FOUNDER EDITOR LATE S. M. ALI

DHAKA WEDNESDAY APRIL 3, 2013

Brutality against police

Govt. needs to be seized with the issue

N Monday's Rajshahi violence four police officials were made the target of Shibir- inflicted brutality. Of them, the worst victim was on-duty Sub-Inspector Jahngir Alam at the Shalbagan area of the Rajshahi city.

It is worthwhile to note that during the incident, the attackers made indiscriminate use of homemade bombs that emitted smoke to temporarily blind the victim police.

The Shibir men used similar tactics in their Sunday's attack in which the wrist of a member of riot police was blown away, while in another attack in November last year they snatched a weapon from a policeman in the city.

Recently, the members of the police have been increasingly coming under attacks from Shibir men in different parts of the country. This brings to the fore the issue of security of the members of the police force themselves. This is a sad commentary on the lawenforcers who are supposed to give security to the citizens, but are themselves coming under attack.

This is something unprecedented and there is no scope for taking it lightly. It is important to note that in most of the reported cases, the victims were not injured during combat with street agitators. On the contrary, they were targets of surprise attacks in isolated situations.

To all appearances, these terrorist attacks on the police are carried out in a pre-meditated fashion, the sole purpose of which is to create anarchy in society.

This is a new type of political violence the law-enforcers are faced with. The traditional methods of tackling street violence cannot work here. This calls for a different kind of approach to fight it. The police authorities need to give a harder look into the phenomenon and devise an appropriate strategy to face it.

When police security is threatened in this manner, one can easilily imagine the state of public security. The government cannot allow this to continue and must act affirmatively.

Investor confidence on the wane

Markets turn bearish

HE Dhaka Stock Exchange reached a new low on April 1 when the general index came down to 3,610 points, losing 3.6% overnight. This is the lowest point reached over a 13-month period and analysts have stated there is little possibility of any major revival anytime soon. This is hardly surprising. The sustained political uncertainty the country is experiencing coupled with the fact that most companies have declared disappointing yearly dividends the double-effect of these two factors have done little to inspire investors' confidence.

It is little wonder that most investors are in the process of selling out stocks and shares. With no end in sight of the violent turn in politics, and no surety that a negotiated settlement to the current impasse in sight, many players in the market are shying away from trading altogether. With politics playing havoc with productivity, it is natural that profitability of listed companies has taken a hit. Banks have traditionally paid out the highest dividends. Getting a bad return on investment is bad enough. Taking into account the gradual slowdown of the economy sector by sector is indicative of things to come. This year, 14 out of 30 listed banks have declared lower dividends than the previous year. In such circumstances, investors' cannot be blamed for partaking in panic selling that has helped dip the bourses.

Only the return of institutional investors can stabilise the market. Calls have been made for the ministry of finance to take steps to increase liquidity in the market. Yet, regulatory mechanisms alone will not rectify the situation unless the political climate cools down. Unless constructive steps are taken in that direction, no amount of market intervention will help to restore confidence of investors to make fresh

THIS DAY IN HISTORY



April 3

Edward the Confessor is crowned King of England.

and Filipino troops on the Bataan Peninsula.

1865

1043

American Civil War: Union forces capture Richmond, Virginia, the capital of the Confederate States of America.

1942 World War II: Japanese forces begin an assault on the United States

1968 Martin Luther King, Jr. delivers his "I've Been to the Mountain top"

speech.

1969 Vietnam War: United States Secretary of Defense Melvin Laird announces that the United States will start to "Vietnamize" the

war effort. 1997 The Thalit massacre begins in Algeria; all but 1 of the 53

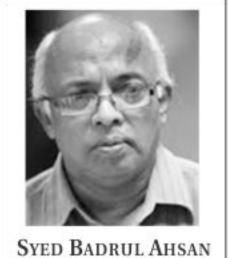
inhabitants of Thalit are killed by guerrillas.

2004 Islamic terrorists involved in the 11 March 2004 Madrid attacks are trapped by the police in their apartment and kill themselves.

EDITORIAL

GROUND REALITIES

March 1971... March 2013



N March 1971, we threaded our way through the winding passages of history. In March 2013,

we revisited old history even as we noted some of our leading citizens, in the dark company of medieval ghosts, trying to override the past, in flagrant violation of the ethics of politics.

In March 1971, the Awami League, having obtained popular support through a free exercise of the ballot, engaged itself in a strenuous struggle to have the Pakistan army loosen its hold on power and eventually go home. In March 2013, the Bangladesh Nationalist Party took it upon itself to warn Bengalis that the Bangladesh army would not sit idle and indeed would act when the time came.

Back in March 1971, Bangabandhu Sheikh Mujibur Rahman and his colleagues in the Awami League went for a series of hartals in the interest of democracy. Their goal was simple: they were conveying a message to the Yahya Khan military junta that their movement was aimed at the establishment of a legitimate, popularly endorsed government in the country. In March 2013, Begum Khaleda Zia and her party colleagues went crisscrossing the country to let people know that their hartals were geared at a specific goal, which was

the overthrow of the legitimate, democratically elected government of Bangladesh.

In March 1971, a focal point of the politics of the Awami League was the inauguration of a secular democratic order based on its Six Point programme in the country. Forty two years later, in March 2013, stalwarts of the Bangladesh Nationalist Party served warning on the country that no assault on the sentiments of the majority Muslim population would be tolerated, that indeed the party was in close embrace with the forces of religious fanaticism.

In March 1971, Zulfikar Ali Bhutto's Pakistan People's Party, despite having emerged as the opposition in the new national assembly, refused to accept anything that would deprive it of a share in power. In March 2013, Begum Zia and her friends in the BNP, despite having lost the general elections of December 2008, carefully reinforced the notion in the public mind that they remained unhappy about their defeat and would like to see the back of the party which won the majority of seats in parliament nearly five years ago.

In March 1971, General Agha Mohammad Yahya Khan accused Sheikh Mujibur Rahman of treason and vowed that 'this crime will not go unpunished.' In March 2013, Begum Khaleda Zia held Sheikh Hasina guilty of 'genocide' and promised to place her on trial in the interest of the country.

Arriving back in Karachi from Dhaka on a March evening in 1971, Zulfikar Ali Bhutto cheerfully told

waiting newsmen, "Thank God, Pakistan has been saved." In March 2013, Khaleda Zia went around telling Bengalis that Bangladesh had to be saved from the ruling Awami League. In both cases, if Bhutto and Zia are to be believed, the culprit was the Awami League.

In March 1971, within days of the crackdown by the Pakistan army on the unarmed people of Bangladesh, the leadership of the Jamaat-e-Islami linked up with General Tikka Khan and assured him of its support in dealing with 'miscreants' and 'misguided elements' and 'Indian agents' and so save Pakistan. In March 2013, the Bangladesh Nationalist Party stood shoulder to shoulder with the Jamaat-e-Islami and publicly denounced the patriotic Bengali youths at Projonmo Chottor as atheists and people gone astray.

In March 1971, Major Ziaur Rahman rose in revolt against the Pakistan army, announced Bangladesh's independence on behalf of Bangabandhu Sheikh Mujibur Rahman and waged war against the junta during the War of Liberation. Over four decades later, in March 2013, his widow and political heir linked up with the forces of anti-liberation in a patent and embarrassing move to bring down the elected government of a sovereign People's Republic of Bangladesh.

In March 1971, Bhutto and his People's Party demonstrated their discomfort with the majority position of the Awami League in the national assembly. In March 2013,

Khaleda Zia and her BNP, in no uncertain terms, made it clear once again that they were finding it hard to tolerate the Awami League in power.

In March 1971, the Pakistan national assembly remained a stillborn affair because the PPP refused to attend its opening session. In March 2013, the BNP saw little reason to end its long boycott of parliament and instead turned to the streets to settle political scores.

In March 1971, hartal was a disciplined weapon in the struggle against the Pakistan army; in getting the message across that the Bengali nationalist struggle was based on the peaceful concept of non-violent non-cooperation. In March 2013, hartals degenerated into anarchy on the streets, with extremist political elements determined to undermine social order through murder and mayhem.

In March 1971, the people of Bangladesh proudly had the flag of their future country hoisted atop their homes in clear defiance of Pakistani martial arrogance; and at the Shaheed Minar they vowed to attain, preserve and protect their democratic rights through a sustained struggle for pluralist governance. In March 2013, the heirs of ageing anti-liberation forces saw nothing wrong or ethically disturbing in tearing apart the flag of Bangladesh and vandalizing shaheed

minars across the country. We rest our case.

The writer is Executive Editor, The Daily Star. E-mail: ahsan.syedbadrul@gmail.com

The EU as last-ditch escape artist

JONATHAN FENBY

UROPE'S progress towards greater unity over the past half century has always been a messy business, marked by recurrent warnings of collapse followed by compromises that fully satisfy nobody but keep the show on the road. So why is the 40-month old eurozone crisis any different? With the embarrassing case of Cyprus handled, won't this all end with yet another patched-together solution?

......

The answer is probably, no, and the ramifications of what is happening reach far beyond the kind of late-night settlements which European leaders have been so adept at cobbling together in the past. The crisis that started with Greece's 2009 disclosure of a black hole in its budget is broader in scope and more interconnected from what went on before. The eurocrisis involves fundamental issues which European leaders skirted as the Common Market trading block of the 1950s evolved into today's highly complex machine based on Brussels with a common currency that remains a work in progress.

Cyprus was dealt with, for the moment at least, by the kind of draconian measures which powerful members can impose on a small, weak member of their club. Without the last-minute settlement reached in the early hours of 25 March, the island would have been bust, abandoned not only by its European partners but also by the Russians who had taken advantage of the lax banking regulations to put their money in its banks. So the country must now pay the price with austerity, the closing of one big bank and the restructuring of another plus levies on bank savings that will destroy dreams of a would-be thriving off-shore financial center and leave those with the largest deposits much worse off.

So far, governments have taken the hit for bailing out countries in trouble, starting with Greece. But the penalty applied in the case of Cyprus at the behest of Brussels and

Europe's prime economic power, Germany, has opened a new avenue of pain as private investors found themselves contributing, whether they wished to or not, as part of the rescue package while the imposition of capital controls made nonsense of free circulation of cash within the currency zone.

Jeroen Dijsselbloem, the Dutch head of the Eurogroup, a formal intergovernment organization of the zone's finance ministers, then upped the stakes by saying that this would set a model for the future. Shareholders in insolvent banks in countries needing rescue would be hit first followed by bondholders and uninsured depositors. Though Dijsselbloem swiftly withdrew that statement, the future seems plain as other smaller eurozone members come under scrutiny and investors face the prospect of finding their

issued last week showed that France's GDP fell by 0.3 percent in the last quarter and the Socialist administration of François Hollande, which took office 10 months ago on the promise of creating growth, has failed either to reduce the deficit, which will exceed the 3 percent target agreed with the European Commission for the end of this year, or to cut public debt which rose to a record 90.2 percent of GDP in 2012.

Britain, outside the eurozone but in the European Union, is fighting to avoid recession with growth down 0.3 percent in the last three months of last year. At last, the German economy is forecast to continue to put in a strong performance this year with the OECD last week predicting growth of between 2.3 and 2.6 percent for the year, but there was a tremor even in Europe's economic powerhouse when growth contracted in the last quarter of 2012.

Now the price is being paid and the battle lines are drawn between the austerity-minded north European states, generally in good shape, and their southern partners, which are not. Political factors now come into play in some of the continent's biggest nations.

capital expropriated as the result of decisions by politicians desperate to prevent the common currency from unraveling. Riding the tide of cheap money flowing from quantitative easing, markets have taken this calmly, but, if similar medicine was applied to a bigger country, the rush for the door could turn into a stampede.

The make-it-up-as-you-go-along style applied through the crisis, and most evident in the shambolic handling of Cyprus, is all the more dangerous because of the context surrounding the common currency. Spain's central bank last week

forecast a 1.5 percent contraction of the economy this year with unemployment set to hit 27 percent. Italy's economy shrank by 0.9 percent in the last quarter of 2012 and the ratings agency Fitch has downgraded the country to two notches above junk status. Data

Given the commitment to austerity to get the continent out of its troubles, as adopted by its leaders, it's hard to see a significant overall pickup in economic expansion; even President Hollande, the great growth advocate, is promising spending cuts. That will increase the already high level of unemployment in many of the zone's larger members as the public sector is slimmed down and companies hold back from investment or remodel their businesses to become more competitive with fewer staff. The need for structural reform, including labor markets, has been evident for decades, but the easy early years of the eurozone lulled governments

and citizens into complacency. Now the price is being paid and the battle lines are drawn between the austerity-minded north European states, generally in good

shape, and their southern partners, which are not. Political factors now come into play in some of the continent's biggest nations. Italy is in the grips of a governmental crisis after inconclusive elections. Hollande is at a record low in the polls and failed to deliver a convincing message in a major television interview last week. Spain's ruling party is accused of

involvement in a funding scandal. With federal elections later this year, the continent's strong woman, Angela Merkel, cannot afford to offer concessions that German voters would see as pandering to countries which, in their view, have already been allowed to get away with fecklessness for far too long. Extremist parties and movements that denounce the political establishment have made ground in Italy and Greece while a quarter of the electorate opted for anti-European candidates in the first round of last year's French presidential election.

Behind such immediate problems lurks the fundamental question of whether the construction of the eurozone can be completed by the fiscal union it requires to operate as a true common currency. That would involve a surrender of sovereignty, which would stick in the throat of some states, starting with France. The balance of power means that advancing the process that began with the Treaty of Rome in 1957 would inevitably be done on terms set by Germany and its economically strong allies in northern Europe. That would be difficult to resolve by the kind of muddling through we have seen in the current crisis. So far, politicians may congratulate themselves on having engineered a series of lastditch escapes, but the longer this goes on, the more difficult it will be to keep up the act.

of The General: Charles de Gaulle and France. He is currently working on a history of modern France. © 2013 Yale Center for the Study of Globalization. All rights reserved. Reprinted by arrangement.

The writer, a London-based commentator, is author