

## Arson attacks continue

*Khaleda Zia should now abandon oborodh and hartal*

ON Monday, a crude bomb blast in the TSC area left a housewife and a university student injured and a bus was torched in the Shahbagh area. Almost every day there is at least one incident of individuals sustaining horrific burn injuries or a vehicle being burnt. The violence seems to be part and parcel of the BNP-led alliance's never-ending blockade-hartal programme, freshly announced every few days. Two times a prime minister and leader of the Opposition, Begum Khaleda Zia's ruthless programme has left people shocked and helpless.

Despite the constant risk to life and limb, people have chosen to come out on the streets to go about the business of survival. They have no other choice. Yet Khaleda Zia and her alliance apparently have no desire to alleviate the misery of the people. They have decided to go on with their punishing programme.

The DCC and CCC polls offer a window for the BNP to take part in two major electoral contests. It also affords an opportunity for them to return to constitutional politics by eschewing hartal and oborodh.

The government, meanwhile, seems to have had some success in catching the arsonists and those making the crude bombs. What legal measures are being taken after they have been caught? More importantly, have the investigations found without reasonable doubt, who the masterminds of these gruesome acts are?

## Bangladesh denim carves a niche

*Brace up to meet high demand*

DENIM is showing positive growth in the sprawling readymade garments sector. Going by what has been published in this paper foreign retailers are specially price sensitive when it comes to procuring denim products. Denim producers in the country are confident that this particular garment will gain a more predominant position in the years to come. With some 25 factories engaged solely in the production of denim and a further five coming online shortly, industry observers estimate that prospects for the Bangladeshi denim is bright as prices are low. The fundamental shift in international orders headed this way has much to do with the rise in labour costs in China coupled with a shortage of skilled workers in that country.

The market for denim is diversified across various international markets including the European Union and the US. The interesting part is that some local companies are selling the bulk of their products in their own name and following the onset of the global recession, consumers in the West tended to shift to more robust yet less expensive products like denim. It is estimated the world market for denim will cross US\$65 billion per annum in the next five years. That would explain why some of the larger Bangladeshi conglomerates are investing in denim factories in the country.

Presently, Bangladesh has a \$1 billion stake in the international market for finished denim products. Should the Bangladeshi denim producers be able to keep prices competitive and quality up to the mark as demanded by international retailers, there is no reason why the denim sub-sector cannot flourish.

# How the currency War might affect Bangladesh

DR. ABDULLAH SHIBLI

A global currency war is going on without much fanfare or a formal declaration of war. All major economies, including the Eurozone, Japan, China, and Russia are depreciating their respective currencies against the dollar. The exchange rate for the euro has dropped from 1.4 to a dollar to 1.12 in one year and the Japanese yen dropped from .012 in 2013 to .009 in 2015. Russia's ruble has nosedived since the rest of world imposed economic sanctions against it, and the price of oil headed south, but that's another story. So, is that all good or bad for the Bangladesh economy?

A depreciating currency has multiple impacts. When the Taka depreciates against other currencies, our exports become cheaper and, inversely, imports become more expensive. As an example, if the value of Bangladesh's taka goes down against the dollar, say from Tk 75 per dollar to Tk 85, we pay more for petroleum imports in terms of Taka, but our garments become cheaper for Macy's and Walmart customers. This simple example illustrates the reason why countries let their currencies depreciate, i.e., to boost exports and stimulate demand for domestic products. A recent news story reported that Muscovites, who were desperate to unload their increasingly worthless ruble, were frantically buying televisions, washing machines, winter coats and other goods to get rid of cash. Well, that is what should happen in an ideal scenario in a depreciating country. But things go wrong for many reasons, and there are some unintended consequences too.

Depreciation might push up the domestic rate of inflation. If we depend on oil imports, price of gas at the pump

goes up if taka depreciates. We also see an increase in the cost of production for diesel-based power plants. For some countries this may be a desirable side effect. In recent months, Eurozone countries and Japan, are struggling to avert deflationary pressures which cause consumers to hold back on their purchases in the expectation of further declines in the price level. Central banks, particularly the European Central Bank and Bank of Japan, have resorted to easy money policy, known as quantitative easing (QE), to jumpstart domestic demand by lowering interest rate—QE is also the tool used to lower the exchange rate of euro and yen. European Central Bank has just recently undertaken a programme to stimulate the economies of Eurozone by printing money and devaluing the euro. It is expected that a 10 percent depreciation of the euro will also boost French exports by 6 percent.

However, on the other hand, cheaper Japanese cars might adversely affect American automakers, and cheaper Chinese and Japanese steel are making significant inroads in the US domestic market. A recent report contends that the share of imports has jumped from 24 percent in February 2014 to 32 percent in January 2015, a trend which could eviscerate the struggling US steel industry. The US computer industry, including IBM, HP and Microsoft, are similarly hurting from the stronger dollar. It is well known that Alliance for American Manufacturing, a trade group representing US manufacturing industries, considers China a "currency manipulator" which tries to keep its exchange rate low to boost exports and curtail imports. As recently as January 2015, China depreciated its currency and the impact was very clear. Its imports dropped by 19.9 percent in January 2015 compared with last year while exports

**Once the dust settles down in the political arena, Bangladesh can expect to overcome any weaknesses due to its strong exchange rate and higher cost of transportation.**

fell by only 3.3 percent with a surplus of \$60 billion. As a result China is in the crosshairs and can't depreciate their currency further.

Another factor that determines the impact of the depreciation is the state of the domestic economy. Currently Japan, Canada, Switzerland, India, and the Eurozone economies are growing in a very sluggish manner and the central banks are providing QE (i.e., printing more money) to stimulate their respective economies. This measure is also weakening their currencies. But, when there is excess capacity in the economy, as seems to be true in many countries, increased demand from abroad is a godsend. This seems to have worked for Japan and European countries. Toyota, the world's largest automaker, has reported a jump in its earnings even while Japan's economy is stuck in the rut.

Now that I have shown that a) countries are engaging in a currency war, and b) a depreciating currency may be used to stimulate the domestic economy, can Bangladesh try the same? The answer

is no. We have pegged taka to the dollar and have allowed it to appreciate against the euro. There is a feeling of uneasiness among some quarters that the competitiveness of Bangladesh exports will be eroded following the rise in the real effective exchange rate (REER) of the taka. And, this concern is legitimate since Bangladesh shipped some \$13.7 billion worth of goods to the EU in 2011 or 58 percent of its total exports.

How could the rising exchange hurt our exports and cause diversion of trade from Bangladesh? One line of argument hinges on the evidence that some developing countries which compete with Bangladesh in the same export market are taking advantage of the declining euro by syncing their respective currencies to euro. According to another source, exports of Vietnam and Cambodia to Eurozone countries grew by 28.9 percent and 23.9 percent respectively during the July to September period last year. However, it needs to be borne in mind that not all trade takes place at the expense of other countries and might be an indication of trade expansion. In addition, fortunately, many of our competitors, particularly in the garments sector, viz. Sri Lanka, Vietnam and Pakistan are in the same boat as us. Only India, by letting the rupee slide against the dollar, appears to be getting an upper hand. However, once the dust settles down in the political arena, Bangladesh can expect to overcome any weaknesses due to its strong exchange rate and higher cost of transportation. Another boon that will soften the impact is the lower price of oil and diesel, and our strong trade and development relationships with China and Japan.

The writer is an economist who writes on public policy matters.

## Hypocrisy and Orange Jump Suits: ISIS as a Mirror

HASSAN MNEIMNEH

APOLOGISTS, in the cause of shielding Islam from depravity practiced in its name, may discount the evident relationship between the ideology of the "Islamic State" in Iraq and Syria (ISIS) and the increasingly prominent radical Islamic theology. Such an over-protective argument merely contributes to dissonance in the global debate on how to reverse the damage that the precarious structure of shared international values has already suffered. But so does the unqualified outrage emanating from the other side of the polemics, when Western ideals are summoned to be contrasted with "Muslim" practice. History, with its most recent version included, is witness to the sobering reality that cruelty, savagery, and depravity, are not the domain of one "civilisation" at the exclusion of another. While tangible measures are applied to terminating it, the repulsive behaviour of ISIS ought also to be an invitation to the civilized world to fix its gaze on the mirror, and parse its patterns of inconsistency.

ISIS propaganda is saturated with blatant and subtle symbolism to underline its claim that the brutality it inflicts on its victims is retributive, and thus legitimate. Its video release, graphically showing the gruesome burning alive of a Coalition pilot, included lengthy segments depicting victims of alleged coalition raids - civilians, including many children - with atrocious wounds and burns. Continuous references to the "millions" of Muslim victims of Western onslaught are ritualistically made as a preface to the Hollywood-style throat-slitting of captives. The most iconic of the elements invoked to frame ISIS crimes is however the orange jump suit.

Orange jump suits are not part of the traditionally recognized apparel of Middle Eastern prisons. Their infamous entry into the visual lexicon of the region has been through two separate events, each having left an indelible traumatic mark on multiple audiences:

Abu Ghraib and Guantanamo.

In 2003, in the Iraqi prison of Abu Ghraib, US occupation personnel, with at best inadequate supervision from their leadership, engaged in massive misconduct against inmates, subjecting them to physical, psychological, and sexual torture — all while taking copious photographs of the acts, to share with friends and family. The image record of this behaviour, which lasted too long to qualify for the excuse of a simple lapse, remains as one of the most nefarious episodes of the US intervention in Iraq. Unfortunately, the grave acts at Abu Ghraib were not the sole incident of grave abuse committed by US personnel.



However, through the readily available photographic evidence — from the hooded prisoner about to undergo a mock electrocution, to the pile of naked bodies arranged for the pleasure of smiling US prison guards, through the antics of US men and women against the backdrop of naked Iraqis soiled with a brown matter — Abu Ghraib, and the deeply rooted perception that no adequate punishment followed the revelations of abuse, devastated in the eyes of any claim of ethical standards or just war practice by the United States.

The repulsive depravity to which Abu Ghraib inmates were subjected was forcefully declared as out of line with US stan-

dards. Obviously, no such claim is possible for the treatment of prisoners at Guantanamo. Caged, exposed, force-fed, denied basic rights and status, the dehumanization of the sundry captives at Guantanamo — some of whom veteran jihadists, others merely suspected of jihad — set a "standard" that ISIS propagandists have gained a real mastery in invoking. With a record of innovative cruelty, their instrumentalization of the Guantanamo abuses is deeply cynical. However, their argument that the abuse suffered by Guantanamo captives is intentional punishment, only thinly obscured for the purpose of plausible deniability sought by the US righteous self-image, is widely

accepted across the Middle East. Bolstering their accusation of the West of hypocrisy, and foreshadowing a potential ISIS use of chemical weapons, is the assertion that the US attack on Fallujah in November 2004 — one in which white phosphorus was used — in the aftermath of the gruesome killing of US security contractors earlier that year, sought the undeclared collective punishment of Fallujah's residents. Little coverage was accorded to the claims of residents of Fallujah of having suffered a US chemical attack, or to their continuing claims of a resulting surge in birth defects.

In the US cultural consciousness, events associated with the unpopular episode of the

Iraq war may have receded to the margins. For many in Iraq, the Middle East, and beyond, incidents of the war — such as the one in Mahmudiyah in 2006, in which a young girl was raped and killed with her family by US armed personnel, who were nonetheless spared the death penalty — have become part of a consistent narrative of ongoing Western depravity and hypocrisy. In his defence, the main accused of the Mahmudiyah crime had asserted "I didn't think of Iraqis as humans." His statement, unfortunately, points to the wider problem of the mutual dehumanization across assumed civilizational lines.

The dehumanisation practiced by ISIS of the Western "other" is manifest, and thus directly condemnable. Any Western national, even if dedicated to help the causes of Muslims, is a trophy to display, torment, and kill for maximal propaganda effect. The dehumanization of the Muslim "other", in official as well as cultural and media circles in the West, may be more subtle but equally damaging and insidious — whether it is the fruit of omission, such as in the ongoing morally indefensible de facto toleration through inaction of countless crimes by governments in the Middle East, against all "responsibility to protect" precepts; or the result of commission, such is produced by drones, with dismal target rates, tolerating the countless victims as acceptable collateral damage.

History, by necessity, creates filters through which classes of excess and abuse are no longer part of the mainline record. Dispossessing native tribes; slavery; carpet, nuclear and chemical bombing of civilian populations are not the deeds of this US generation. Guantanamo, the Iraq war, and the current conduct of war in many theatres of operation, as well as the severe discrepancy between claims of exceptionalism and the reality of negligence, are necessary reflections in the mirror that ought to be resolved if the conviction of a moral high ground against ISIS depravity is to be realized.

The writer is Principal at Middle East Alternatives, Washington DC.

## COMMENTS

**"Return' Salahuddin or face dire consequence"**  
(March 23, 2015)

S. M. Iftekhar Ahmed

BNP is running on empty threats and their movement is going nowhere. So making such comments is a waste of time. They need to approach it in the legal manner.

**"Solar solution for Jhenidah farmers"** (March 18, 2015)

Aminul Islam Bakul

I think this is a great initiative. Government should provide more support for the development of this kind of initiatives.

Murshed Alam-Ahmed

Solar power and biogas can reduce deforestation, water shortage, soil erosion and loss of wildlife. At the same time rural electrification, power, energy from biomass conversion could bring hope to rural population. Bangladesh can use solar power in CHT to power indigenous villages, cottage industries and schools for children.

## LETTERS TO THE EDITOR

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### "The grammar of investigation"

I read the above piece by Muhammad Nurul Huda (TDS, March 21) with intense interest about police investigation in Bangladesh. Our politicians never understood the necessity of high quality investigation. Mr. Huda is squarely putting the blame of negligence on the political elite. But if we consider the standard of our home ministers, what would they understand about the grammar of investigation? The bureaucrats spend their whole lives in the profession and through numerous training get the professional tag. How much did the IGP's do to advise the politicians? Nothing. The post is barricaded by the home secretary (always a non-police person) so that the IGP cannot say anything to the home minister. How will any investigation draw the available resources for a useful investment for the future? Instead of developing a criminal research laboratory in each division, CID has been sidelined. Nowadays we don't see any success story of CID on papers anymore; instead we hear that the police has sought immunity for torture. No investigation is complete without a remand nowadays and the meaning of remand is understood by all. However, I would like to thank the columnist for bringing the issue to the forefront. We hope the government will understand the necessity of quality investigation in the near future.

Bazlur Rahman  
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### US' aid to Israel should stop

Netanyahu closed out his campaign with a vow to oppose a Palestinian state, reneging on his nominal endorsement of a two-state solution in 2009. Netanyahu also vowed to expand the illegal West Bank settlements and issued a last-minute plea to supporters denouncing a high turnout of Arab voters. Israel refuses any right of return to Palestinian refugees expelled from their homes in 1948 and 1967, though it welcomed one million Russians and still keeps its doors open for new immigrants. Israel also says it will never force 180,000 Jewish settlers on the West Bank, Gaza and Golan to leave.

Israel has received \$233 billion in aid from the US since 1948. It grew gradually from a base of \$100 million (in nominal terms) in 1949. Since then, US aid has been about \$3 billion annually. Since 1992, the US has offered Israel an additional \$2 billion annually in loan which receives aid in quarterly installments. Direct US aid to Israel (since 1948): \$233.7 billion (\$112 billion in providing Israel with \$208.6 million in aid per year).

The president of the United States has the power to break this impasse. President Dwight Eisenhower ordered Israel to vacate Sinai or face the cut-off of all US aid and an end to the tax-deductible status of contributions to Israel. Israel vacated Sinai.

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