone of its policy protocol over the last three decades, and might have even turned a blind eye to other possible hazards in its preoccupation with inflationary pressures. If one reads the minutes of the Fed's Open Market Committee meetings, it is abundantly clear that the Fed has demonstrated its "inflation phobia" and used the leverage on interest rate and money supply to keep inflation in check. And it has been very successful in this effort, and nobody can deny that.

However, this obsession, or single mindedness, has now been revealed to come with considerable collateral damage: The Fed has failed to regulate the unbridled greed and shenanigans of the financial institutions and investment backs as they played havoc with hedge funds, swaps, and collateralised assets.

The US Senate has just taken up debating a proposal to take the responsibility of consumer protection and bank oversight from the Fed in order to prevent these disasters in the future.

However, as we look at the key price indices, including consumer and producer prices, it is not very likely that they will

in every political discussion and by-election.

There are several statistics that economists and policy makers use to track the job market and, by implication, the pocket-book condition of the average American. These are: the unemployment rate, weekly job losses, new jobs created, number of first time unemployment insurance claims, duration of unemployment, and the total number of job-seekers out of work.

Recently, two additional measures are also being used: the average number of hours worked per week, and the wage rate or weekly income.

As all economists know, and many others outside the field appreciate, all these measures are related but look at different aspects of the employment market. So when the unemployment rate goes down but the number of new jobs created does not go up, people are puzzled and cry foul, and rightly so.

As British statesman Benjamin Disraeli said a long time ago: "There are lies, damned lies and statistics," and the current outcry about the employment market comes from the frustration with economic numbers.

People need to know whether they should spend money on houses, cars,

Geithner and Summers needs to work around. The first is the federal debt, which will be impacted by a new round of deficit financing. The second issue is the lurking threat of inflation as more and more money is pumped into the economy. And the third issue is uncertainty regarding the number of jobs that will be created for each dollar spent.

As in all countries, federal spending does not always have an immediate and one-to-one impact in the job market. There are pork barrel projects, leakages and wastage (including big bonuses for bankers and their cohorts), and good projects that are poorly executed. The current national brouhaha over how many jobs were really created and/or saved by the first round of stimulus money provides an interesting backdrop in the debate on the second stimulus.

However, jobs are soon going to be priority number one in the national debate after Afghanistan and health care bills are cleared from the Congress's table. And, while inflation and national debt are potentially volatile issues they will always take a back seat to the primary concern during any election year, i.e., job creation and lack of jobs.

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