

Development and hindrances in small and medium enterprises

SALEH AKBAR KHANDAKER

In an impoverished country like Bangladesh, poverty alleviation through industrial growth as well as large-scale employment generation is heavily dependent on the development and expansion of small and medium scale enterprises (SMEs). Available evidence suggests that during 1980s SMEs alone were responsible for giving birth to 59 percent of new industrial enterprises in Bangladesh. Moreover, current share of SMEs stands at around five percent of the total industrial sector contribution, 11 percent of the value addition to GDP. This sub-sector now accounts for 82 percent of the total industrial labour force and generates 45 to 50 percent of the manufacturing value added. By and large, therefore, the role of SMEs in industrial employment and value added is quite substantial. Nevertheless, this critically important economic component in Bangladesh is shambling with numerous operational constraints resulting from lack of appropriate policy support and resource availability. Thus, immediate need for various financial concessions along with the formulation and implementation of innovative policies to improve competitiveness and sustainability of SMEs have become imperative.

Especially, necessity of providing the SMEs with adequate policy support in Bangladesh increased with the introduction of the structural adjustment programme. Moreover,

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under the open and liberalized market economy regime the SMEs have been exposed to a much greater competitive environment both in the domestic and international markets.

In the subsequent sections, we would try to address the major policy constraints to the development of SMEs in Bangladesh. Besides, in the end, we would provide a brief outline of the steps necessary to ameliorate the policy environment.

Finance: Till today financing remains the major problem for the SMEs in Bangladesh. According to the industrial policy (IP) 1991, the term SME refers to the undertaking engaged either in manufacturing, processing or service activity whose total fixed investment excluding the value of land is limited to Taka 30 million. The enterprises within this range of capital investment neither have the access to the equity market nor to the insecure institutional credit, in generally available to larger firms. Apart from certain forms of institutional credit accessible options for finance to the SMEs are family and informal credit, which understandably are insufficient to impart desire impetus to the devel-

opment of SMEs.

Furthermore, the institutional credit offers hard choice to the SMEs by putting difficult prerequisites, which include expensive collateral like real-state (land and buildings), complex documentation, unusual delays in processing, transaction cost etc, and in addition, high interest rates (which vary from 14 per cent of 22 percent or more). In fact, all these adverse factors together makes the effective interest rate much higher and in turn, reduce the net expected return of doing business on institutional credit. However, a recent study of a sample of 47 enterprises selected from different parts of Bangladesh reconfirmed the observation that SMEs severely restricted access to institutional credit.

Regulatory and Legal frameworks: The present regulatory and legal frameworks for SMEs are inadequate and in some cases counter productive. Particularly legal measures often appear as ambiguous and incomplete. Consequently these raise the risk of institutional lenders and delimit their credit operation further. Moreover, as public sectors organizations remain

the sole authority for regulatory and legal operations, discriminatory treatment, bureaucratic delays and inefficiency are considered as other bottlenecks of the sector.

Skill Development Policy Support: SMEs in Bangladesh often lack skills related to modern management and entrepreneurship as well as in developed financial and business planning including legal affairs. Which alone in many cases are responsible for inefficient business and credit negotiations, improper handling of legal aspects and eventual sickness or bankruptcy of SMEs. Co-ordinated policy measures to overcome skill deficiencies are yet to be in place.

Policy on Access to Information: Timely and transparent flow of information relating to scopes, opportunities, procedures and changes occur and exist in the institutional framework for SMEs are severely distorted and limited, which also contributes as a deterrent to the growth potentials of this sector. No effective policy framework is formulated up to now to this effect.

Non-implementation of Policy Measures: It has come out as a

disappointing observation that most of the policy measures take in several occasions including in the IPs of 91 and 97 as the reformative efforts conducive to the SMEs are remained ineffective and unimplemented.

To improve credit availability to the SMEs major reform in institutional credit system is inevitable. Among others, real state collateral can be singled out to deal with separately as it poses basic hurdles in getting credit from banks and non-banking financial institutions. In this case non-real state possessions should be considered as an effective alternative.

Drastic restructuring of the institutional frameworks of regulatory and legal systems has become overdue. Gradual shifting of overall SME promotion and regulatory responsibilities from centralized Government agencies to suitable private agencies warrant serious consideration. Anomalous, incomplete and equivocal legal measures should also be corrected. In addition, to accommodate innovative financing and fiscal measures formulation a drastic change is needed.



All health information to keep you up to date

Your medicine information

It is a common observation that when some people forget to take the dose of any medicine in the morning, they take two tablets or capsules in the evening just to compensate the missed dose. This is absolutely wrong. The extra dose taken can be harmful and can lead to toxicity or side-effects. Never take more than the prescribed or recommended dose.

Food is often offered by you when someone comes home. The guest himself requests you to join in and give him company. And in order to oblige him you munch away at some snacks. How often does this happen? Imagine having two or three guests in a day. In such a situation, a lot of items are eaten without having the actual desire to eat them. Nobody will mind if you refuse to eat. They just tell you to join them, as a matter of courtesy.

Nutrition News

Eating boiled vegetables is one good way of filling your stomach with a lot of fibre so that you don't get hunger pangs. This helps you to reduce your food intake and hence calories. But one practical difficulty with many people is that they cannot continue eating boiled vegetables for a long time as it gives them a sick feeling. There is a way of overcoming this problem. Put raw vegetables like cucumber, carrot, tomatoes and cabbage into a bowl of curds. This will enhance the palatability of the dish and give you an excellent sense of fullness. Eat it everyday before your regular lunch or dinner. It will definitely help you to cut down on your food intake.

Resurgence of Islam in America Mohammad Amjad Hossain

In the wake of horrendous cowardly attacks by so-called terrorists on twin towers of the World Trade Center in New York and Department of Defence: Pentagon in Washington the Muslims without cogent reasons have been subjected to harassment, deportation and confinement in jail. The recent bill enacting setting up of military tribunals authorizing the trial of suspected terrorists, particularly foreign origin of Americans has evoked sharp reaction from liberal Americans, including former President Jimmy Carter and the United Nations Human Rights Chief Mary Robinson. The law is contrary to the rights and privilege enjoyed by Americans. It also negates the independent and impartial nature of American judiciary. The former American President retorted by saying that it defies the basic principles on which the United States is founded. Jimmy Carter said at a conference at the University of San Diego that every one of those principles is missing in the present existing order issued by the White House concerning uniform and concerning military trials. Jimmy Carter further added, 'I am deeply concerned by some of the orders that have been given by the President and some of the actions taken already by the Attorney General.' The United Nations High Commissioner for Human Rights Mary Robinson criticized the United States action for the formation of military tribunals and said the United States was defying its own system of checks and balances, including the right to fair trial.

Following the September 11 terror attacks on the United States more than six hundred people were detained without any charge for interrogation. This secretive detention also came under attack from the former President. Search warrants have been issued for hunting down Muslim students who are not attending classes on a regular basis have student visa. Possibly their stay order would likely to be dispensed with if they are found not as a regular

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student.

Actually pro-Israeli lobbyists in the United States have sought to undermine the spread of Islam and stem the increasing political significance of Muslim organization in the United States. Pro-Israeli Jewish Organizations are flooding American media with information allegedly linking Muslims organizations with terrorists. Muslim Organizations and activists are arguing that terrorism is the outcome of Israeli atrocities against Palestinians and the foreign policy of the United States in the Middle East, which is tilted toward Israel. Muslims in America tend to hold the opinion that Israelis may have committed the attacks on September 11. American Muslims are being, by and large, treated as suspects by Bush Administration and the additional attacks from their cousins [Jews and Muslims are biblical cousins from the two sons of Prophet Abraham, Sm.] are making in fact, matter worse.

This is one side of the coin but has been resurgence of Islam in America which is a positive sign indeed.

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The word Jihad particularly drew attention of the non-Muslim Community in America. Jihad has been presented as holy war to kill all 'infidels.' This notion of Jihad is a false distortion of the fact. The word Jihad has got wide circulation because of the disproportionate media coverage of fanatics, such as, Osama bin Laden, who report-

edly called on all Muslims to wage a Jihad against all infidels. Jihad literally means struggle, not holy war. Osama bin Laden was made hero by widest possible coverage by the media in America. In Quran, it is known as qital. Jihad in fact encompasses broad which is meant struggle to obey Allah's commandments. Jihad al nafs is struggle against one self. Therefore, the word Jihad is related to prayers five times a day, fasting, Zakah, the Hajj and Imama (faith).

The most frequently quoted Hadith in this context is this that the Prophet Muhammad (peace be upon him) upon returning from the battle field remarked to his companions that they were returning from the 'lesser Jihad' of fighting to the 'Greater Jihad' of struggling against the evil temptation of the soul.

Allah permits to fight for the cause of Allah who fight against you but do not transgress limits; for Allah loveth not transgressors. (Verse 190, sura Baqarah). In Islam, war is permissible in self-defense and that too is governed by strict rules. If the enemy even slightly indicates towards peace, Muslims are commanded to make peace. Islam teaches to be kind towards orphans, widows and parents. No political or religious cause could ever justify the horrible crimes perpetrated by terrorists on 11 September against the United States.

Perhaps the Bush administration has realized anti-Islam trend in America as can be seen by Mrs Dick Cheney's comments at the anti-Defamation League dinner in Chicago 12 November wherein she expressed the opinion that Muslims should not be blamed for the actions of a fanatic few. It was followed by President George W. Bush, who condemned anti-Muslim and anti-

Islamic Xenophobia. The President told Americans that Islam's teachings are good and peaceful. He said, the terrorists practice a fringe form of Islamic extremism that has been rejected by Muslim Scholars and the vast majority of Muslim clerics. For the first time an American President hosted Ramadan fast breaking meal for Ambassadors from Muslim countries at the White House. He visited an Islamic school and invited Muslim Leaders to the White House while Franklin Graham, son of Rev Billy Graham, who gave the benediction at Bush's Muslim inauguration last January, castigated Islam as inherently evil. Franklin Graham is the priest at Christian evangelist's movement which provided political and financial support to Bush during his Presidential campaign.

With some six million Muslims in the United States Islam is said to be the nation's fastest growing religion as a result of influx of immigration, high birth rate and widespread conversion. After 11 September American witnessed large segments of non-Muslims, particularly Hispanic, which constitutes 12.5 per cent of the population of America, embraced Islam as their faith. The process of acceptance of Islam by non-Muslim Americans has begun in America and it will continue. One expert estimates that 25,000 people a year become Muslims in America. Some clerics say they have seen conversion rates quadruple since 11 September.

I have had the opportunity to offer prayers in the mosques in Virginia and Birmingham in Alabama State during Jumma prayers. DAR AL-Hijrah Islamic centre set up in 1991 serves 40 thousands believers in Islam in the

mosque, which conducts Jumma prayer twice on Friday. DAR AL Hijrah has a strong community, including womenfolk, who also offer prayers in DAR AL Hijrah. The Masjids location was chosen due to its accessibility and close proximity to the major suburban regions that constitute Washington, Dc. The authorities of this masjid has been confronted with the problem of parking cars as there is not enough space in and around the masjid. The Muslims those who used to come to offer prayer on Friday park their cars on the other side of the masjid in the vicinity of a church. On Friday the church has no function. Therefore, parking lot remains unutilized. The problem now arises with a written notice served on the authority of the masjid not to use the open space in the church for car parking.

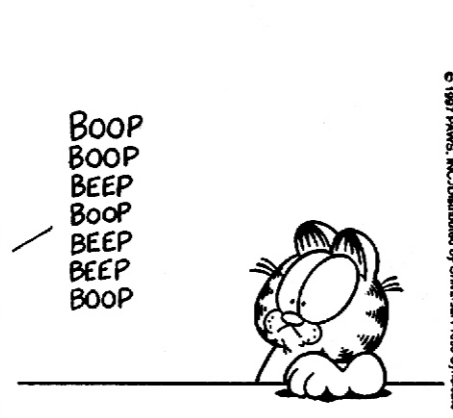
Apart from selling thousands of Quran in English, books on Islam were also sold out in the markets at

like a hot cake. What actually impressed me is that there has been constant demand for books on Islam in the community libraries in America. For example, I had to wait more than a week to get a book on Islam written by Egyptian write Sayyid Qutb in the Fairview community library in Falls church city in Virginia as I was told that two readers placed their request for the same book. The community Library is very impressive.

At a recent meeting in January in New York the immediate past President of America Bill Clinton spoke highly of the tenets of Islam. Bill Clinton also drew attention to the fact that "India's Gandhi was not assassinated by a Muslim rather by an extremist Hindu Nathuram. Similarly, John F Kennedy was killed by an American and Yitzak Robin, Premier of Israel was shot dead by an extremist Jew, not Muslim. An American, Terry Nichols' did the bombing of Oklahoma City in the United States." This reflects the amount of interests shown by the people in America about Islam.

Mohammad Amjad Hossain is a former diplomat.

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