

Building country's image: Wake up Bangladesh

Jobless rate remains high despite rise in confidence

MAMUN RASHID

HAVE you ever sat back and wondered why Bangladesh suffers from such a negative image in the eyes of the external world? Why in spite of having some of the best social indicators in South Asia we are still considered to be in the backwaters against progressive societies. Difficult as it may be to digest but Bangladesh is still perceived to be a basket case, affecting our overall economic progress as well as clouding our future.

We have been noticing that Bangladesh is rarely in the news and when it is, it is for all the wrong reasons. Quite incomprehensible to me. Bangladesh has a healthy GDP growth rate, a young work force with a fighting spirit, good social indicators. There have been a lot of positive changes brought about, courtesy micro credit and other NGO activities. They include empowering the underprivileged, marginalised and the women in Bangladesh like never before. Women here enjoy many more liberties than most predominantly Islamic countries.

Bangladesh is again one of the few democratic Muslim majority countries. We have two women leading the country in the political arena. True we have political rivalry but that is true for most parts of the world, specially when we see what happens in South Korea, Taiwan or Indonesia. After all there is always a need for a watchdog to make sure the government functions.

We have hartals, strikes but so do many other countries. But they are not singled out for that. Our hartals, as unwelcome as they are, don't lead to bloodshed and even expatriates can move around freely on such days with no concern for physical harm. Increasingly businesses are adjusting to hartals and

managing their activities accordingly. We are terrific hosts as has been endorsed by many foreign delegates from different walks of life.

Bangladesh has not been able to do her PR work right. The media is a strong vehicle for enhancing a country's image and internal conduct. That has not been used in a positive way. The western media primarily focuses on negative issues. However, there are many positives, which can also be relayed to the world. One single story by CNN or *New York Times* sends the world in a tizzy about the crisis next to hit Bangladesh, sometimes overdone, sometimes overcooked. Example: On July 14 2002,

Senate Joseph Crawley has said that "Bangladesh deserves appreciation for its development in various sectors...". Bangladesh can, in all practical sense be called a truly moderate country. On the socio religious front, he has said that Bangladesh is a tolerant society. Then why is Bangladesh still perceived to among the Islamic fanatics?

Why is it that the *Far Eastern Economic Review* warns its readers against Bangladesh? Time magazine alleges that Bangladesh is the next hotbed for terrorists? The *Wall Street Journal* says there is a worrisome rise in Islamic extremism? As baseless as the allegations may be one can't help

South Asian countries. Yet Bangladesh is suffering from a constantly decreasing FDI whereas many of the lesser law and order controlled states are enjoying increasing FDI. We don't have a dictator or an autocrat. Yet a country like Malaysia that is ruled by a leader that the west literally hated could not be ignored and has continuous inflow of FDI as expressed by a US Congressman because it is too important a country for the US businessmen.

Look at Bangladesh vis-à-vis many other developing nations. The investment environment in Bangladesh has been criticised time and again as being deplorable to say the least. The infrastructure

point in a world where increased cooperation has become imperative for survival.

We have poor governance in business. Our business houses need to run independent of politics and government. For businesses, they have their own responsibilities. Ethics has to be a rule for business not an exception. Taxes need to be paid and the government has to ensure taxes are collected. Corporate Social Responsibility needs to be an integral part of the business community. After all it is the community that is the source of corporate profits and it is only in the interest of corporates to contribute to the growth of those communities to brighten their business prospects.

Project implementation is poor in the country and we see complaints coming from different countries on either non-performance or of slow project implementation. The gestation period of approval to execution is longer than necessary. This period has to be reduced to maximize the benefits of the projects. In a globalised economy, we just cannot afford to fall behind in any regard.

Bengalees by nature are very passionate and are very informal even in their professional lives. Whereas the world is continuously becoming a dispassionate place. Professionalism is a way of life today and there is no denying it. We need to integrate it into our lives. Our fundamentals are basically weak on account of dependence on excessive emotion and we have a false sense of pride without even understanding why we should be proud. Dignity of labour is low here and people are appreciated for the wrong reasons.

Our education system is weak. There is no link among the knowledge houses, education imparted and business houses. None has a clue about the other's motives and there is no interlink. With an established link countries have optimised knowledge executions. Globally it is a practice to match education to the needs of industry. This maximises return on investment in education. It is achievable in Bangladesh and is already practiced by many of the larger organisations. Look at the larger corporates of the country, many of their recruits are from backgrounds matching the job requirements, but more needs to be done and it has to be practiced across industries, large or small.

I'd like to just end by saying wake up Bangladesh. We have to fight for our own image, our own identity. How much longer do you want to be benchmarked for all that is wrong? Let's all work together to become the point of reference for all that is right.

Mamun Rashid is a banker

CLOSEUP JAPAN

MONZURUL HUQ writes from Tokyo

FOR Japan the year 2004 has already been marked with a good start as country's recession hit economy at the long last is showing signs of recovery since the beginning of the year. As manufacturers and business people are becoming more and more upbeat about the economic outlook, the result of the latest Bank of Japan Survey of more than 10,000 companies came as further proof that country's economic recovery remains on course despite few difficulties in some areas. The quarterly survey, known as the Tankan, was released last Thursday and the central bank survey clearly indicates that the economic recovery driven initially mainly by strong demand overseas for Japanese cars, electronic goods and machinery is now spreading to other sectors as well.

According to the survey, the closely watched diffusion index of large manufacturers for March climbed to 12, up from 7 in December survey and thus marking fourth straight quarter of improvement in business confidence. The diffusion index is a method that economists use to calculate and define business confidence. It measures the variation of companies that, when asked about their business condition, response favourable against those who give a negative reply.

For the quarterly Tankan report released on the first day of April, the Bank of Japan surveyed 10,562 companies nationwide. In addition to companies in manufacturing and service sectors, 210 banks and financial institutions were also approached for the periodic survey that the central bank conducted between February 23 and March 31.

The result of the survey shows growing confidence among service sector industries as well as smaller companies who are dependent more on domestic consumer demand. As a result, the survey is being seen as further proof that the current economic recovery is going to be more sustainable than the short lived upturns in the recent past that were driven mostly by exports and eventually faded because of sluggish consumer demand back at home.

The latest survey shows that large non-manufacturing companies are catching up with the manufacturing sector as their diffusion index has jumped to 5 from 0 in December. This is also the first time in seven years that large non-manufacturers index rose above zero and the figure is also the highest diffusion index recorded in almost 12 years. The highest gain in confidence was marked in real estate that saw an increase of 13 followed by retailing, which jumped to 3 from December's mark of minus 9. The meaningful recovery in retailing is seen by economists as particularly welcoming as it suggests a healthy growth in personal consumption, which makes up nearly 60 percent of Japan's gross domestic products.

Diffusion index for large companies, on the other hand, remained unchanged at 6, while that for medium

and small-scale businesses rose to 11 and 13 points respectively. A smaller drawback of the survey that analysts point to is that it was compiled before the yen surged against the US dollar in recent days. A stronger yen hurts Japanese companies doing business overseas by reducing the value of their dollar-denominated profits and revenue in terms of yen. Big companies in the survey have forecast an average exchange rate of around 108.5 yen to a dollar in the current fiscal year ending in March 2005. The assumption was based largely on a level of around 110 yen to a dollar, the rate that yen was holding for quite some time until towards the end of last month. But yen in recent days has gained its value against US dollar and at present is trading at around 103-105 to a dollar. As a result, there is also concern among financial analysts that the gain might be hampered if dollar continues to remain weak. But at the same time they do not think the process of recovery would come to a total halt.

Despite all encouraging signs reflected in the quarterly report of the Bank of Japan, the unemployment rate in February remained unchanged at 5 percent, largely due to a worsening job situation for men. Japan's seasonally adjusted unemployment rate in February stood unchanged from the previous month, as a fall in the jobless rate for women offset an increase in the rate for men. In December last year the unemployment rate fell to a 30-month low of 4.9 percent, rising again to 5 percent in January, indicating that the recent improvement in country's economy has yet to boost a major recovery in the job market.

According to February figure released at the end of March, the number of unemployed people in Japan fell by 190,000 from a year earlier to 3.3 million. But at the same time, the unemployment rate for men rose 0.2-percentage point from January and stood at 5.4 percent, while the rate for women fell 0.1 point to 4.5 percent. The most alarming trend still visible in the jobless rate is for that of young people aged between 15 and 24, where the rate for men recorded in February was 12 percent against 8 percent for women. The gap in unemployment rate of men and women is largely the result of an increase in the number of new jobs in the medical, welfare, services and telecommunications industries, each of which employs large number of women.

In a separate health, labour and welfare ministry report released at the same time the unemployment figure announced shows the ratio of job seekers remaining unchanged from the January figure of 0.77. It means 77 jobs were available in February for every 100 job seekers. The number of job offers remained flat from January, and that of job seekers rose 0.7 percent. But compared to the figures from last year, the number of new job offers rose thirteen percent from a year earlier.

The mixed results seen in business confidence and job market provide further indications that the Japanese economy is now firmly on way to recovery. The optimism has also been reflected in the stock market where Nikkei average gained 9.5 percent so far this year. As a result, to sustain the gradually returning confidence of Japanese consumers, focusing on job market, particularly that for the young people, is increasingly becoming an urgent responsibility for the government.

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the *New York Times* reported, "Bangladeshis sipping Arsenic". Inside it narrated the horrific scenario prevalent and the likely outcomes. It terrifies readers that the country is silent against such a catastrophe. Yet anything good achieved, anything that can unite the nation in its pride both at home and abroad is rarely mentioned. Bangladesh doesn't equate to only poverty, hunger, strikes, rape, murder, corruption and natural calamities. Bangladesh also means friendly people, a tolerant community, hardworking individuals and resilient, courageous state with growing GDP. As Chairman of Bangladesh Caucus in the US

but wonder why such allegations should be lodged in the first place. If world leaders from Kofi Annan to Tony Blair to others are all lauding Bangladesh for her democracy and communal harmony, why do such stories even appear? We need to glorify our achievements of being the largest contributor to the UN peacekeeping force. To communicate to the world about all that we do to eliminate terrorism from the earth.

It's quite disturbing when these very magazines that publish such unqualified stories about Bangladesh praise the countries that actually are subjected to communal violence or serve as bases for terrorism. And to investors these reports matter. For them who can't travel miles just to see if a country is safe for business or to travel to for a holiday, they rely heavily on the media. If the foreign media is not going to give the positives, our own media has to. A World Bank analysis has found that private media tends to be more effective. A former Ambassador to Bangladesh, Mary Ann Peters can defend Bangladesh to only a certain level, by saying that the U.S. Embassy in Dhaka follows terrorism issues closely and has no evidence to support allegations in the article that Bangladesh is "a haven for hundreds of jihadis on the lam". Ms. Peters till the end of her tenure in Bangladesh maintained that Bangladesh is not selling herself well in the international arena. " It's a shame that international press focuses on those (negative), not on success stories like micro credit and women's education" she said in a departing interview with *The Daily Star*.

People complain about the deteriorating law and order situation. But our law and order situation(of course could be better) is no worse than many other African or

is apparently not conducive to investment. Let me take the liberty to mention here that there are many other nations who don't have much better infrastructure than ours. Their socio political condition is nothing to write home about, per capita income is in the same range as ours and ethnicity or communal violence is part of their lives. World Bank Country Director Christine Wallich at an AmCham(American Chamber) meeting in December 2003 said that Bangladesh's macroeconomic management, whether measured by fiscal performance, inflation or debt management is better than India and Pakistan. She also praised trade and foreign exchange policies.

But then why do Ross Perot, Pat Buchanan and Roseanne Barr have the liberty to use Bangladesh as the yardstick of poverty and hunger in spite of all that has been achieved? We could be better perceived if our political image had more depth and unity. We don't have basic consensus on national issues. If we look elsewhere around the world, political rivalry takes a backseat when it comes to protecting national interest. We are crying hoarse about the post MFA implications about gas exports but have no blue print that is agreed upon by all to address the issues. Wallich stated that poor governance has become deeply embedded in the very workings of different areas, and strong vested interests have grown around its preservation and this makes governance a fundamentally political issue, not economic. She is of the opinion that Bangladesh should have a better image than it has now and remove governance hindrances to business and investment climate.

Our relationship with the neighbouring countries could be better. Neighbourly disputes are part of life but the SAARC forum could serve as a strong relationship building