

TRENDS OF JAPAN'S OVERSEAS INVESTMENT AND CASE OF BANGLADESH

After USA, a Shift towards ASEAN

by Ahmad Mahmudur Raza Chowdhury

TOWARDS the middle of the decade of 80s, worldwide direct investment expanded remarkably...

Unlike the manufacturing of goods, these investments had taken place in the fields of movies, music and cultural assets...

The changing economic climate. This scenario is more prominent in cases of electric/electronic and automobile companies...

Singapore (700), Malaysia (500), Indonesia (400) and the Philippines (200). Flow of Japanese investment has been comparatively low...

lar. Fourthly, with the growth of economy, domestic demand have risen outpacing supply resulting inflation.

Pray for the Best, Brace for the Worst

Just about the time we were heaving a sigh of relief that may be 1992 will have spared us the trauma of another natural disaster...

As we hope that we will be spared a repetition of April '91 experience, or for that matter, of November '70 we became once again aware of how vulnerable our coastal areas are...

There is, however, much that remains to be done. The most important lapse is the slow pace of our cyclone shelter construction work...

We would like to sound a note of warning, at this early stage to both the ruling party and the opposition, not to politicize the relief process...

As nature's wrath hits our gentle people once again, let us gather strength from the fact that we have survived such disasters before...

When Law is Let Down

Yet another life has been lost in the clashes between shopkeepers and students of Dhaka College. It is the second such incident...

With an enviable record—both academic and humane—this one of the oldest of our educational institutions no more can claim to be keeping up with the tradition...

It has been proved beyond doubt that if the political organisations are determined to bring their militant cadres under control, they are likely to be successful...

Now what are the offences the so-called student leaders commit and yet can manage to drag unsuspecting students by their sides?

Now the question is: if the anti-terrorist law has been specially made to deal with such offences, what the police were doing when the chaos was brewing up?

The intriguing point therefore is how to stop the group terrorism. Laws are meaningless if they cannot find their proper application...

Regionwise, North America has been the largest recipient of Japanese investments which was influenced by investors' confidence in the US market economy, consistency of US government's policy...

The enormous size of Japanese funds vis-a-vis low returns from domestic investment and hyper-valued real estate assets made the investment prospects within Japan limited...

were: (a) increased investment in the processing and assembly sectors of manufacturing industries, (b) rapid increase in investment of finance, insurance and real estate...

mainly from Japan (72%) and raw materials locally (50%). With the rapid rise of investment in the expanding NIEs, the labour shortage and consequent rise in wages...

ASEAN Scenario The precipitous growth of foreign direct investment in the ASEAN since 1987 has given rise to some bottlenecks which in turn has slackened the flow of investment...

Even at the fear of repetitions, it may be noted that Japanese overseas investment in 1990 declined 15.7% from the previous year. This was primarily due to collapse, since early 1990 of 'soap bubble' style economic boom...

The writer is Commercial Counsellor, Embassy of Bangladesh, Tokyo.

Doubtful Claims of Nafta's Wonders

by John Cavanagh and Robin Broad

The so-called wonders of the North American Free Trade Agreement will not benefit ordinary Americans of Mexico, argue the writers. It will only give US firms unlimited freedom to move goods and factories anywhere on the continent...

days of December. Gene Grossman and Alan Krueger, two economists at Princeton, reckon that countries turn the environmental corner when they reach roughly \$4,000 in per-capita income...

Grossman and Krueger's study is, a trenchant reminder of why you shouldn't try to predict real life behaviour from narrow academic economic models...

Mexico's free trade development strategy centres on attracting yet more foreign-owned factories of the sort that already overpopulate the US-Mexico border...

2,000 factories are an environmental nightmare, and the untreated wastes that flow from many of them have been blamed for everything from a hepatitis outbreak in Kentucky...

The Cold War is over. The principal challenge now facing the United States is to compete in a rapidly changing, expanding global marketplace...

The increased freedom for US firms to move goods and factories anywhere on the continent is what this agree-

ment is all about. Unfortunately, what is good for General Motors is no longer too hot for the US. Indeed, GM seems more intent on moving jobs to Mexico than cars as it shuts down plants left and right...

Since there are as many estimates on job loss from the agreement as there are economists, it would be prudent not to get too specific here. But it doesn't take too much number crunching to predict what happens when you free investment between two neighbouring countries...

Bush also invoked the name of Christopher Columbus as he announced the completion of the trade negotiations. Perhaps this was well chosen: border enterprises were about profit for the few based on ex-

plotation of the many. This week's signing of free trade agreement with Mexico puts America very much on the offensive in this global competitive game and leaves fumble-prone European and Asian opponents on the defensive...

To the contrary, Europe is an example of how to do economic integration better. Aware that lower wages and labour and environmental standards in Portugal, Spain and the other poorer countries could pull down standards...

The newly negotiated North American pact includes none

of these protections and instead sets just on a global race to the bottom in terms of wages and working conditions. In the name of competing better on global markets, we will continue to bargain down US wages and standards toward Mexican levels...

The fate of this agreement rests with the new US Congress that will be elected in November. The challenge that faces the public and our elected officials on Capitol Hill is how to steer the benefits of expanded investment and trade in a globalised economy toward a healthy environment...

Third World Network Features

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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.

Philanthropic organisation

Sir, Recently I had the opportunity to learn about the various humanitarian and social welfare activities of Al-Markazul Islami, a philanthropic organization. This organization is providing free social services, especially to the poor people, which include medical and funeral services...

Dhaka city to commission the hospital. At one stage of talk, I was told that a kind-hearted businessman from Jeddah having pleased with the philanthropic works of Al-Markazul Islami donated a modern ambulance for strengthening the organisation's free medical services...

May I draw the attention of our esteemed Prime Minister to the matter of the ambulance as stated above and request her to direct relevant authority to do the needful for easy and early release of the ambulance. It is sincerely expected that the govt and others will extend their total cooperation to all the philanthropic organizations which are offering free social services for the betterment of our poor people.

M Zahidul Haque Assistant Professor, Bangladesh Agricultural Institute, Dhaka

The UN and Veto

Sir, I refer to the NAM demands for abolition of the Big Five's Veto rights in the Security Council of the United Nations, as declared in its conference last held in Jakarta. United Nations is an organisation of world nations based on the following basic principles: 1) Respect for independence and sovereignty of States; 2) Equality of States; and 3) Non-interference in internal affairs of States...

Uncle Sam's advice

Sir, Seven basic requirements of democracy suggested for Bangladesh by American ambassador in Dhaka recently worked wonders for American democracy over the centuries and may become the secrets of success for Bangladeshi democracy as well. Compared to the World's second largest democracy that elects her chief executive (President) with the electoral votes representing a population of over 90% literacy, Bangladesh with about 25% literacy has been trying different systems ever since her lib-

eration and returned to parliamentary rule through a national referendum a year ago.

The prescription of American diplomat for healthy growth of democracy in LDC Bangladesh include controlling government decisions by elected officials, electing officials frequently and fairly, election by adult franchise, adult's right to be candidate, citizen's right to freedom of expression, alternative source of information, and right to form independent associations or organizations.

In a ripple effect under the recent 'wave of democracy' in the world, (almost all) communist or dictatorial governments have democratized their governance that have substantially contributed toward the new world order, and obviously human rights had been the key issues in this democratic transformation entitling the citizens to freedoms.

Democracy has been functioning progressively for centuries in the developed countries that are especially rich with high percentage of educated citizens. As has been proven already, the success of democracy depends considerably on the right practice of

the rights entrusted in the system that ought to yield benefits for all citizens.

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Sex education

Sir, Sex is an essential part of hygiene. So problems of sex should, not be neglected under the pressure of conservatism or social taboo. Since there is no scientific sex education in our country, most of the adolescents learn the do's and don'ts of sexual behaviour from various unreliable sources while absence magazines and 'blue films' mislead them. So, in order to make our people conscious about sex, an educative system is to be introduced. Text books may be devised to provide the students sufficient information about sex vis-a-vis the age of the students. Of course, this ought to be such, as cannot encourage premarital sex and create new problems.

If it is properly done, then, I do hope that it would reduce venereal diseases, fear of AIDS and also divorces arising out of sexual misunderstanding. Md Shoukat Haider (Babu) Dept of English University of Chittagong