

Obama's hot feeler triggers more confusion

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RESIDENT Obama has again come out with yet another hot-feeler. The "Arab spring" speech he delivered on May 19 -- viewed by many as a possible breakthrough in the American policy towards the Middle East -- is yet another "strategic" ploy to mask Washington's long-term goals in the region. Think-tanks may initiate a debate on whether it is the "beginning" of a "new end" in the US policy, but Obama's disorientated analysis of the "Arab spring" offered hardly anything substantial.

The most sensitive aspect of his speech came when he referred to the 1967 lines to be the basis for Israeli-Palestinian peace negotiations over final borders, adding that negotiated land swaps would also be needed. His call for negotiations based on this "line" could be yet another attempt to place himself as an able international negotiator and honest "broker," but his constraints and compulsions are even more palpable.

In his speech, President Obama stressed the need for negotiations "based on the 1967 lines with mutually agreed swaps, so that secure and recognised borders are established for both states." His statement on Palestine came in the background of Israeli Prime Minister Netanyahu's visit to US. Hours before Netanyahu's visit, Obama's formula apparently sought to set in a new framework for Washington's finesse.

The New Right in the US has already seized on this statement, saying that it amounts to a "betrayal" of Israel. A senior Israeli official said: "Washington does not understand the reality, doesn't understand what we face." Israeli daily Haaretz wrote that tensions between the two reached fever pitch

following Obama's speech and ahead of Netanyahu's planned address to the American Congress.

New York Times reported that Obama had told his close aides that he did not believe that Netanyahu would be able to make the concessions necessary to strike a peace deal that would even the Palestinian-Israeli conflict. In a statement after Obama's speech outlining his new policy, Netanyahu said before leaving for Washington that "the viability of a Palestinian state cannot come at the expense of Israel's existence." Can Obama cross the Rubicon?

After talks with Netanyahu in Washington, Obama reiterated that "a true peace can only occur if the ultimate resolution allows Israel to defend itself against threats, and that Israel's security will remain paramount in US evaluations of any prospective peace deal." He also underlined the American goal, i.e., "a secure Israeli state, a Jewish state, living side by side in peace and security with a contiguous, functioning and effective Palestinian state."

Earlier, it may be recalled, Obama made no condemnation of the illegal settlements nor did he demand a freeze on settlement activity, which is sharply accelerating with plans for building 1,550 new homes in the occupied territories around Jerusalem. Curiously, Obama's speech referred to Israelis living in fear of their children being killed and Palestinians' "suffering and humiliation" under occupation.

It is hardly surprising that the Israeli occupation has claimed 100 Palestinian lives for every Israeli killed in the conflict or that, just days before, Israeli troops had shot to death 16 unarmed Palestinian protesters who sought to assert their right to return to their home-



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land by scaling borders into Israeli occupied territory. That these demonstrations, which were joined by many thousands who marched to the borders from the refugee camps, are part of the revolutionary wave sweeping the region was missing in Obama's speech.

Eventually, Obama's speech offered hardly anything new in terms of US policy and expressed the US commitment to militarism and economic domination to assert its control over the region's strategic energy resources. At the same time, however, the absence of substantive initiatives and inability to make any

credible appeal to the Arab masses express the decline of US influence in the region and the increasing frustration of the American ruling elite as it attempts to repel the threat of revolutionary upheaval.

It was natural that the speech was received with scepticism and contempt in the Arab world. Despite Obama's repeated references to "democracy" or "democratic" nearly two dozen times in his address, there was no reference at all in the speech that anything has changed in the policy of a government that has backed dictatorships and monarchies in the region and

given unqualified support for six decades to Israel's suppression of the Palestinian people.

Obama went on to boast of the US killing of Osama bin Laden as a major "blow" to al-Qaeda, while acknowledging that the former CIA ally had lost his "relevance" in the face of the upheavals in the region over the past several months. He tried to call the US as the model to be emulated and the benevolent power whose role it is to guide the Arab peoples to democracy. He said that the US would continue to pursue its "core interests" in the region, which he defined as "countering

terrorism and stopping the spread of nuclear weapons; securing the free flow of commerce, and safeguarding the security of the region, standing up for Israel's security and pursuing Arab-Israeli peace."

Obviously missing from this list and indeed from the entire speech was the subject of American interest in oil. Its omission is certainly glaring. The US, Obama said, would continue to pursue the "core interests" with "the firm belief that America's interests are not hostile to people's hopes; they are essential to them." What Washington's proposed economic policies amount to is an attempt to use the changes brought about by the mass upheavals to open the region up even more fully to the exploitation of American capitalism and US-based transnationals.

He said that US policy would "focus on trade, not just aid; and investment, not just assistance." Its aim, he said, would be opening up the region's markets, while "ensuring financial stability." Obama is obviously in the "business" of furthering Washington's goals in the region with a heavy load of rhetoric.

Obviously, the presidential election due next year could be a major factor for Obama to take "new" initiatives. But it is certain to trigger more confusion than consolation. Many eyebrows were raised when Obama made a U-turn in his Middle East policy, particularly when Dennis Ross -- Obama's chief adviser -- is Israel's most trusted man in the White House and one of the most influential pro-Jewish figures in the country. Naturally, the position of the Jewish lobby in the US is very crucial in the emerging scenario.

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Get your piece of pie, Mr. Investor

A.F.M. MAINUL AHSAN

HELLO, Mr. Investor! Yes, I am talking to you. Right now you might be in front of the DSE or SEC protesting against the very recent price decline in the stock market. Does it really make sense? Should government do any-

Why did you go against your daily habit? What do you do when you go shopping? You try to pay as little as possible. You spend hours to get the right price in the mall. Why did you do the opposite in the share market? Why do you invest in the market when prices are skyrocketing? Why do you stay out of market

the table. Some sectors, for instance, banks, are ridiculously cheap now compared to their earnings. Looks like most of the stocks are on sale. This is the time to get some great deals in the market; this is the time to buy. Don't bother for short-term price movements. One can hardly predict the short-term movements of the stock market. What is likely is that, in the long run, the market will move higher, perhaps substantially so. So, buy shares of fundamentally sound companies in this cheap market, hold them and make money. Again, to make money, pay less.

Now you might ask the million dollar question: when to sell? No one can time the market. So, to solve the mystery, you have to have a reasonable return target. Compare your return target with the return from other asset classes in a particular investment horizon. Having an unreasonably high return target might lead you to considerable losses. Also, be careful of some sectors which are still overpriced, even in this bear market, compared to their earnings.

Many investors are complaining that brokerage houses are not providing them margin loan at all. In such a situation, you can make a written complaint against that specific brokerage house to the media and SEC.

If you wait for the market to come back again, you might miss the train. If you think that the market will go down further, you might miss the party. Warren Buffett reveals his investment principle: "Be fearful when others are greedy, and be greedy when others are fearful." All other investors are fearful now, so it's the time for you to get greedy. This is the time to act. Buy now; get your piece of pie.

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The promise of protection

NOELEEN HEYZER

IT is widely agreed that crises create opportunities of sorts. As the Asia-Pacific region slowly emerges from the recession of 2008 and attempts to cope with the after-effects of a food crisis and natural disasters -- including that which took place in highly-prepared Japan -- governments are looking anew at ways to mitigate the rising insecurity and heightened social risks experienced by millions of people across the region, especially those living in or close to poverty.

The region's capacity to ensure that all citizens receive a minimum level of security is at the heart of discussions as heads of state, ministers and senior officials from across Asia and the Pacific meet this week for the 67th Session of the Economic and Social Commission for Asia and the Pacific (Escap). This year's Commission Session will focus on a critical challenge facing us: our ability to match the economic recovery underway in Asia and the Pacific with a renewed emphasis on the social dimension of development as well.

The region's new economic growth, following the shock of the global financial crisis, our growing urbanisation, and the continuing migration of people, within our countries and across our sub-regions, require a new commitment by our governments to institute social protections to secure the benefits of economic growth for all the people of the Asia-Pacific region.

Instead of approaching specific development setbacks and challenges through limited, reactive interventions, our governments are now prepared to seek and implement comprehensive, universal coverage solutions capable of strengthening coping capacities and resilience as part of their vision of

inclusive development. The resumption of food and fuel price inflation in many of the region's countries and continuing after-shocks of the global financial crisis have lent new urgency to their efforts.

But importantly, the just-released Escap study, "The Promise of Protection," shows that a basic

Let us demonstrate that Asia-Pacific's development can be balanced -- with our focus on all three pillars working together, our economic wealth shared, our social gains secured, and the gifts of the earth protected.

social protection package is affordable and within the reach of most countries in the region, at virtually any stage of economic development. And at a cost lower than countries may realise, of around 1% to 3% of their gross national income for essential health, education and pension schemes. Social protection programmes then make good economic sense -- acting to broaden and deepen opportunities for all and thus building more resilient and inclusive economies.

Furthermore, the study shows social protection is an investment which helps people escape from poverty. To date, many countries have relied for poverty reduction

primarily on the trickle-down effects of economic growth.

However, if they introduced more comprehensive social protection with appropriate supporting policies, they would reduce poverty much faster. Thus, rather than seeing social protection as costly measures, effective protection should be seen as an investment that will increase productivity and reduce the need for future spending.

Building universal social protection programmes is not without its challenges. But the long-term political and economic dividends that such comprehensive mechanisms would yield, including greater domestic consumption, higher levels of human development and greater shared opportunity -- including for women -- and ultimately more equitable and robust economic growth, are undeniably compelling grounds for action.

That is the opportunity -- and the challenge -- before us. Working together, Asia Pacific can shape the forces of the economic recovery by investing in its people, its human capital, by strengthening our social commitments and implementing social protections as a mainstay of national development. The opportunity is now for Asia Pacific to emerge as a leader -- in the global economy, in the realm of social progress, and in safeguarding our global environment.

Let us demonstrate that Asia-Pacific's development can be balanced -- with our focus on all three pillars working together, our economic wealth shared, our social gains secured, and the gifts of the earth protected.

The writer is Under-Secretary-General of the United Nations and Executive Secretary of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

Sectors	PER			EPS (%)		
	DSE (Dec 5, 2010)	DSE (May 8, 2011)	% Change in PER	DSE (Dec 5, 2010)	DSE (May 8, 2011)	% Change in EPS (%)
Miscellaneous	17.04	7.29	-57%	162.5	282.54	74%
Bank	27.08	8.94	-67%	37.51	47.94	28%
Service	50.91	13.46	-74%	35.68	64.01	79%
Leather	23.34	15.05	-36%	86.73	98.36	13%
Food & Allied	27.61	16.09	-42%	113.38	139.65	23%
Fuel & Power	24.68	17.3	-30%	52.08	51.23	-2%
Textile	49.32	18.46	-63%	17.88	31.34	75%
Telecom	18.85	18.79	-0%	120.8	79.3	-34%
NBFI	60.39	20.55	-66%	44.55	54.41	22%
Cement	36.71	20.61	-44%	30.22	102.49	239%
General Insurance	68.56	23.08	-66%	24.35	34.06	40%
IT	37.78	25.55	-32%	13.69	12.43	-9%
Engineering	44.6	25.57	-43%	48.44	50.12	3%
Pharma. & Chemical	39.49	29.72	-25%	67.78	66.47	-2%
Investment	47.13	37.8	-20%	35.57	35.57	0%
Ceramic	112.58	39.1	-65%	13.52	21.9	62%
Life Insurance	62.31	48.92	-21%	96.43	96.13	0%
Paper & Printing	78.4	51.96	-34%	8.48	8.48	0%
Travel & Leisure	123.04	197.46	+60%	5.14	2.06	-60%

Source: The Daily Financial Express, Bangladesh, Bangladesh

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thing against short-term price decline? Why are you really wasting your time? Don't spend your time in front of DSE; it wouldn't make much difference in share prices. Spend the same time to do some research about the market.

Of course, the manipulators are responsible for the recent market crash. Aren't you also responsible? You did not think for a moment before putting your lifetime savings in a bull market about to crash. You got unreasonably greedy and paid the price for it.

when you should proudly show your animal spirit? So, you are also one of those to blame for the recent crash in the stock market. You forgot the basic rule of investing: Buy undervalued shares and sell overvalued ones.

Forget about all the complex formulas or theories regarding investing in the share market. Let me tell you an open secret. To be successful in the share market, you only need answers to three questions: (i) what to buy; (ii) when to buy; and (iii) when to sell. Look at