

Immigrants: Riots, Asylum and Integration?

In a state as rich as Saudi Arabia, the poverty in urban ghettos of the capital Riyadh is appalling; the metropolitan area of Riyadh is comparable to that of Los Angeles, only that in the former one third of households have no running water for drinking or sanitation. The poor localities in Riyadh and Dubai seem only marginally different from those of the poorest nations, Mali and Niger. The people from this whole gamut of Muslim nations of different political and economic hues pay their way into Europe's ghettos, courtesy the human traffickers, who bribe the Western security and coastal officers for safe passage, and those who fail, find their way into Iraq to blow themselves up near an American or British military convoy.

SAAD S. KHAN

IN Cairo, the other day, hundreds of policemen broke into the encampment of Sudanese refugees who were on a sit-in protest for many weeks, seeking asylum and a safe passage to Europe. Fleeing from war and hunger in the southern Sudan, these mainly Christian refugees hoped for a good future for their kids across the shores of the Mediterranean. One saw television footage of police ruthlessly beating the men, women, and children with batons and truncheons. I saw a man desperately trying to shield his infant baby in his hands from police batons, and ultimately in trying to protect his baby's head by his arms, the baby got dropped and then the camera moved. Maybe the baby was one of the seven children among 26 Sudanese who lost their lives that fateful day.

I am reminded of the weekly Time magazine picture of the dead bodies of a man and his son in Halabja two decades ago, where the father had apparently tried to blanket his son from the chemical gas by rolling his whole body on him. Or of the 11 year old Mohammad al Durrah in Palestine where father and son got killed with the former trying to shield his son

from Israeli bullets. Real life is painful. Twenty six dead and hundreds shattered for life in Cairo, and no accountability!

After three days of detention, all the Sudanese refugees have been released by Cairo authorities on the streets of Cairo, with nowhere to go as the camps/shelters have been destroyed by the police already, and no way of knowing where to get the food from. Many are frantically looking for their dispersed or dead loved ones. Why do people risk their lives when inter-race relations in the West are far from excellent?

The past two months, for instance, have seen racial riots in at least three Western countries, Australia, France, and the UK. It was soon clear that the riots had religious undertones and they were, or had turned into, in fact, Muslim-Christian disturbances. It was not a premeditated attack by the Christian majorities of these countries to "wipe out the Muslims" rather, if at all, it was the other way round where Muslims/Afro-Asians were deliberately and willfully attacking the Christian/white-owned properties.

Defying the conspiracy theorists' logic, the governments as well the mass of the general public, both

the Muslim and Christian communities, demonstrated exemplary restraint in the wake of the provocations. The rioters from both sides, one must hasten to add, were organized criminal gangs of youngsters, not the least representative of the communities at large.

The riots in UK were a local affair of the city of Birmingham and were initially started between two rival racial groups within the Muslim community. A pirate radio station aired news that a black Muslim teenager girl had been raped at a beauty parlour owned by an Asian Muslim Ajaib Khan. Angry black Muslim youths started attacking shops and properties owned by Asian Muslims. The next day, hundreds of youngsters of Pakistani and Indian Muslim origin landed in Birmingham by train from adjacent towns and joined the local Asians in launching revenge attacks on African Muslim neighbourhoods. The police tried to trace the alleged victim only to find that there was none. Most probably no rape had taken place and rumour mongers had had their field day among the poor communities of Asian and African origin who vent their frustrations on each other for want of anything else to do. Ajaib Khan claimed that the news was fed by his rival Asians

who wanted to destroy his business as he was doing so well that fellow Asians had boiled with envy.

The riots took a different turn when local white gangsters started attacking Muslims of both Asian and African origin to revenge the Muslim community for, what they believed, destroying the peace of their town. Muslim graveyard was desecrated, graves were vandalized, and two mosques were attacked. So it became a street fight between white Christians on one side and African and Asian Muslim together on the other. A timely intervention by the local Member of Parliament Khalid Mehmood, the police, and the leaders of both the communities helped bring the situation under control after three days. One man lost his life, 35 were injured, and around 50 arrested.

In the southern port city of Sydney in Australia, the Western suburbs of the town are densely populated by Muslim immigrants. The violence started when two white life guards on the beach stopped some Arab youth from going far in the water. Their tone appeared to the youngsters as rude and insulting, they then called some other immigrant friends and thrashed the life guards. Some white youngsters of the town started an SMS text campaign on the



mobiles asking the whites to take revenge. Many gangs coordinated with each other, and by next afternoon 5,000 whites arrived at the beach, ostensibly to stop another allegedly planned attack by the Muslims on the whites at the beach. As it turned out, it was a hoax, there were no Muslim youths ready to attack the whites, so the latter vented their anger on all Asian and Middle Eastern-looking guys and families picnicking at the beach, and started thrashing them. So it became a free for all, with Muslims and Christians attacking each other wantonly.

Australian Prime Minister John Howard as well as the State Premier of New South Wales, appealed for calm and took immediate remedial measures to give enhanced powers to the police. The police behaved effectively and professionally and brought the situation under control very soon.

The most serious riots were in France which were triggered by the death by electrocution by two African youth by an electric pole behind which they were hiding from the police. The Paris police, no need to say, is not known to be extremely polite in their encounters with the immigrants.

Here the riots were most serious

and soon spread to all major cities of France. The jobless Muslim youth, in their thousands, attacked white-owned property. The riots continued for three weeks and the police and security forces appeared helpless as they could not be everywhere all the time. The moment the police patrol would be out of sight, small groups of Asians and Africans would appear from nowhere armed with cans of kerosene oil and a few more cars would be set on fire. Over 15,000 cars, mostly owned by ordinary middle class Frenchmen, were set on fire by the arsonists. The government of France requested and received emergency aid from the European Union to help cope with the emergency and to pay compensation to the local victims.

One thing is clear; the riots in these different corners of the world were not spontaneous response to isolated incidents. The causes are deeply rooted in the marginalization of the Muslim communities in the European societies for the last three decades since the major waves of immigration began. The unemployment rate in many of the Muslim neighborhoods of the Western countries is as high as 70 percent and the average income level as low as 28

percent of the national average.

Admittedly, the European nations did not necessarily ask these immigrants to come to their countries and have a right to tell them that they are not welcome. But then just one century ago, the forefathers of these Muslims had never begged the European nations to come, occupy and colonize their homelands which made them so impoverished, so as to risk their lives on high seas to land on the shores of developed countries in search of a decent living.

The present poverty in Muslim lands has direct roots in the phenomenon of non-representative authoritarian regimes. The lack of accountability, the arbitrary allocation of resources, grandiose projects with dubious economic utility and all the hall marks of the political economies of dictatorship make the income gap between the rich and the poor, unsustainably great. In a state as rich as Saudi Arabia, the poverty in urban ghettos of the capital Riyadh is appalling; the metropolitan area of Riyadh is comparable to that of Los Angeles, only that in the former one third of households have no running water for drinking or sanitation. The poor localities in Riyadh and Dubai seem only marginally

different from those of the poorest nations, Mali and Niger. The people from this whole gamut of Muslim nations of different political and economic hues pay their way into Europe's ghettos, courtesy the human traffickers, who bribe the Western security and coastal officers for safe passage, and those who fail, find their way into Iraq to blow themselves up near an American or British military convoy.

While one must appreciate the restraint and maturity shown by the western communities in the face of wild provocations, one must add that for a long term solution of the Muslim minority problem, the European nations would have to put their heads together to draw up a plan of stopping support of the dictators in the third world, promoting democracy there, and bringing the dictators like Hosni Mubarak to justice, even if it is by physically arresting them from their home countries, like the US forces did to President Noriega. Unless the developing world is also turned into a world worth living, the riots may recur atavistically.

The writer is a Cambridge-based scholar and a widely read analyst on politics, governance and human rights in the Muslim world.

Dead white men

TALKING BOOKS

My generation, as the ones before it, was greatly influenced by colonial tastes and British literature was almost always our first introduction to reading in English. This was of course in the years before we became familiar with the terms "multicultural" and "political correctness." Therefore I grew up happily reading "great works" all written by Dead White Men and one woman -- Jane Austen -- as a regular pastime.

YASMEEN MURSHED

READING is an intensely personal and some will say anti-social pastime, but one which never ceases to give pleasure and, if one chooses the right sort of book, challenge the mind. Although my personal preferences show through my attempt at objectivity when I write about books and authors, I would never dare to tell my readers what to read, because as Oscar Wilde wrote: "To tell people what to read is as a rule either useless or harmful, for the true appreciation of literature is a question of temperament not of teaching." Of course, in typical Wilde fashion, he went on to say that, "But to tell people what not to read is a very different matter, and I venture to recommend it as a mission to the University Extension Scheme."

Thankfully one is not called upon to tell people anything except when specifically requested to do so. A friend of mine recently asked me to recommend some titles for a ladies book club. I was initially completely at a loss to say anything because where on earth does one begin? The ocean of the written word in English is so wide and varied that one has to be very specific in order to get a good selection. In this case my friend wanted some titles from contemporary South Asian writing and that was not too difficult to do.

Personal preference though is quite another thing. My generation, as the ones before it, was greatly influenced by colonial tastes and British literature was almost always our first introduction to reading in English. This was of course in the years before we became familiar with the terms "multicultural" and "political correctness." Therefore I grew up happily reading "great works" all written by Dead White Men and one woman -- Jane Austen -- as a regular pastime. I was quite unaware that the writers I admired the most would consider "man-kind" to refer to educated English gentlemen only and women and natives would hardly feature in

their consciousness!

This was also in the era before the flood gates of South Asian writing, particularly Indians writing in English, opened, and we were inundated with the innumerable volumes that pour out of the sub-continent. There is such a wide choice of books available today and any sort of book is easy to find and even to buy. All the major publishing houses have an Indian edition of almost their entire stock list and these publications are relatively less expensive than the British or US editions, so building up a personal library is not too difficult. Of course there is always the treasure trove of the second hand bookshops in Bailey Road and New Market and browsing there often yields unexpected delights.

However, when I was growing up owning a book meant that it had been given as a present or earned as a prize in school. Most of my relatives and friends soon realized that my preference was for a book rather than anything else as a gift, so my collection began with the books I was given, and it grew as I slowly added to it. For prolific readers like myself, though, the annual gift was hardly enough, so we borrowed books from each other and from libraries. There were some good libraries in Dhaka which became our regular haunts. I remember particularly the British Council Library which was housed, as I recall, in a graceful old colonial building next to the present Baitul Mukarram Mosque. I think it was the site upon which the Main Post Office was later built. Unfortunately the building was set afire by the anti-British mobs in 1955 during the Suez crisis. I remember my father taking us to see the ruins the very next day and the sight of the mountain of smoldering ashes was unutterably sad. I cried at the loss of those books and was very relieved when within a few years the British Council Library was rebuilt where it stands today in Fuller Road. It had a very good South Asian collection which contained, if I am not mistaken, some rare first editions. I remember once borrowing Gulbadan

Begum's Humayun Nama and being struck by the fact that it was a first edition.

The Dhaka Club had a library also which consisted mainly of old, moth eaten and mildewed tomes which would shower us with dust when we took them off the shelves. But it had a good collection of the classics and I think I went through a good number of the books there. The interest in reading runs in my family because my great grandfather was an inveterate reader also. He regularly subscribed to "The Boys Own Paper" which was the periodical which serialized the Sherlock Holmes stories as they were written. He was also very fond of Richmal Crompton's "William" books and I have inherited a few volumes of these from him. In fact the entire collection of the William books was given to my father, but unhappily 1947 and 1971 both took their toll on our possessions and now only a few remnants bear mute testimony to the reading tastes of earlier generations.

Some of these classics were challenging for a young mind and I remember finding Bacon's Essays difficult to appreciate when I first read it in my teens. I gamely persevered to the end but found it boring compared to "Pride and Prejudice" which was my favourite book in those days. It was years later that maturity and a background in English literature enabled me to enjoy the Essays. Bacon's throwaway lines, his sophisticated observations and his wisdom are a delight to me today. "What is truth? Said jesting Pilate: and would not stay for an answer." Much reading and even scholarship is required to appreciate all the nuances of this seemingly casual opening.

I think the main requirement for a "great" work is timelessness and the masterpieces are those which jump the divide of time, space and changing tastes to strike a chord of relevance and recognition in the reader. Take for instance this remark of another of my favorite writers, John Stuart Mill. He was making an observation on the development of mankind when he

said in his autobiography: "No great improvements in the lot of mankind are possible, until a great change takes place in the fundamental constitution of their modes of thought." Is this remark not relevant to our own times and our specific circumstances? Yet it was, as I am fond of saying, a Dead White Man who wrote it centuries ago.

I find myself often re-reading Oscar Wilde as a form of escapism. The bon mots and ripostes that make up the dialogue of his plays are yet to be bettered even by that other great master of the art, George Bernard Shaw. Wilde's story is familiar to any student of literature, but in these permissive times his trial for homosexuality and subsequent jail sentence seem to be extreme. Yet, it was a hypocritical society that he lived in and portrayed in the brilliant plays that he wrote. My particular favourites have always been "An Ideal Husband" and "The Importance of Being Earnest." The latter has survived countless massacres as a school and amateur production and its pithy wit makes it enjoyable even today. Recently there have been very good movies made of both these plays with the best ensemble actors of current British theatre and thankfully both are available as DVDs.

The genre of which Wilde was among the best, that is the art of writing social or political satire with consummate skill, has a long tradition. From Aristophanes to Alexander Pope, from Johnathan Swift to Moliere we have been regaled with social observation summed up with incisive wit and a biting indictment of the times and the mores. Closer to our own age have been G. K. Chesterton, P.G. Wodehouse, and dramatists such as Alan Ayckbourne, Neil Simon, Peter Cook, and Tom Stoppard, not necessarily in that order. I sometimes wonder whether the ages will treat these writers of our times as well as those whom we regard as the great classicists of English literature.

Yasmeen Murshed is a full-time bookworm and a part-time educationist. She is also the founder of Scholastica School.

Micro-credit: The way forward

PRAFUL C PATEL

THE micro-finance industry in Bangladesh has achieved a lot over the years. The number of active borrowers has crossed 16 million, with a staggering 70 percent of poor households having access to this form of credit. Studies have shown that micro-finance has had a positive impact on improving social indicators and the industry has made a transition to being financially sustainable, no longer dependent on donor grants.

Bangladesh is widely considered to be the "natural home" of micro-finance which has helped boost the country's image abroad. Looking forward, there are gaps in the market that micro-finance institutions (MFIs) could focus on and there are gaps in the policy framework which the government of Bangladesh needs to address -- issues that I would like to reflect upon here.

MFIs in Bangladesh have made remarkable progress in reducing donor dependence. A recent World Bank study shows that a cross-section of micro-finance institutions are profitable even after adjusting for various kinds of subsidies they have received. Another study done this year of the financial performance of 143 leading micro-finance institutions throughout South Asia, including 35 in Bangladesh that have most of the outreach, showed that 96 percent of micro-credit borrowers in Bangladesh receive services from a profitable micro-finance institution. In India the equivalent percentage is 75 percent, and in Pakistan 42 percent.

A recent World Bank study shows that even very small micro-finance programs are profitable. The main sources of revolving loan funds in 2005 are member savings and the capital that micro-finance institutions have been able to build up over time, much of it from retained earnings. These surpluses are used to finance access to new members and to cross-subsidize small loans for the poorest. Average interest rates charged by micro-finance institutions have also fallen over the past year and it will be important to ensure that this reduction in rates, and therefore in micro-credit surpluses, does not squeeze out access by the poorest. At the same time, MFIs are seeking greater access to commercial sources of funds, both locally and internationally, though such opportunities are still too few and only growing slowly.

There has been a healthy debate on the extent that micro-credit improves the lives of the poor. On the one hand, to the extent that micro-finance institutions receive a subsidy, is that the best use of scarce public resources? On the other hand, when there are no subsidies, does micro-finance reach the very poor? Much of the debate has focused on the extent that micro-credit contributes to reducing income poverty. There has been relatively little emphasis on its impact in reducing the vulnerability of poor people to various types of seasonal and life-cycle shocks. Giving loans to poor people has been shown to smooth consumption, thereby limiting the amount of harm done in lean seasons or natural disasters.

For instance, research by Jonathan Morduch of New York University shows that consumption variability is approximately 50 percent less for Grameen Bank and BRAC borrowers, compared to comparable non-borrowers. We also know that micro-credit has contributed positively to non-income dimensions of poverty, such as children's education and nutritional status, both through the impact of increased incomes and the social mobilization messages delivered during group meetings.

For instance, nearly all girls in Grameen client households received schooling compared to 60 percent of girls in non-client households. Fewer BRAC clients suffer from severe malnutrition compared to a comparable group of non-clients. Moreover, there is evidence that micro-credit in Bangladesh has contributed to female empowerment through, for example, greater decision-making power within the household, and enhanced mobility and participation in local elections. However, there is still room for improvement both in documenting and enhancing this impact, particularly for the hard-core poor and for "graduate" borrowers who require greater amounts of credit.

Turning to financial accountability and transparency issues we find there is growing interest in the Bangladesh micro-finance sector in sharing financial information widely in order to benchmark one's institution against other organizations, or to gain greater access to commercial funding. Around 35 Bangladeshi MFIs now provide data to the Microfinance Information Exchange, compared to only five in 2003. However, more can be done in improving financial accountability and transparency, such as posting audit reports publicly, improving the quality of these audits, and strengthening accounting standards.

Grameen Bank, one of the oldest micro-finance institutions in Bangladesh, is a good example of how the industry is changing and growing. In 2000, Grameen Bank began to consider how it could introduce greater client choice while ensuring credit discipline and controlling costs. This led to the emergence of Grameen II in 2002, offering deposit services to the general public, greatly expanding the range of deposit services offered to members, including the very popular "Grameen Pension Savings."

Grameen II has introduced a wider range of loan contracts, with variable terms and repayment schedules, which has proved popular with its clients. Grameen II also makes scholarships to students, loans for higher education, and has reached out to the poorest people with no-interest loans for beggars. These changes in Grameen Bank's programs have resulted in sharp growth in portfolio size and membership since 2002. By the end of 2005 the number of active clients had grown to over five million from just over three million in 2003. The popular savings products have boosted total deposits from \$163 million in 2002 to \$450 million by the end of 2005.

As these changes in the micro-finance industry unfold, a more inclusive financial sector will emerge with more people than ever before having access to financial services, including a broader range of services better suited to their needs. This will require that the government reconsider its role, not to own and control micro-finance service providers or to provide services directly, but to provide an appropriate regulatory environment, setting standards that promote public confidence and protect the interests of poor people while not stifling the growth and innovation that increasingly characterizes the industry.

The proposed new micro-finance regulatory framework being considered by the government can go some way towards achieving this. Among the innovative aspects of the draft regulatory framework is the proposal to create an independent micro-finance regulatory commission and a provision to create micro-credit banks. Micro-finance banking would allow MFIs to accept deposits from the public, and would then allow deposits to be channeled back to rural areas in the form of micro-credit. At present, rural deposits mopped up by the Nationalized Commercial Banks (NCBs) are transferred to urban areas where they are loaned out to wealthy clients in the form of big loans whose repayment rates are lower than micro-credit.

In order to create a level playing field it is essential that Government operated micro-finance programs are also brought under the provision of this law. At the same time, it is important that the government consider altering aspects of the 1983 Grameen Bank Ordinance in order to enhance Grameen Bank's operational autonomy and maintain its competitive edge. This would include allowing Grameen Bank to do business in urban areas, increasing the ownership share of the borrowers, reducing the number of directors nominated by government, election of the chairman by the directors rather than being appointed by government, and making it optional for Grameen Bank to have a government guarantee when issuing bonds and debentures.

While government works to strengthen the enabling environment for micro-finance, MFIs can also strengthen the services they provide to their clients. For instance successful experiments that provide micro-credit to the poorest ought to be scaled up and donor financing may well be necessary for this. Lessons from PKSF's partnership with nineteen MFIs on different ways of providing micro-finance to the extreme poor need to be disseminated widely. Moreover, lessons from MFIs such as the Integrated Development Foundation (IDF) which provide micro-finance in geographically hard to reach areas such as the Chittagong Hill Tracts also need to be learnt so that there is greater regional balance in access to micro-credit.

MFIs that provide micro-credit also ought to continue judiciously with their entry into providing larger loans. Many MFIs have already ventured into this market, though with a few exceptions, the number of larger borrowers is still relatively small. While there is a temptation to upscale these programs rapidly from a public policy standpoint, given the potential growth-generating impact, the current cautious expansion strategy is probably the right one. Providing larger loans has its benefits but it also involves considerable risks, as there are a limited number of former micro-credit borrowers who want to "graduate" into this market and new wealthier clients do not have a credit history with the lender and are less likely to be socially pressured into repaying. The experience of Buro Tangail shows that offering flexible financial services attracts clients, who are prepared to pay a higher price for the additional services. Buro Tangail's loan portfolio grew by around 65 percent each year over the 2000s despite charging higher than average lending rates. While new services are developed it is essential for MFIs to remain cost-effective; the Association for Social Advancement's (ASA) highly cost-effective micro-credit delivery model is another reason why Bangladesh's micro-credit industry is acclaimed globally.

In short, Bangladesh is the current world leader in micro-credit. In order to retain this standing, both government and MFIs need to remain at the cutting edge. The government needs to provide an enabling regulatory framework (including the provision for micro-credit banks) and ensure the independence of key institutions like the Grameen Bank. MFIs need to do their part by sharing financial and program information widely, diversifying their services to cater to different market segments, and remaining cost-effective.

Praful C Patel is South Asia Regional Vice-President, the World Bank.



Oscar Wilde, John Stuart Mill, Jane Austen, Alexander Pope.