

# North Ignores South to its Peril

by Qazi Kholiuzzaman Ahmad



Bithu Pria — an outspoken woman on the nine-person managing committee of Rajpur Union Federation.

## "The Federation Makes us Strong"

by A M Ahmed

**I**N the rural backwaters of northern Bangladesh, an inspiring new force is emerging. The rural poor, weak and powerless for so long, are finding their voice and strength by organising in self-managed people's federations. Women are among those leading the way.

Bithu Pria is one of three remarkably outspoken women on the nine-person Managing Committee of Rajpur Union Federation in Lalmonirhat District. Almost 700 families are members of this Federation, paying a tiny monthly subscription and meeting regularly to begin to transform their area and their lives. Rajpur Federation has been around for only 3 years but, with advice from non-governmental organisation Rangpur Dinajpur Rural Service (RDERS), is already a positive force for change.

Bithu, a widow of about 35 with 3 children, tells of the Federation's progress. Among its social activities, it organises and funds a literacy class for uneducated women members. It has contributed toward the running of a non-formal primary school and recently repaired 5 km of roads damaged by floods. It also carries out motivation and education work among its own members — at present encouraging children to attend school, to have their children immunised and to register marriages and go without dowry. It has even begun arranging social welfare, recently providing a total of Taka 1,200 (\$30) to help with funeral expenses of three women recently widowed.

Rajpur Federation's economic role is also growing fast. The Federation's Fund now stands at Tk 68,832 (\$ 1,720) and is used to

provide loans to its members to establish tree nurseries, set up as poultry vaccinators and launch other small ventures. One promising new business is to lease space in the local market to vendors. Previously, only the rich elite who controlled this sector, now the poor through their Federation collect tolls twice weekly from the small traders who come to sell their farm produce there.

The Federation has now set up their headquarters near the market — flimsy bamboo hut. Inside, ten women group members sit at sewing machines receiving training from an local instructor paid by the Federation.

Rajpur Federation is already being recognised as an emerging force within the local power structure, and local government officials are now showing interest in their work. As Bithu explains "our first task is to strengthen the Federation, then we can begin to press for improved government services such as schooling and health." One issue they are beginning to tackle is that of corruption.

Rajpur Federation is one of 250 Federations which are daily growing stronger across northern Bangladesh. These Federations are pressing for and gaining access to government land to farm, leasing many kilometres of roadsides to plant their trees, acquiring rights to start fishfarming in government-owned and private ponds. Like the poor people of Rajpur, thousands now have their own organisation and the will to tackle the problems that affect their everyday lives. As Bithu Pria says "the Federation makes us strong."

**I**N the North, more specifically in the OECD countries, the unemployment problem may be perceived in terms of business cycle ebb. In the past, growth and employment expanded and ebbed periodically in these countries. Monetary policies or fiscal policies or both were used to overcome the recession and get the economies moving. But, by now, the malaise seems to have acquired a fundamental aspect of another order, as an inevitable consequence of the historical process behind the phenomenal growth achieved by these countries.

A major contributory factor to the growth in the North was the appropriation of natural resources from the South directly during the colonial era and through unequal trade or continued control over the harnessing and/or distribution of most of those resources during the post-colonial era. This process of command over natural resources has now hit harder times both because of limited supplies of many materials due to past over-exploitation and increasing awareness about the need for environmental protection. This is likely to constrain growth and, hence, employment in many activities. On the other hand, increasing dependence on ever more highly sophisticated technologies in many fields is impacting negatively on employment, although there may be accelerated economic growth through high productivity caused by such technologies.

Employment is thus adversely affected in both growing and stagnant or decaying activities. Also, many jobs have been, and are being, lost due to ever increasing concentration through mergers, acquisitions and alliances resulting in restructuring of company managements and operations. One thus finds persistently high levels of unemployment in most of the OECD countries (Table 1). As of August or September 1993, unemployment rate was close to 7 per cent in the USA and around 11 per cent in most European countries. There has since been some improvement in the USA but the figure is still 6.5 per cent. On the other hand, the situation has been worsening in Japan where the unemployment rate as of August 1993 was 2.5 per cent. On the whole, the unemployment situation in the North is alarming enough to force the G-7 countries to call 'Job Summit' in the middle of March 1994 to seek ways and means of employment creation. Ideas mooted ranged

from the usual business cycle approaches of seeking economic expansion through monetary and fiscal policies to labour market interventions through education, retraining and employment support schemes.

It appears that the North is not accepting the new realities relating to employment, growth and environment and, hence, is not even considering new ways of tackling them. But, the old recipes seem to be out of tune with the emerging circumstances characterised by primary resource constraints, the need to protect the environment, and dependence on ever higher technologies. Increased production of goods and services in the North also faces a demand constraint because of the failure of growth to occur at fast enough rates in much of the South. Given its large and fast growing population, much of the future potential world demand for various goods and services is in the South and its materialisation would depend on Southern growth. The conventional approaches to solve the problems are therefore unlikely to work satisfactorily on a sustained basis, although there may be some short-term positive results.

It appears from available media reports that two strategies which, I think, can be helpful over longer run have not been discussed at all in the Job Summit. One of these has to do with the life style in the North. Consumerism as a way of life has to be shunned. A fulfilled life is not necessarily one surrounded and regulated by more and more gadgets. The path of consumerism has brought the whole earth to the brink of a disaster and left millions around the world including many in the North barely surviving. Hence, consumerism can be challenged on both the practical question relating to the earth's future and moral and ethical grounds that the profligacy by a small minority has been largely responsible for stunning the prospects of the rest of the humanity with a substantial proportion languishing on the margin of existence. It is therefore necessary that life styles and, hence, the pattern and processes of production must be adjusted in the OECD countries. This would mean increasing decentralisation of productive activities and development of efficient, people-focused, environment-friendly technologies that should create more jobs, distribute the outcome more widely and help protect the

environment, replacing the current process of mergers of companies creating ever larger conglomerations, and dependence on increasingly higher-tech, labour displacing, environment-degrading production processes, which restrict job opportunities, concentrate wealth and degrade the environment.

The second strategy should be to actively support growth and development in the South, not as if a favour was being done but as a necessary precondition for continued good economic health in the North. This strategy will increase effective demand in the South for goods and services produced in the North. Limited scope of increased trading among countries in the North has been made clear once

by the real people and to accelerate growth in those countries. In fact in the interest of viability and sustainability, the processes to be supported must be those that are genuinely based on the needs of the people and circumstances prevailing in the countries concerned.

But the North is doing just the opposite; and this is bound to result in a lose-lose, negative sum game for all, i.e. both the South and the North will, in the end, be losers. For example, the quantum of aid is being reduced by many donor countries; and, contrary to the market economy world view that the North is now vigorously preaching, aid provided continues to be tied to pre-conceived ideas and policies on the one hand and pre-

scribed technical support and hardware on the other. While aid cannot be the engine of, it can play an important role in, South's growth, if it can be properly tailored to the specific needs of particular countries. But, given that it is and has always been subject to dogmatic attitudes of the North, it can and has been injurious to the prospects of the many countries of the South.

In the case of trade, one finds that, in spite of the conclusion of the GATT Uruguay Round, most Southern countries remain victims of an unequal international trade regime vis-a-vis the North, characterised by adverse terms of trade and trade barriers of various types that the North with its commanding market power can impose. For example, the emerging eco-labelling can become a formidable trade barrier against the South, more so because the specifications are being developed unilaterally by the Northern countries in many of which governments and domestic industries work in close tandem in such matters. Barriers against

South's exports are also being sought to be erected by the North in terms of labour standards and human rights. The North, led by the USA, is vigorously pursuing to enlarge the scope of trade agreement reached only a few months back (in mid-December 1993) under the GATT Uruguay Round (which is due for ratification in mid-April 1994 in Morocco) in these regards. These are no doubt very important social issues; and the right of all human beings to human dignity demands their satisfactory resolution. But their 'trade relatedness' is far-fetched and, hence, the motive of the North in raising these issues in relation to trade is clearly suspect, particularly so in view of the timing of proposing the conditionalities. The boat is being rocked even before it is floated.

Country	Unemployment
Australia	10.9 (September)
Belgium	9.6 (August)
Canada	11.2 (September)
France	11.7 (August)
Germany	8.6 (September)
Holland	5.3 (August)
Italy	10.9 (August)
Japan	2.5 (August)
Spain	22.3 (August)
Sweden	8.7 (September)
Switzerland	4.8 (September)
UK	10.3 (September)
USA	6.7 (September)

Source: The Economist, London, 23-29 October 1993.

again by the vested interest-based stances taken by the OECD countries in the Uruguay Round of Trade Negotiations under the General Agreement on Trade and Tariffs (GATT) concluded in December 1993 and the more recent acrimonious trade bargaining between Japan and the USA. On the other hand, vast potential of increased demand for North's exports in the South is demonstrated by significant increases in recent years in the share of the fast growing south-east and east Asian countries.

In order that this strategy of assisting the South through the best possible results in different countries, a dogmatic approach must be avoided. In other words, policies and programmes conceived by bilateral and multilateral donors must not be imposed on the Southern countries. It is now known that straightjackets imposed through the so-called structural adjustment packages are not consistent with the realities in many countries of the South and, hence, fail to address the real problems faced

by the South. Consumerism as a way of life has to be shunned. A fulfilled life is not necessarily one surrounded and regulated by more and more gadgets. The path of consumerism has brought the whole earth to the brink of a disaster and left millions around the world including many in the North barely surviving. Hence, consumerism can be challenged on both the practical question relating to the earth's future and moral and ethical grounds that the profligacy by a small minority has been largely responsible for stunning the prospects of the rest of the humanity with a substantial proportion languishing on the margin of existence. It is therefore necessary that life styles and, hence, the pattern and processes of production must be adjusted in the OECD countries. This would mean increasing decentralisation of productive activities and development of efficient, people-focused, environment-friendly technologies that should create more jobs, distribute the outcome more widely and help protect the

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## Fatwas vs Development

by Aasha Mehreen Amin

**O**N March 23, 1994, Abdur Rashid, a field worker for a local NGO in Fatehpur, Sylhet, was summoned at an arbitrary village hearing organised by the local religious leaders.

It was a day Rashid was beaten up and subjected extreme humiliation; his 'crime' being that he worked for an organisation that was allegedly a 'Christian' institution that was trying to convert Muslims into Christians and posing as a threat to Islam by taking women out of purdah. The incident had the familiar ring of bigotry that is spreading all over the country, attacking NGOs which aim at making poor, rural people especially women, self-reliant and economically advantaged. Such ideas in the eyes of religious zealots amount nothing short of heresy. Yet behind all the self-righteousness and moral outrage is the insecurity of a patriarchal system that just does not work if the small and weak cannot be oppressed by the strong and powerful.

The chain of events that led to March 23rd's incident began in October '93 when Abdur Rashid, a teacher at the local madrasa quit his job and joined Friends in Village Development Bangladesh (FVDB), an NGO aimed at helping the rural poor all over the country.

A higher salary compared to the madrasa and enhanced social status, were the reasons behind Rashid's career change. Rashid's new job, however, prompted a former colleague from the madrasa named Asir Maulana to spread all sorts of nasty rumours about Rashid and FVDB. He alleged that FVDB was an organisation of heretics out to convert the village people into Christians, encourage women to be shameless by taking them out of purdah, promote adultery of the mind and eyes by allowing men and women to sit side by side in the name of samity meetings and so on. Rashid in attempt to dispel such misconceptions, tried to reason with Asir Maulana and his cronies but to no avail.

On 8th January at 4 p.m. Asir attended a meeting where Ali Ahmed an FVDB officer and several women from Bheopara were present. The meeting was aimed at forming a women's group and took place in the house of Mahmuda Begum, a middle-aged woman married to Barkatullah, a man in his fifties. There were 23 people at this meeting which was interrupted by Asir Maulana and three of his associates. They started repeating the same allegations, warning the men and women to 'refrain from such sinful acts'. To Rashid, who tried to protest this, Asir Maulana said 'you have become a Murtaad' (heretic).

On January 15th 1993, a discussion meeting at Haripur

Bazar masjid called by Asir Maulana took place. The meeting was attended by a few other moulanas and village elders. The subject was to decide whether FVDB was a legitimate or illegitimate (*tayez* or *naiyaz*) anti-Islamic organisation or not. Rashid who did not get the news on time could not attend it. A month later Rashid was summoned to another session where he was present along with Asir Maulana, Moulana Sheikh Abdullah murabbi (elder), Mahmud Ali, Chatat, Tongai Murabbi, U.P. Chairman Maulana Rahmatullah, Motuk Mia and others. In this session Rashid was accused of holding women member's hands to help them sign with their thumbs, an allegation he denied. Rashid under pressure, apologized to Asir Maulana for 'talking back to him' and was advised by Sheikh Abdullah to 'leave his job'.

After this incident, Rashid stopped communication with Bheopara village but was urged by the women members of the 'Shangathan' to help them with account keeping and information on credit systems. On 24th February at Mahmuda Begum's brother's request, Rashid along with his uncle, aunt and their 10-12 year old son, arrived at Mahmuda Begum's house at night. Present at that house was Syedullah, his wife, Sayeeda, Mahmuda Begum, her husband Barkatullah and her daughter Zulekha plus seven or eight other people. Towards the end of the meeting Asir Maulana barged in and asked Rashid to go outside with them. When Rashid stepped outside he found more than 20 people waiting for him. Asir Maulana told them that Rashid had, against their warnings, gone to that village to work for his organisation and so he should be made to answer for this. They then took Rashid and proceeded towards Haripur Bazar berating him for his 'crime' and yelling out 'we have caught a Christian.' The mob finally took Rashid to Bulbul Tailor's shop. It was decided that a 'court' would be summoned the next day to 'try' Rashid for his misdemeanor. Later the day was shifted to March 23rd. Rashid's father Emdad Ali was asked to bring his son to the village hearing.

The day was one that Rashid will never forget. Rashid was asked to leave his job and pay a fine of Tk. 25,000 to be absolved of his 'sin'. Rashid unable to control himself murmured: "If a religion requires money to forgive a person his sins, I do not want to be a part of it." For this

comment, Rashid was hit repeatedly with a slipper and his father was made to shave Rashid's head.

Later Rashid reported this incident to the Duty officer in Joyntapur thana on March 24th. His report was confirmed by many of the village people. The complaint, however was recorded on March 30th.

The repercussion of this was much worse than what Rashid could have imagined. Asir Maulana and his cronies accused Rashid of having an illicit affair with Mahmuda Begum. They claimed that on February 26th Rashid was caught red-handed by the people of Shelopara village with Mahmuda Begum at her house while her husband was absent. It was the same report that was published in a few local newspapers causing Rashid further mortification. Rashid cannot understand why the police or any press reporter did not bother to get a statement from him before publishing such hurtful and completely false allegations. Nor can he understand what he has done to deserve such indignity and mental anguish.

Rashid's case is one amongst many cases of victimization due to religious fatwas. The proponents of such injustice take law into their own hands arbitrarily in direct defiance of the law. They work against women's literacy, against the poor man's right to a decent life free from oppression all in the name of Islamic justice. If unchecked, this menace will work against the country's development and take us back to the Dark Ages. Unless we are there already, that is.

## MALAYSIAN Industrial Development Authority (MIDA) is the Government's principal agency for promotion and co-ordination of industrial development of the country. MIDA was established in 1965 under the Federal Industrial Development Authority Act of the Government. It became fully operational in 1967. As per its charter, the following functions were entrusted to MIDA.

- to undertake economic feasibility studies of industrial possibilities.
- to undertake industrial promotion work in Malaysia and abroad.
- to facilitate exchange of information and co-ordination among the agencies engaged in or connected with industrial development.
- to recommend policy on industrial site development and where it deems fit, undertake the development of such sites.
- to report to the Minister of International Trade and Industry on the progress and problems of industrialisation in Malaysia and make recommendations for solution for such problems.
- to advise the Federal Government on measures for the protection and promotion of industries, including the imposition and alteration of and exemption from customs and other duties and import and export licensing.

## MIDA: The Success Story of Malaysia's Industrialisation

by G A Matin

On October 1, 1988, MIDA assumed its role as the Centre on Investment. An investor now needs only to come to MIDA to obtain most of the approvals required at the federal level with regard to establishment of projects in the field of manufacturing, integrated agricultural operations and hotels and tourism.

Organisationally, MIDA is headed by a Council with a Chairman. Under the Chairman, there is a Director General and two Dy Directors-General, one for operations and another for development. There are nine Divisions, each headed by a Director. The Divisions are as under:

- Planning, research and international co-operation
- Tariff
- Industrial promotion
- Resource based industries
- Engineering industries
- Electrical and electronics industries
- Food, beverages and chemical industries
- Building materials, textiles and miscellaneous industries
- Administration, finance and control services

In addition, MIDA has set up as many as 15 overseas offices in Europe, the USA, Australia, Japan and South East Asia having huge investable surplus funds.

The authority of MIDA asked themselves a very pertinent and important question: What factors a foreign investor will consider before he decides on investment in an alien country? They critically examined the question and came up with their replies. According to their assessment, there are ten major factors to which a potential investor will give serious consideration before choosing location of his investment. MIDA has carefully evaluated the investment climate and identified these factors. The key factors and their related position in Malaysia, are stated below.

**Political Stability:** Since independence in 1957, the country has been practising democracy which has established deep roots in the political ethos of the country. The Barisan Nasional which is the

ruling coalition party, commands a two-thirds majority in the parliament, thereby, ensuring strength and stability of the government dedicated to development.

Malaysian economy based on



Car manufacturing

Malaysia possesses one of the best infrastructure in Asia. There are over 170 developed industrial parks and 12 free zones which cater to the needs of rapidly expanding export-oriented and high-tech industries.

Cost Efficient Labour: Out of

Business Environment: Well established stock and commodity exchange, business councils/associations, sophisticated legal, accounting, consultancy and advertising firms served by qualified and experienced professionals, have created a business environment in which international business of any scale, can be conducted with ease and success.

Quality of Life: Modern and comfortable housing, excellent medicare services, educational institutes of international standard, moderate climate, wide ranging facilities for recreation, modern shopping complexes, unspoiled beaches and hill resorts combine to make living in Malaysia highly enjoyable and pleasant.

It is no wonder that Malaysia located at the heart of South East Asia, one of the world's fastest growing regions, with rich natural resources, highly capable, pragmatic and committed political leadership and rapidly developing qualified and skilled manpower, has become one of the most attractive countries for foreign investors.

MIDA has aptly adopted the slogan "Malaysia, your profit centre in Asia," this is not a mere cliché and the government as well as the business community fully believe in the validity of the slogan and, what is more important, has successfully sent the inner message of the slogan across the world through their 15 overseas offices. Even tourists on a short visit to the country, can not fail to observe that the entire people have been imbued with a spirit of confidence and are visibly glowing with hope for a better future.

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## Jute Shoots

Total World Production: 3.5 million tonnes  
1991-1992 figures

