

Industrial Development: Gap between Theory and Practice

Rioting in Germany

It may be a combination of several factors, ranging from the rising unemployment in most cities of former East Germany to the continuing influx of Third World refugees seeking political asylum...

To put it in the wider context, the rioting in Rostock is part of the anti-immigrant wave that is sweeping through a number of West European countries.

This means that the growing crisis may have more to do with the faltering economic programme than with the influx of refugees as such.

There is a possibility that the Federal Republic of Germany may change its liberal law relating to political asylum.

It is also a time for some soul-searching by German leaders. In the past, they tended to view the sporadic rise of neo-Nazi rightist violence in former West Germany as a minor affair.

Illegal land-grabbing

No wonder that in a fast growing city like Dhaka, land ought to be precious and real estate business highly lucrative. But the racketeering with and illegal occupation of land — both government and private — by organised gangs should simply be considered nightmarish.

Muscle power, corruption and deception mark the illegal sale of such land holdings in Mirpur. Taking advantage of the acute housing problem of the city, these corrupt elements have resorted to cheating people looking for a plot to build their own residential houses.

When corruption and lawlessness have spread their roots deep into society, it is only natural that the opportunists will rush to where unearned money is in basketful supply.

True, some attempts were made to oust the illegal occupants from government land, though with limited success, but the measure has only touched the tip of the iceberg.

In my article last week, I suggested that a sound policy for the economic development of the country will have to establish a balance between planning and the operation of the market forces.

The domestic market is small and undeveloped. Labour productivity is low. Management skill and technological know-how is often lacking.

By our new policy to patronize the importers of finished products we have unfortunately foreclosed the possibility of the local assembling plants growing into broad based industries.

to encourage indigenous industries, then it should be reflected not only in public statements but in the policies and actions.

In the context of the recently introduced import duty in the new budget I referred to the plight of the electronics industry. This is a potentially important growth industry.

The duty on imported finished TV sets has been reduced from 100% to 75%. On the other hand, the custom duty for some components of the locally assembled units has been increased from 40% to 45%.

What is the likely impact of these new rates of custom duty? Fully assembled TV sets made abroad will easily capture the market in Bangladesh.

In the strong consumer preference for foreign goods. Consumer preferences and attitudes do not change overnight. Local industries have to try over a period of time to create the confidence of the consumers in the quality of locally produced goods.

management skill from the developed to the developing countries. By our new policy to patronize the importers of finished products we have unfortunately foreclosed the possibility of the local assembling plants growing into broad based industries.

porters' lobby is far too powerful for the authorities concerned to resist the pressure. I will be most pleased if I am assured that I am wrong on this point.

It is the pronouncements of the government are to be believed, we should expect some special incentive to the local industries to export. Many developing countries have even some developed countries have designed an incentive structure to encourage exports.

The private sector will invest in this field because of their confidence that the government will support them in this effort. In getting credit, land, power and other facilities as well as in importing machineries the agro-industries should get a preferential treatment from the authorities.

the electronics industry in Bangladesh, the custom duty structure and other taxes ought to be revised to reflect the policy. Regrettably, this does not seem to be the case today in Bangladesh.

We all know that Bangladesh faces a serious problem due to the wide spread practice of smuggling. Periodic campaigns have failed to stop or even reduce smuggling. In fact today the smugglers are more resourceful and more organized than ever.

Unless the overall climate is favourable for the private sector, the prospects for industrial development would be rather dim. I have taken the example of the TV imports to show how the governments' policy pronouncements and actual actions are not consistent.

I sincerely hope that the authorities concerned will take the factors that I have pointed out into account and take such actions as are necessary to save the industry from destruction.

ON THE RECORD

by Shah AMS Kibria

Industrial development. Thousands of skilled labourers will lose their jobs. The possibility of using this small industry to eventually develop a strong broad-based electronics industry will be nipped in the bud.

The importers' lobby spares no effort to suggest that the value added by the assembling plants are really not very significant. In the national interest we hope that the government does not share such a view.

pressure to "liberalize" the economy. The enormous weight of the World Bank-IMF advisers is supposed to be behind this pressure. However, liberalization is supposed to be beneficial for the economy, at least in the long run.

Kuwait's Indian Workers Still Pay the Price of the Gulf War

TWO years after the Gulf war, Kuwait is well on its way to recovery. But more than 80,000 Malayalees, natives of the south Indian state of Kerala, are still unable to return to Kuwait.

In Kerala, with a population of some 28 million (3.5 per cent of India's total), unemployment and underemployment were a major problem even before the Gulf War.

Ravi, 38, who worked as heavy vehicle driver for a construction company in Kuwait, has repeatedly written to his former employers requesting a visa to enable him to return to his job.

For Ravi and his family, survival has become a constant struggle as the prospect of renewed employment in Kuwait remains a distant and receding dream.

lent attitude to Kuwait during the war means that Kuwaitis are looking to their staunch supporters in the rebuilding of the country.

Ravi was on a monthly salary of 250 Kuwaiti dinars (about US\$850). His company had a bad payment record and still owes him 2,500 dinars in back pay.

Six months before the invasion, he borrowed 650 dinars to pay for a visa for his brother to enable him to get work as a driver in Kuwait.

The outlook is equally bleak for most other Malayalee returnees. They came back from Kuwait with few possessions and, although some, like Ravi, had their own homes to go to, others have been forced to stay with relatives.

Very few jobs are available in Kerala, the home state of 75 per cent of Indian nationals working in Kuwait. During the years of plenty in the 1970s and 1980s,

Prasanna Probyn writes from Trivandrum

remittances from the Gulf states to Kerala were spent on houses, motor vehicles and consumer goods. Investment in businesses was minimal.

The economic impact of the Gulf crisis on Kerala has been profound. Prices, particularly of land and houses, have fallen as some returnees have had no choice but to sell their homes to survive.

The war affected India in other ways. Sixty per cent of Iraq's construction projects were handled by Indian companies, which have nearly US\$1 billion locked up there.

The state government of Kerala has not given any financial aid to the returned families. Rather it has called for them to be given special consideration in the job market and has asked schools to admit their children without going through elaborate formalities.

Like Ravi, Abraham believes that Kuwait no longer welcomes Indians, particularly Indians over 40.

Returning to Kuwait can be difficult. The Kuwait government is demanding that visa applicants should have a police clearance certificate from India — a means, it claims, of excluding "undesirables".

The Gulf Malayalees Welfare Association in Kottayam, central Kerala — a voluntary organisation run by Kuwait returnees — is campaigning for a better deal for the Gulf Malayalees.

The organisation's general secretary, P Abraham, claims that recruitment agencies in India are cheating people out of up to 30,000 rupees (US \$1,000) with the promise of Kuwait visas.

It is suggested that relevant authorities instruct all scheduled banks to exchange torn notes and also allow them to transact business with mended bank notes until such time when our poor country can bear the cost of supplying adequate quantities of new currency notes.

National Petroleum Company and the major banks. But many others have not followed suit.

The Gulf Malayalees Welfare Association is now helping the returnees to apply for war compensation, distributing United Nations forms to individuals who are claiming between US\$4,000 and US\$10,000 for loss of earnings and property in Kuwait.

For many Malayalees who made their homes in Kuwait and then lost everything, this is the only lifeline in a sea of despair. — PANOS

Prasanna Probyn is an Indian freelance writer.

Iraq: Repression of Minorities

by A Correspondent

THE Southern Marsh area of Iraq is a maze of lakes and waterways which is inhabited by a unique people who trace their origins back to before 3,000 BC.

The Iraqi forces besieging the marshes are based on the major roads in the area as well as to the east of the Gharrar river and in Nassariyah. The Iraqi army have recently moved to try and cut off supplies coming through this way to the opposition groups.

There is some evidence, cited most recently in the report by the UN Special Rapporteur on Human Rights that this is a deliberate government policy. The current Prime Minister is on record as having instructed army generals to 'wipe out' three specified Marsh Arab tribes.

Movement of people and goods into and out of the area is tightly controlled. Fishermen living on the outskirts of the area are only allowed to move within strictly defined limits. If they venture outside this they are accused of collaborating with the rebels.

The Iraqi national assembly recently approved a resettlement plan for the marshes. And at the beginning of June Iraqi Radio announced that excavations had begun on the third river project. This project involves the digging of a large canal to take water to central Iraq for irrigation purposes.

The Iraqi army has launched a series of major attacks against the Marsh areas this year. All of these attacks have been an escalation of past activity and have included the use of armed helicopters, heavy artillery, tanks and more recently fixed wing aircraft.

The latest attacks on 21-27 July and then 1-5 August have also involved the use of frog-foot fighter bombers and according to opposition sources, MIG 23 aircraft. Unconfirmed reports mention casualties as high as two thousand and one Kurdish source has accused the Iraqi aircraft of using Napalm in an attack on 27 July.

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To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

White supremacy

Sir, True the whites still consider themselves as a superior race. Just the other day, as I was on my way to the office, I saw a white gentleman hitting a rickshawpuller, because the rickshawpuller scratched his car (which had a yellow name plate).

Compensation

Sir, The Government of Bangladesh continues to sell, lease, operate the abandoned assets and property of Pakistanis left in Bangladesh after liberation of the country.

have called the traffic police who was just standing a few feet away. It seems he had adopted to the ways of the general people who also take the law by their own.

Mehruba Siddique Khilgoan, Dhaka

Torn currency notes

Sir, The other day, a local bank issued me a bundle of old 50-taka notes. The notes were so fragile that counting was smelly — difficult for fear of damaging them further.

Marriage counselling centre

Sir, Going through The Daily Star of 13th August, my eyes posed on 'Dhaka Day by Day — Oh, That Crucial Cut' by Fayza Haq. Very concrete situations indeed, and so common, too.

Dr Hamidur Rahman Kathal Begar, Dhaka.

Sadqiq Alee Moghbazar, Dhaka

The Centre will be able to suggest also some more addresses for marriage counselling, according to situations.

M. S. S. X Jessore.