

Of distractions and political manoeuvres



FOR many animal species, diversion is necessary for survival. The killdeer, for example, is famous for putting up quite a show. It will fly off her nest and pretend to be injured to divert an intruder away from her nesting ground. Once the threat has been lured away, the killdeer will take to the air, having fooled the predator—leaving it with nothing.

Human beings are both similar and not-so-similar. We, too, masterfully use the art of distraction in order to survive. But unlike the killdeer, distraction, for us, mainly serves plain sinister, selfish purposes. And no one uses diversion as a means to an end more than the politicians.

Diversions are an indispensable tool for the politicians to disrupt public attention. They are integral to shaping public opinion, silencing dissent, passing bad laws—you name it. Of course, this is a wholly subjective matter given its covert nature—what one deems to be a diversion others may not. But diversions have long been part and parcel of political life.

A little-known example of alleged political diversion is George W Bush's signing into law the HR 2417, i.e. the Intelligence Authorization Act for Fiscal Year 2004, on December 13, 2003, the same day Saddam was captured. The Act, which expanded the FBI's powers to investigate terrorism, was signed into law



As water choked the capital, the LGRD minister had a more optimistic take on the roads-turning-into-rivers situation, pointing out that waterlogging was much worse in Kolkata and Mumbai, hoping to make us feel better for not having a working drainage system.

PHOTO: STAR

without much media frenzy and fanfare as people were too busy celebrating Saddam's capture. The law increased the number of businesses from which the FBI and other government agencies doing intelligence work could obtain financial records without court approval, among other expansionary powers.

While the above-mentioned is one of countless examples of political diversions whereby "external enemies" are used to keep people's attention off domestic matters, here, at home, the tactics and strategies used by politicians do not amount to "diversions" per se, and tend to be

less subtle and less sophisticated. The primary focus of our politicians seems to be to confuse the public by way of making unscientific comparisons or denying the problem to divert attention away from the root of the problem. Let me explain.

In Bangladesh, it is not unusual for politicians to make illogical statements on issues of national interest. These not-so-well-thought-out declarations are usually spontaneous rather than pre-planned, and are almost always a form of defence mechanism used to avoid accountability.

Comparison with other countries and/or cities is the go-to tactic for our

ministers and lawmakers. Take for example the comments of the LGRD minister from two months ago regarding waterlogging in Dhaka. As water choked the capital days on end, adding to the woes of Dhaka-dwellers, the LGRD minister had a more optimistic take on the roads-turning-into-rivers situation. He was quick to point out that waterlogging was much worse in Kolkata and Mumbai, hoping it would make us feel better about the fact that we don't have a working drainage system.

Although one may wonder what purpose such analogies serve, because they don't do anything to solve the

problem at hand, in reality, it is a brilliant political manoeuvre. Because now the focus of the conversation has shifted to Dhaka-versus-another-city instead of the government's next course of action and whether or not it plans to do anything at all to resolve the chronic waterlogging problem.

If you have ever wondered why ministers and lawmakers readily make statements on the impressive GDP growth but stay mum when a girl is gang-raped on a moving bus, think about what headlines they would rather have dominating the news. It's a no-brainer. And this, too, is a shrewd political strategy whereby news that promotes economic stability is always preferable to that of sexual violence against women.

Political diversions and other tactics may look and sound different but the end purpose is always the same: give people something else to think and talk about. Some methods may be more overt than others. For example, the outright denial of a problem is nowhere near as subtle as a particular event getting excessive attention so that another can easily be swept under the rug as the public remains engrossed with the "more important" news.

Speaking of lack of subtlety, let's not forget our environment and forests minister who is most famous for his comment about the tiger population in the Sundarbans having dwindled due to the tigers going on a tour to India. He had in the past also rubbished as misleading a survey report which said that only 106 tigers are left in the Sundarbans, and told activists to not be too concerned with "some trees" being cut down. Instead of talking about the large-scale poaching of tigers and the ramifications of development taking

place at the edge of the Sundarbans, our environment minister refused to even acknowledge the very real threat of extinction of the tigers, all the while implying that the root of the problem lies elsewhere or that the problem doesn't exist at all.

It's easy to spot these overly used tactics—especially when we are talking about Bangladeshi politics—because some of the things we hear simply go beyond comprehension. For example, when the water resources minister held rats accountable for the destruction of embankments which led to the devastating flash floods, it seemed more like an attempt to not respond to allegations of corruption and mismanagement behind the construction of dams. To be fair, he did admit that there could have been corruption but that was accompanied by the statement that it was part of the "total system where corruption exists."

Unlike the killdeer, for which distraction is a matter of life and death, politicians use diversions, tactics, strategies—whatever you want to call it—more than just to survive: to deflect attention to further an ulterior motive. Tools such as comparison with other countries, denial mode, etc., foil any genuine attempt by civil society and the media to have a worthwhile conversation about pressing issues that truly affect us. And while feel-good headlines conveniently hog the limelight, it becomes easy for us to remain oblivious to all the wrongdoings and injustices being carried out in plain sight.

Nahela Nowshin is a member of the editorial team at The Daily Star.

Bubbling through 2018



As we begin a new year, the celebratory mood of 2017, which saw US tax cuts and record stock market prices, is set to spill over into 2018.

Most observers reckon 2017 was one of the most exciting years, because of very bipolar situations. Anyone who has lived with bipolar personalities would recognise that a high could feel that you are walking on clouds, but the lows certainly feel very down.

There was hardly a dull moment with US President Donald Trump's tweets literally changing long-standing policies by the minute. From withdrawing from TPP and Paris Climate Accord to calling the North Korean leader a "Rocket Man", nothing could be more divisive than making Jerusalem the location for the US Embassy for Israel. This crossed a red line for the Islamic community, since the US shifted from an arbiter of Middle East peace to a partisan player.

Brexit ended the year looking like the leaving wife has to pay up to USD 50 billion for the divorce privilege, keeping a back door (common Irish border) open for sneaking to the family house. The European Union took a tough line because if Britain could leave cheaply, it would encourage more Leavers. But there is no doubt that when the far right won 13 percent of the votes in the German elections, polarisation within Europe on how to handle the rising tide of immigration will be its primary existential threat.

Through all the geopolitical

stresses and strains, the global financial markets sailed through 2017 by creating record highs, ignoring any fear that the central banks would reverse their unconventional monetary policies. Indeed, the biggest surprise winner in terms of returns is Bitcoin, which started the year at USD 1,000 or so, and last traded at USD 18,000.

According to Investopedia, if you bought USD 100 worth of Bitcoin on January 1, 2011, you would be worth more than USD 3.7 million at a price of USD 11,321 at end November, 2017. At USD 18,000 that would be worth more than USD 5.8 million.

This is a bubble far worse than the South Sea Bubble of 1720. I am amazed at how sanguine central bankers and financial regulators are on how easily innocent investors in cryptocurrencies can be taken to the cleaners in this bubble. Most retail investors do not realise that cryptocurrency has no intrinsic value, it is not anyone's liability with no custodian or central register. So when someone tells you that your cryptocurrency has "disappeared" due to hacking or fraud, the cryptocurrency investor has no legal protection at all. According to Bloomberg, roughly 1,000 key players own up to 40 percent of Bitcoin, so no one can check whether the prices and liquidity are subject to manipulation. After all, if you cannot crack Blockchain and trace who is doing what, how can any regulator find out who is responsible for what?

Since the market value of all cryptocurrencies already exceed USD 200 billion, and regulators are allowing both futures and initial coin offerings (ICO's) to open and trade, if and when institutional investors also get into the game, any collapse of the bubble will be very widespread and catastrophic in impact.

There are two ways to explain the authorities' complacency. One is that they are playing bureaucratic legalism, claiming that since the cryptocurrency is neither currency nor commodity, regulation is outside each agencies' narrow jurisdiction and therefore someone else is responsible for the mess when it collapses. The other is that they feel that the market will sort this out, and that after the crash, investors will be taught a lesson better than any regulatory action.

Such behaviour smacks of the "monumental collective intellectual failure" that did not foresee the 2008

global financial crisis.

If the reversal of the cryptocurrency bubble causes widespread systemic failure like the collateralised debt obligations in 2007-08, then be assured that the regulators will ask for more laws, powers and blame it all on "shadow players", where no one needs go to jail, no regulator is negligent and we can solve all this through more investor and consumer education.

A severe reversal of the cryptocurrency bubble seems almost unavoidable, taking down some smaller players. Of course, since algorithm or computerised trading

accounts for up to half the total trading in some markets, it would not be surprising that every drop will be an opportunity to buy the market higher. Hence it is quite possible that the market will continue to trade higher for a while, but it cannot defy gravity too long.

Basically, the financial markets are riding on expectations that economic growth is recovering everywhere. But any unknown trigger event could send it crashing. We live in a simultaneous knife-edge of massive greed and bottomless fear—including the fear that we will miss the upside.

On the bright side, the Fed has finally made its interest rate adjustment, followed quickly by the People's Bank of China. This means that interest rate normalisation is on its way.

Traditionally the UK is a wind vane in taking interest rate action ahead of the US. But this time round, Brexit worries may temper any aggressive rate increases by the Bank of England.

The real question on the economy is whether a flat US Treasury yield curve, which historically signalled a slowing economy, will come true or not. Optimists think that the US tax cuts will continue to boost the market, whereas Trump opponents vehemently argue the reverse.

Unbounded human optimism happens when there is what Charles Kindleberger calls a displacement—a phenomenal event that disorients rational thinking.

The 18th century South Sea Bubble happened because great fortunes were made in colonies from growing cotton using slave trade.

Even the great scientist Isaac Newton lost a fortune playing stocks. As he famously said, he could calculate the movement of motion of heavenly bodies, but not the madness of the people.

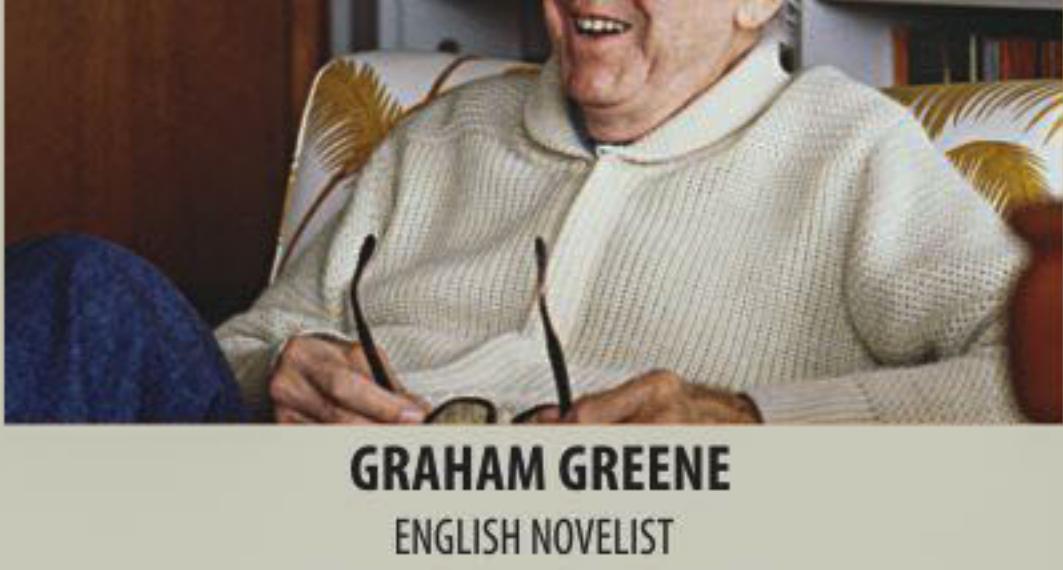
This time round, we are living in an age of wondrous technology, at a time of great change that brings hope as well as despair of the unknown. This explains our euphoria and our worries. 2018 will be a year of great hope for optimists and devastating despair for pessimists.

Enjoy the bubble while it lasts. Happy New Year to all.

Andrew Sheng is a Distinguished Fellow with the Asia Global Institute of the University of Hong Kong, writes on global issues from an Asian perspective.

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QUOTABLE Quote



GRAHAM GREENE
ENGLISH NOVELIST
2 October 1904-3 April 1991

A story has no beginning or end: arbitrarily one chooses that moment of experience from which to look back or from which to look ahead.

CROSSWORD BY THOMAS JOSEPH

ACROSS

- 33 Course need
- 8 Playful mammal
- 34 Old fridge
- 9 Jury members
- 36 Rank
- 11 Hive VIP
- 37 Bit of gossip
- 15 G-man's org.
- 38 King of Crete
- 17 Story with a lesson
- 39 Unfeeling
- 20 Corn unit
- 40 Flared dress
- 21 Salon stuff
- 41 Look after
- 24 Doomed liner
- 42 Track horse
- 25 Showy flower
- 27 Irritate
- 28 Yellow-stone sight
- 30 Not obtuse
- 31 Evil spirit
- 32 Dads to jrs.
- 33 Historic times
- 34 Young fellow
- 35 Investor's buy
- 36 Sahara sight
- 37 Agitates
- 38 Travel aid

DOWN

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- 3 Leadon
- 4 Historic times
- 5 Young fellow
- 6 Making merry
- 7 Craze
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- 9 Agitates
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- 11 Stockmarket stat
- 12 Went fast
- 13 Bring together
- 14 Binds
- 15 Tentative inquiry
- 16 Clay, later
- 17 Tad Lincoln's dad
- 18 Demolition job
- 19 Bargain
- 20 Unfeeling
- 21 Look after
- 22 Flared dress
- 23 Alpha follower
- 24 Doomed liner
- 25 Showy flower
- 26 Making merry
- 27 Irritate
- 28 Yellow-stone sight
- 29 Historic event
- 30 Not obtuse
- 31 Evil spirit
- 32 Dads to jrs.
- 33 Course need
- 34 Old fridge
- 35 Investor's buy
- 36 Sahara sight
- 37 Bit of gossip
- 38 Travel aid

YESTERDAY'S ANSWER

P	E	P	U	P	O	S	A	K
A	G	A	T	E	D	I	V	E
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BEETLE BAILEY



B-19

BY MORT WALKER



GREG & MORT WALKER

BABY BLUES



B-19

BY KIRKMAN & SCOTT



ROBBIE RAE