

## Industrial Estates in Developing Countries

## Contributions to Urban and Regional Development

by A B M S Zahur

*The contributions that an industrial estate can make for economic and industrial development and to urban and regional planning may be considered only in the context of national policies at a particular time.*

INDUSTRIAL Estates have long been regarded as being among the best and most economical tools for promoting the development of manufacturing industries, especially the medium and small-scale ones, in developing countries. Their use has also been extended to promoting the economic development of rural and backward regions. W. Bredo defined 'Industrial Estate' as 'A tract of land developed and subdivided into plots according to a comprehensive plan with provision for roads, transport and public utilities with or without built-up (advance) factories, sometimes with common facilities and sometimes without them for the use of a community of industrialists.' An industrial estate may be classified according to the sponsorship, the location or the functions it performs.

In most of the developing countries there are two basic policies: One on industrial development and the other on land usage. In the past emphasis was placed on industrial development because reduction of unemployment was considered to be pressing. Regional and urban development plans were accorded a somewhat lower priority. While some success in creating more jobs was achieved, the fundamental problem of migration remained. A significant step could be made towards solving the problems only when the programmes for industrial development and land usage were coordinated.

An industrial estate programme, adequately supported and coordinated with other development programmes may achieve: (i) promotion of more rapid industrialisation, (ii) increase in national and local employment, (iii) more balanced regional distribution of employment and production, (iv) attraction of private investment, (v) development of small national industries, (vi) ushering-in of industries and industrial employment in rural areas, (vii) induction of structural changes in production and employment, (viii) encouragement on more effective use of resources through the development of large-scale industrial complexes, (ix) improvement of product quality and increased productivity, (x) attaining of economy in investment in public infrastructure, (xi) reducing of cost of capital investment to the industrialists and (xii) elimination of delays for the industrialist in obtaining a suitable site, utilities and buildings.

As part of urban and regional planning an industrial estate may serve by (a) promoting decentralisation by preventing or checking excessive concentration or growth of single urban areas, (b) increasing the economic, productive and employment base of urban communities, (c) regulating the inflow of industry and guiding its orderly location within the metropolitan areas, (d) strengthening the economic base of small and medium-sized towns, (e) providing an indus-

trial base for new towns, (f) preserving the most suitable urban land for industrial use, (g) providing a more healthful and attractive urban environment, (h) minimising distance to work and reducing load on the transport system, (i) maximising efficient land use, (j) integrating urban marginal population into the productive industrial system, (k) reducing cost of land and land development, (l) providing sites to relocate industries displaced by urban renewal projects, (m) protecting residential and other non-industrial areas from nuisance created by industry and (n) achieving economy in the provision of urban services and utilities.

The above contributions are not equally important. Normally the greatest weight is placed either on increased national and local employment, the attraction of private local and foreign investment, the promotion of small-scale enterprises, the achievement of

the means of achieving this. The others are zoning or industrial parks.

In Bangladesh Small and Cottage Industries Corporation (BSCIC) and the Board of Investment (BOI) have been entrusted with the task of providing industrial plots to the willing entrepreneurs. For the large and medium it is the BOI and for the small industries it is the BSCIC. In the Industrial Policy 1991 it is stated that 'Industrial areas will be demarcated and developed for planned establishment of manufacturing enterprises and in those areas where there is potentiality for development of industries, more infrastructural facilities and opportunities will be created.' This does not clearly state the intention of the government, whether the government wants to attain industrial growth through establishment of industrial estates or there may be industrial zones and industrial parks as well. This may be due to lack of skill in drafting the policy. The present government appears to be striving for a new industrial policy. To my knowledge in the proposed policy draft mention has been made of development of intensive industrial zone with planned geographical dispersal of industries, as one of the strategies in the new policy. We are not clear as to whether the government is going to stop developing further industrial estates.

The terms 'industrial estate' and 'industrial zone' have different meanings. An industrial estate is a tract of land developed and subdivided into plots according to a comprehensive plan with provision for roads, transport and public utilities with or without built-up factories, sometimes with common facilities and sometimes without them, for the use of a community of industrialists. On the other hand, an industrial zone is merely an area of raw land set aside for industry. In general, it is created by a municipal by-law and is part of an urban renewal or development. For better and clearer draft it may be advisable for the ministry of industries to seek the help of professionals.

Though we may not have clear picture as to the contribution of industrial estates to the realisation of urban and regional development programmes it may be considered necessary for an overall assessment of the situation to look closely whether,

(a) the objectives of industrial development programmes are realistic;

(b) there is adequate coordination with other development programmes;

(c) there are adequate supporting institutions;

(d) there are adequate pre-planning;

(e) the programmes have been vigorously pursued with one set of objectives continually in view.

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adaptable labour to the existence of estates receiving foreign undertakings.

As regards promoting development of small-scale industries, it depends more on the national industrial development policy than on the presence of industrial estates. Where the policy has emphasised the importance of the small-scale sector industrial estates, in some countries have played a leading role in its implementation. In Ecuador, Iran, Malaysia and Sri Lanka estates they have played only a minor part in the promotion of national small industries. The estates in Nepal and Turkey may be regarded as having contributed, but for different reasons. No encouragement is given in Turkey to the establishment of new small-scale enterprises, the vast majority of the industries are relocated businesses. It was reported that most of these doubled the number of their employees within two years of moving to an estate. To that extent the estates promoted industrial development. In Nepal the estate provided the infrastructural requirements of industry that are not easily obtained elsewhere.

In regard to increasing employment, it was seen that except in case of Malaysia the contribution of industrial estates was small. The proportion of the labour force employed in industrial estates in all the above countries did not exceed 5 per cent. In India it was around 3 per cent. So far as attainment

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## South Africa after Nelson Mandela

by ASM Nurunnabi

*Mandela began his rule on the crest of a wave of optimism. Mbeki begins his in an economic slump. But few doubt his commitment to economic orthodoxy or his desire to root out corruption and incompetence.*

VOTERS in South Africa decided on a successor to President Nelson Mandela and on the course of the government over the next five years. His preferred successor 56-year old Deputy President Thabo Mbeki was all but guaranteed a victory in the polls. Unofficial results suggested that the ANC improved substantially on the 63 per cent share of the vote it won in the last 1994 election. The outcome for the opposition in the latest election was rather poor. The two closest rivals to ANC polled less than ten per cent of the votes each — the Zulu nationalist Inkatha Freedom Party, whose followers often feuded with ANC backers in the past, and the Democratic Party, founded as a white anti-apartheid party but subsequently appealing to conservative whites with tough anti-ANC stance. ANC won the most votes in eight of the country's nine provinces, trailing narrowly only in one province which was considered stronghold of the Inkatha Freedom Party.

The last election was different from the country's first free election in 1994. In the eyes of all, Nelson Mandela, fresh from

TOM & JERRY



By Hanna-Barbera

almost three decades in an apartheid prison, stood firmly in his call for racial reconciliation and an end to violence. He almost single-handedly kept the country together and in his election rhetoric spoke loudly in favour of the long battle against apartheid. To all observers, part of Mandela's aura derived from his appeal to an individual's noble instincts and moral stature. His tactics had always been to use his natural charm to liberate his enemies from their fears. This conciliatory approach had helped him to win over ordinary whites and blacks.

In contrast, this year's election atmosphere had been short on charisma. Much of the zest, tension and jubilation that were in evidence during the last election had faded.

It has been widely felt that in the light of such brilliant past record of Mandela, the president-elect, Thabo Mbeki would appear to be a more modest figure. Despite being a man of considerable administrative talents, he is said to lack not only Mandela's moral authority and widespread tact and lustre, but also his distinctive blend of statesmanship and common

touch. Mbeki enjoys rather lukewarm support among whites and mixed race population. Among blacks, his support is strong which is attributable to Mandela's and ANC's policies.

Observers think that in the post-Mandela period, a change of style in Mbeki's administration seems likely. However, no big change seems to be in the offing so far as policy matters are concerned. Since economic policy making matters have long been in the hands of Mbeki and his team without any interference from Mandela, this trend would continue. This gives an indication of the amount of responsibility Mbeki, as Deputy President, carried on his shoulder during Mandela's period.

Although the South African economy has its foundation on mining precious metals the future does not seem to be free from dark clouds. The economy

is plagued with unemployment which is said to be topping 50 per cent in many communities and economic growth may be negligible at around 0.5 per cent of GDP this year. Almost two-thirds of the country's 32 million blacks reportedly live below the poverty line while only one per cent of the whites do so.

Going simultaneously with the country's economic problems is a large-scale housing shortage. As per current statistics, with one in every seven individuals home less, about three million housing units are needed to house them all. Against this requirement, the government and private contractors are reportedly building less than 10,000 houses each year. After coping with the economic problems, the new government's hardest task will be curbing crimes. Police statistics show that most of the violent crimes are carried out by young adults. When these youngsters grow older, an even larger crime wave is feared to be

just years away unless the government takes appropriate measures to stem the tide of crime.

Though after Mandela's release from prison and elections in 1994, apartheid was officially banned, the racial tension in the country is still reported to be existing. This was evident from the fact that while the ANC was counting on the support of much of the country's black majority, the other 23 per cent of the population overwhelmingly voted for the opposition parties. All this makes it clear that South Africa still treads a delicate path in containing its residual racial tensions. This underlines the need for Mbeki to pay at least as much attention as Mandela had done in balancing white fears against black demands.

When asked how his presidency would differ from that of Nelson Mandela's, Mbeki said the policies would remain the same, but in the second five

years, the administration would be better placed to move faster because of the foundation that has been laid. He pointed out that during the last five years of Mandela's term, 500 pieces of legislation were passed to remove the apartheid laws.

In the field of international relations, the president-elect indicated that South Africa's relations with the United States at all levels has been quite satisfactory. It was further indicated that the economic relations between the US and South Africa would keep expanding all the time. In this context, it was stated that the South African government had set up a binational commission in order to ensure dealing bilaterally with all matters relating to the two countries whether they are political, economic or whatever.

The new government, Mbeki said would continue President Mandela's policy of maintain-

ing close relations with Libya, Cuba and Iran. As regards the opinion in some quarters that Libya and Iran might be treated as rogue regimes, the President-elect referred to the oil resources of Iran and said that French oil companies have decided to participate in mining and development of its oil, and they are supported by the French government. Since countries around the world have relations with Iran, Mbeki's government finds no reason why South African should behave in a manner contrary to what the majority of the world does.

As regards South Africa's prospects of playing a useful diplomatic role in Africa, particularly with reference to the approximately 15 conflicts that are currently going on the continent, Mbeki enunciated his policy in this manner. 'We have to be involved in the search for peace and stability on the continent. We've got to ensure that there is an early warning capacity. There are conflicts currently going on which need to be resolved. We are trying to build up a peace-keeping capacity. We are better placed to act as a region with regard to peacekeep-

ing than as individual countries.'

Mbeki firmly stressed the point that the policy of national reconciliation is very important to the future of South Africa. Explaining further, he said that a radically divided society still remains in the country. The legacy of apartheid is said to be deeply entrenched. So there is need for pursuing the notion of national reconciliation to develop in the country in which all South Africans — black and white — develop a common patriotism, overcoming the distrust and racial antagonisms of the past.

In the opinion keen observers, Mandela began his rule on the crest of a wave of optimism. Mbeki begins his in an economic slump. But few doubt his commitment to economic orthodoxy or his desire to root out corruption and incompetence.

South Africa's future under Mbeki may well be unspectacular, but when we remember the legacy that apartheid left to the ANC and the apprehended turmoil which could be avoided, the present state of things in South Africa deserves to be commended.

## Liberation and Beyond

by J N Dixit

*(The Daily Star is serialising extracts from the book through exclusive contract with University Press Limited (UPL), publisher of its Bangladesh edition).*



## 1972: Efforts at National Consolidation

Part-II

THOUGH Sheikh Mujibur Rahman was declared President of the newly emerging Bangladesh and was entrusted with complete power there was, from the moment he returned to Dhaka, an inner bitterness about not being at the centre stage during the liberation war. He was happy about the establishment of Bangladesh as an independent country. He was equally grateful and appreciative of the support that the Government and people of India had extended to the freedom movement of Bangladesh. But his behaviour pattern from January 1972 itself made a few things clear. He aimed at compensating for his absence during the liberation war by taking complete charge of all State affairs and by ensuring that senior Awami League leaders who managed the liberation war would play a secondary role to him. One dimension of this motivation was his appointing members of the Awami League who were not close to the Mujibnagar Government as ministers and advisers to balance off the influence of the former. The second trend discernible in his approach was his not shedding his reticence and suspicions about India. He was realistic enough to accept that in the initial period of its existence Bangladesh would have to depend on Indian support and assistance. But he was clear in his mind that Bangladesh should not become over-dependent and excessively involved with India. If West Pakistan, smaller in population and geographically distant, could exploit the Bangladeshi India, which was much larger and geographically next door, could do the same. The Indian connection and influence, therefore, should be diluted over period of time.

The third ideological and political orientation which Mujib had was that Bangladesh's distinctive identity would depend on the country reverting to its 'Bengali Muslim identity' and Bangladesh being acknowledged as such by Muslim countries. Another characteristic of his mindset led him to visualise himself as a national leader who transcended the factionalism and divisiveness amongst his compatriots which had been sharpened by the liberation war. He felt that he should emerge as an impartial 'Father of the Nation' without any self-consciousness or bias. He, therefore, made it clear that even those Bangladeshi who were opposed to the liberation war would be welcomed back to the fold and into the power structure if they returned home and committed themselves to serve the motherland. This was for him a radical view to express but he had a keen desire to be acknowledged as the established and unbiased political leader of his country, particularly by Pakistan. Perhaps, because his sub-conscious ambition before the tragedies of March 1971 was to become the supreme leader of Pakistan itself, a cause for which he had sacrificed most of his youth and early political life. There could be different opinions about this assessment of his persona. But what I have said is based on my observation of his political behaviour and decisions at close quarters for the first three and a half years of Bangladesh's existence during which I function as India's Deputy High Commissioner in Dhaka. What I have recounted in the preceding lines were to my mind his orientations and objectives in domestic policies and foreign affairs when he became the President of Bangladesh.



The document of surrender, Dec 16, 1971.

This does not mean that he was not desirous of a good and practical working equation with India. Soon after assuming charge he sent a message to Ms. Gandhi that, he did not consider his stopover in Delhi as sufficient expression of his gratitude to the people of India for their support to the liberation struggle of his country. He said he would like to visit Calcutta and address a public meeting there in the presence of Mrs. Gandhi. His suggestion was promptly accepted by Mrs. Gandhi. The visit took place in the first half of February. In his private conversations he also indicated he wished to visit West Bengal in February because assembly elections were due in that State and he felt that his presence and public pronouncements supporting Mrs. Gandhi would help the Congress Party win the elections in that

State. This was perhaps the first expression of his desire to emerge as a South Asian regional leader who could influence political processes in even a bigger neighbouring country like India which no previous leader in Pakistan could ever think of doing.

Mujib Rahman and Mrs. Gandhi addressed a vast public meeting at the Calcutta Maidan. It was a resoundingly successful political and public relations exercise. He spoke with fervour and great emotional intensity which touched the hearts of the massive audience. Mrs. Gandhi, dressed in a red bordered sari worn in Bengali style, sent the audience into raptures. I would never forget the human and feminine traits in Mrs. Gandhi's personality which I witnessed at the end of this public meeting. A number of us officials were hovering around the base of the high dais atop where Mujib Rahman and Mrs. Gandhi were addressing the public. Both leaders came down the steps from the rostrum and Mrs. Gandhi suddenly turned to Siddhartha Shankar Ray, the then Chief Minister of West Bengal, and asked: 'How do I look in this Bengali outfit, I hope the people liked it.'

One does not have to go into the details of responses of rapture, admiration, etc. which she received from her assembled followers.

The discussions between Mrs. Gandhi and Mujib Rahman and between his and Mrs. Gandhi's senior advisers were of greater importance. Mujib Rahman invited Mrs. Gandhi to visit Dhaka in March. The invitation was accepted. Mujib also indicated that he would like to discuss residual problems resulting from the liberation war and the surrender of the Pakistani forces when Mrs. Gandhi would visit Dhaka. He repeated his suggestion that the Indian armed forces should remain in Bangladesh for a further six months to one year to stabilise the situation. This was the point on which Mrs. Gandhi demurred. She said she would like to come to Dhaka but only after the Indian troops were withdrawn from Bangladesh. She said she would be willing to make an exception for the Indian brigade doing mopping up operations in the Chittagong Hill Tracts.

Another interesting discussion between Mrs. Gandhi and Mujib was about Bangladesh and India signing a treaty of peace, friendship and cooperation. Mujib felt that such a treaty would underpin Bangladesh security at that particular point of time when neither Pakistan nor China had recognised Bangladesh and when there were still Pakistan's forces functioning in Bangladesh. D.P. Dhar was keen that the treaty be signed in Calcutta itself as a dramatic move. But P.N. Jakkar felt that it would be a premature move. He correctly anticipated that if India and Bangladesh sign such a treaty in Calcutta within a month of Mujib assuming power there would be criticism and even suspicion that India had pressured Bangladesh into signing such a treaty to establish a long-term domineering relationship even before the new Bangladesh Government had settled down and could consider all the pros and cons of it.

Ultimately a brief joint communiqué was issued at the end of the visit. Haksar's views prevailed. Mrs. Gandhi clearly shared his assessment.

The other problems discussed were further action to be taken on the 93,000 Pakistani prisoners of war. Mujib requested that the POWs he moved out and kept in Indian camps as he could not afford to maintain them. He suggested that he would like to take a decision on holding trial for war crimes in consultation with India. He raised the question of India returning to his country the weapons and other logistic equipment captured from the Pakistani army in Bangladesh. His view was that this equipment and the arms legitimately belonged to the Bangladesh freedom forces. Mujib made the additional point that Bangladeshi armed forces were used to Pakistani arms and equipment. Their possession of these weapons would increase their capacity to deal with the tense internal situation in Bangladesh more effectively. He also raised the question of resolving the pending bilateral issues inherited from India-Pakistan days like the sharing of Ganges waters below the Farakka barrage and return of the enclaves belonging to Bangladesh which were allocated to East Pakistan at the time of partition.

Mrs. Gandhi's response was positive. She said she would be sending teams of civil and military officials dealing with these issues to work out solutions to these problems. She also informed Mujib Rahman that India was in the process of initiating discussion with Pakistan to resume relations with that country with the objective of preventing further crises and tension between them. She emphasised that this process had to have the support of Sheikh Mujib Rahman and the Bangladesh Government. India would not take any initiative unilaterally in normalising relations with Pakistan and whatever was done would happen in consultation with Bangladesh. Mujib Rahman was also told that my appointment as Acting Head of Mission was temporary and that a senior Indian personality would be appointed as Ambassador to Dhaka and that I will continue as the Deputy Chief of Mission.

Subimal Dutt, ICS, India's Third Foreign Secretary (from 1955 to 1961) was recalled from retirement and appointed as India's High Commissioner to Bangladesh. Dutt was designated '