

## Promoting NRB investment

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DEWAN SADEK AFZAL

A recent interview in the Arab News, by Dr. Ghazi Al-Gosaibi the Saudi Labour Minister, disclosed some statistics with regard to the issuance of new visas to private sector companies during 2007 that deserve broader circulation.

For those who are familiar with demographic shifts in the GCC countries in general and Saudi Arabia in particular, are aware of the fact that over 70% of the growing Saudi population are below the age of 20, and this trend is likely to continue in the foreseeable future.

This growing "time bomb" is giving nightmares to the Saudi planners, and the emphasis over the last few years has been to find a mechanism to employ more Saudis through a massive program of "Saudiisation," and the 2007 statistics, therefore, are all the more compelling. Dr. Al-Gosaibi disclosed that there were 1.2 million

new visas issued during 2007 and, interestingly, the single largest beneficiaries were Bangladeshis with 23.6% of the total.

Indians came second with 18.61% followed by Egyptians who received 14.46%, the Filipinos 11.96% and Pakistanis 11.01%, and workers from 13 countries received more visas during 2007.

This is a huge vote of confidence in Bangladeshi manpower, both by the Saudi government and the private sector, and although the economics of hiring the cheapest labour may have been one of the principal determinants of this trend, the adaptability, hard work and reputation of the Bangladeshi labour force undoubtedly played a key role in the decision making process. We should all be very proud of this, and everyone connected with our manpower export policy deserves equal recognition.

The recent NRB Conference held in Dhaka undoubtedly was a pioneering initiative, but it is common

knowledge that the vast majority of the participants, or people involved with this effort, were the educated elite who are residents of the developed countries.

The lower income section of the NRBs, who make up the majority of this equation, did not have any representation at all, and since they form the backbone of the foreign exchange remittance pipeline, it is time they receive the attention and recognition they so sorely deserve.

With this objective in mind, I would like to put forward my views on two new initiatives that, in my opinion, will significantly contribute towards increased remittances from the lower income (but the higher volume) NRBs who are resident in the Middle East and the Far East:

### Creation of an NRB secretariat

With growing number of Bangladeshis heading out every year, it is time to consider setting up of a dedicated secretariat for the

NRBs. This is something that will require high level of government participation and leadership, and must be led by specialists who are dedicated to the cause of common people. We do not have to look too far, nor do we have to "reinvent the wheel," because our neighbour India has successfully implemented such strategies for the NRIs for many years.

The three most important government organs that play the most active role in the life of the NRBs are the Foreign Ministry, the Labour (Expatriate Employment) Ministry and the Bangladesh Bank and, ideally, honest and qualified representatives from these entities should form the nucleus of the initial NRB secretariat.

The primary function of the secretariat would be to play a "one stop" role by ensuring collective and coordinated efforts, and to channel all matters pertaining to the NRBs through a single source. This will streamline the process and will significantly reduce the burden of dealing with multi-dimensional rules, regulations and interests that are currently in place.

A mandate of this office would be to pro-actively initiate fact-finding missions to listen to the NRBs, so that the policies and guidelines it

formulates will be more tuned to the needs and demands of the NRBs, and will be based on facts and ground realities. The NRB secretariat may eventually set up dedicated desks at every Consulate where the numbers justify, and this desk may serve as a resource window while contemplating decisions on broader NRB issues/matters.

### Create mechanism to develop planned neighbourhoods

To provide active support to the government's desire and objective to significantly increase foreign remittances, a key role for the NRB secretariat may be devising programs and investment opportunities that will supplement this initiative. One area where such a program is likely to generate rich dividends is in the form of selling land to the low income NRBs in every district of Bangladesh.

Every single NRB leaves Bangladesh with a "dream/wish list" and the first and foremost item on this list is to build a house. In absence of organised schemes, the vast majority of the people use their own family sources to buy mostly cultivable land and, over a period of time, they get enough land to build a house. This process is cumbersome,

subject to manipulation by family and officials and, in a lot of cases and the end result is unsatisfactory. This has two very important side effects - over a period of time, this consistent demand increases the value of land in villages to levels that become unaffordable and due to disorganized and haphazard nature of these purchases, a lot of cultivable land disappears from the market, thus further depleting our already limited supply of agricultural land.

This is where the government can play a pro-active role in developing planned neighbourhoods by identifying and selling either khas or private land (via land acquisition) to the NRBs through schemes similar to those in Dhaka, Chittagong and other main centers. This proposed scheme will encourage NRBs to buy government land and ensure a guaranteed and steady remittance through government nominated banks or other channels.

It is safe to assume that most lower income NRBs dedicate the vast majority of their savings to achieve their dream of home ownership and, since this is a broad and bitter issue, there is very little likelihood of a default or interruption in this particular remittance pipeline.

One of the most significant impacts of this planned develop-

ment will be in the form reduced dependence on urban living and, since the present CTG is re-activating the concept of the Upazilla Parishad, this entire process can be managed through decentralised local government structure.

Other very critical and positive impacts of this planned program would be in the area of environment and in the optimised use of scarce resources like electricity, water, sewage and other governmental support services.

There have been examples in the past of such planned developments by the private sector for low and middle income families in Mirpur and Pallabi areas of Dhaka, and if the government takes the lead in distributing the land through a planned program there are many in the private sector who will find the proposition of building such large scale "mini-cities" a very attractive financial proposition.

However, in the initial stage, the government may consider retaining an oversight and supervisory role to ensure quality and affordability and to protect the broader interests of the NRBs.

One of the most compelling factors in support of this initiative is the recognition that by the time an

NRB returns to Bangladesh, he has cultivated and become used to a lot of modern-day habits and, in a majority of these cases, he finds village living under "old" conditions very difficult to adjust to, and this further contributes to his desire to relocate to an urban area.

By creating a congenial, self-supporting living environment for the millions of Bangladeshis at each district level, the government will not only strengthen the decentralised sector but will also ensure that the economic activity is localised and, therefore, there will be a healthy and sustainable environment for growth and prosperity for longer-term.

Major manpower exporters like the Indian states of Kerala and Karnataka have successfully deployed similar schemes to increase their foreign investments and remittances. Given careful planning, organisation and follow through, there is no reason why Bangladesh cannot replicate such a proven model.

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## Reining in China?

The EU message to China is simple, said the bloc's trade chief Peter Mandelson. Having benefited from open markets in the US and Europe, it's time for Beijing to play fair in international trade. "China has perhaps been the single greatest beneficiary of a rules-based open trading system in the last decade," Mandelson urged. "Now China must live by the same rules. She cannot expect special considerations."

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A procession of European leaders to China -- Germany's Chancellor Angela Merkel, French President Nicolas Sarkozy and British Prime Minister Gordon Brown -- demonstrates the importance the European Union attaches to the Asian giant. Yet the European Union's once warm embrace of China has turned sour as the 27-nation bloc and Asia's leading economic powerhouse engage in acrimonious debate over trade, exchange rates and policy towards Africa.

The changed mood was evident at the 10th EU-China summit held in Beijing last November. In contrast to previous meetings between the two sides, the meeting was marked by tough talk from EU representatives over Europe's rising trade deficit with China, demands that Beijing act rapidly to adjust its monetary policy to allow for strengthening of the yuan and warnings that the country must reduce trade and investment barriers or face a protectionist backlash in Europe.

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Europe has a long catalogue of complaints against Chinese trade practices. Like their counterparts in Washington, EU policymakers in Brussels say the bloc's trade deficit with China -- expected to reach €170 billion by the end of 2007 -- is "unsustainable."

Demands include China stepping up enforcement of laws protecting intellectual property rights, boosting quality controls for exports, and implementing commitments under the World Trade Organisation to open markets and stop discrimination against foreign investors.

The EU also warned that an undervalued Yuan aggravates the current EU-China trade imbalance by making low-cost Chinese exports even cheaper while raising the price of European exports to China. EU's wariness of China's growing global influence includes concerns that Beijing's courtship of Africa -- including the signature of multilateral dollar energy deals -- ignores human rights and good governance.

While such issues cast a dark shadow over EU-China relations, the tough approach reflects wider European concerns about living in a more complex, increasingly competitive global environment. Opinion polls across Europe repeatedly point to public fears that globalisation steals European jobs, threatens wages and diverts investments to cheaper locations through outsourcing.

Increasingly viewing China as the symbol of such challenges, many Europeans believe that managing globalisation means taming Beijing's economic might.

EU leaders hammer home the anti-globalisation message. During the 2007 French presidential campaign, Sarkozy repeatedly called on the EU to protect citizens against the negative effects of globalisation and defend Europe's economic interests more decisively in dealing with China and the US.

The word 'protection' must not be forbidden in European democracy," Sarkozy told the European Parliament in November. The focus must be on reciprocity, he explained, because Europe has the duty to ensure its own energy and food independence.

Data on globalisation's impact on Europe's economy remain sketchy, however, with many economists underlining that factory

closure on the continent are due not only to international competition but also factors such as poor productivity and inefficient management.

While some job losses in manufacturing -- such as in textiles and clothing and the auto sector -- are partly the result of international competition, overall, Europe has benefited from an open economic system. An additional 3.5 million jobs were created across the EU in 2006, and growth in the bloc is expected to remain around 2.5 percent, despite rising energy prices and a strong Euro.

The EU remains the world's largest exporter of goods and services and has maintained its 20 percent share of world trade despite increased competition from China. In addition, competitively-priced Chinese products have acted as a brake on EU inflation and interest rates, providing cheap inputs for European manufacturers, a competitive impetus for business, and a boon to European consumers and retailers.

Still, with EU policymakers confronting a seemingly unstoppable anti-globalisation bandwagon, being soft on China is no longer an option. Reflecting the new mood, Mandelson recently lambasted "an out-of-control Chinese juggernaut." The EU has also slapped tougher trade safeguards on China, including EU anti-dumping fines on a range of Chinese goods, including energy-saving light bulbs and leather shoes, and restrictions on Chinese textile exports.

Such proposals are by no means universally popular. Taking aim at Paris and Berlin, Mandelson has warned that European investors abroad could feel the backlash of any moves to curb foreign investments, even when shareholders are foreign governments. EU's Nordic members remain avid free-traders

and try to curtail the bloc's use of anti-dumping measures.

And although the new crop of EU leaders, including Sarkozy, Brown and Merkel are less enamoured of China than their predecessors, they know they must walk a fine line between criticising Chinese trade and monetary policy while helping to secure lucrative contracts for their China-hungry businesses.

French business leaders accompanying Sarkozy to China clinched multibillion dollar contracts, including an \$8 billion deal signed by Areva, the French nuclear-reactor company, with the China Guangdong Nuclear Power Corp. to build two third-generation nuclear reactors in Guangdong Province.

Airbus signed a \$14.8 billion contract to sell 160 commercial aircraft to China. In Berlin, Foreign Minister Frank-Walter Steinmeier lashed out at Merkel's "show-window policy" on human rights, especially her decision to receive the Dalai Lama at the Chancellery, saying it could hurt German business.

Not surprisingly, therefore, China appears confident that Europe's sourness will fade. It could be a long wait, however. Policymakers recognise that by provoking a downward spiral of protectionism, any EU crackdown on Chinese trade and investments will end up slowing European growth.

The challenges facing the EU in

dealing with China require hard work at home. Governments must pursue the right competitiveness and adjustment policies, moving to develop areas of comparative advantage in high-value and high-tech design and production, foster innovation and help workers adjust and retrain. Rekindling the EU-China love affair must wait until Europe becomes more confident about its ability to live in a more competitive, globalised world.

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## Just don't know what to do with myself

There's nothing new about presidents trying to poison the cup before it can pass to their successors. In 1968, Lyndon Johnson sought to sabotage the despised Robert Kennedy by leaking how Kennedy, as JFK's attorney general, had authorised FBI bugs on Martin Luther King Jr.

EVAN THOMAS AND SUZANNE SMALLEY

NOBODY loves a rope line, or works one, like Bill Clinton. Face flushed bright red, smiling broadly, he basked in the adulation of the crowd, fans elbowing each other to get near him after a two-hour "Solutions for America" town meeting at Huger's restaurant in Charleston, S.C. Stopping near a Newsweek reporter, he was initially loose and friendly, until she asked how he would respond to critics who say he "tarnished" his legacy by acting as his wife's surrogate and attacking Barack Obama's record. The former president tightened and grew testy. "So should somebody be able to be elected president without answering questions?" he demanded. "Let me just say that I went through a year and all I did was

compliment Senator Obama and I continued to compliment him when he said in Iowa that my wife was a dishonest person. An untruthful person." He paused. "A person without character." Dramatic pause. "Repeatedly." Another dramatic pause. "I never said a word. When he put out a sca-a-a-thing attack on me in Iowa, my business practices, I never said a word."

The Newsweek reporter asked if Obama started the whole thing by comparing the ex-president to Richard Nixon. All of a sudden, one of Clinton's frazzled-looking handlers stepped in. "Thanks, you guys," the handler piped up. Ignoring the nervous side, Clinton asked the reporter, "What?" The reporter repeated the question, referring to an interview in which Obama had said, "I think that Ronald Reagan changed the trajectory of America in a way that, you know, Richard Nixon did not and in a way that Bill Clinton did not." As Clinton began to respond, the handler gamely tried to interject, "Thank you, guys, we're done," and steer Clinton down the line. But 20 seconds later, Clinton turned and fixed the reporter in his gaze and began spouting off again. "This is a media-driven story," he said. "This whole thing ... I go to all these meetings and nobody asks about this. This is all driven by you," he said to the Newsweek reporter as he became visibly more annoyed, "because you want conflict instead of deal with what these people are really interested in."

Self-pity aside, Clinton is not wrong about the press's preoccupation. The 2-headed monster, the New York Post dubbed Bill and Hillary Clinton. "Bill's transition

from elder statesman, leader of his party and bipartisan ambassador to warden heeler and hatchet man has been seamless and seamy," wrote New York Times columnist Maureen Dowd last week. Clinton is also right that, for now at least, the voting public seems less interested in the findings than are the pundits. At his packed campaign event in South Carolina, a woman asked Clinton about the "race baiting" being "pushed by some of the media." (Several politicos have suggested that the Clintons, in a cynical play for white and Hispanic votes, are interjecting race into the campaign trying to turn Obama into the 2008 version of Jesse Jackson, from a candidate who happens to be black into a black candidate.) But at Huger's restaurant, Clinton was able to smoothly defuse the race question. ("As far as I can tell on our side, neither Senator Obama or Hillary has lost votes because of race or gender"). Soon he had the crowd laughing and chorusing "Yeah!" Though Clinton had crowds in his thrall from the Low Country to the backwoods, he was not able to deliver South Carolina for his wife

last Saturday night. Obama won in a rout with heavy black turnout and did better than expected with whites a possible signal that voters there took umbrage to the former president's sniping tone. (He said Obama "won fair and square" at a Hillary event after the results were clear.) But by stumping forcefully in the Palmetto State, Bill Clinton freed Hillary to go West and campaign in California and other delegate-rich states holding primaries on Super Tuesday, Feb. 5.

There's nothing new about presidents trying to poison the cup before it can pass to their successors. In 1968, Lyndon Johnson sought to sabotage the despised Robert Kennedy by leaking how Kennedy, as JFK's attorney general, had authorised FBI bugs on Martin Luther King Jr. Teddy Roosevelt was so vexed about losing the GOP nomination to William Howard Taft in 1912 that he formed the Bull Moose Party and ran against Taft (thereby splitting the vote and electing Woodrow Wilson). But no one has ever been in the position of William Jefferson Clinton, a former

president trying to get his wife elected president, in no small measure by baiting and badgering her principal opponent. The remarkable tag team of Clinton and Clinton is much more than political gamesmanship. If the Clintons succeed and win in November, the nation will have something truly unprecedented: an unelected, unofficial, but nonetheless true co-presidency.

Clinton is having some success at getting under Obama's skin, judging from last week's Democratic debate in South Carolina. "There's a set of assertions made by Senator Clinton, as well as her husband, that are not factually accurate," Obama declared. "I can't tell who I'm running against sometimes," he protested. (Thus opening the way for James Carville, the Clintons' longtime adviser and sometime mouthpiece, to go on talk TV and chastise Obama for "whining.") The Obama camp had debated whether to turn the other cheek or push back. Campaign chief strategist David Axelrod finally argued that Obama had no choice, but he had to stand up against the

Clinton distortions of his record. (Example: in New Hampshire, Clinton circulated thousands of fliers accusing Obama of going soft on abortion rights because, as an Illinois state legislator, he voted "present" instead of "no" on an anti-abortion bill. As recently reported, the flier failed to note that Obama had done so at the request of an abortion-rights group, which asked its supporters to side-step for tactical reasons.) Obama's advisers see a Clinton plot to "grab and pull Obama into the mud," as one put it, speaking anonymously because he did not want to be identified discussing internal campaign deliberations. If Obama takes the bait, he risks losing his aura as a leader who can rise above politics as usual, says this adviser, who tried to joke mordantly about Obama's angry pushback against the Clintons at the South Carolina debate. "Well, at least he didn't say, 'Stop lying about my record,'" says the adviser, referring to a sullen outburst by GOP presidential candidate Bob Dole after he lost the New Hampshire primary against George H.W. Bush

in 1988. In his rope-line interview with Newsweek, Clinton shrugged off the bickering as standard politics. "That's what elections are about," he said. "That's not disrespectful." One Clinton campaign adviser, who asked not to be named due to the sensitivity of the subject, says Bill Clinton's attacks on Obama have not been premeditated or strategic. This adviser did say that the Clinton camp has some concern that the former president's outbursts in the media could hurt the campaign. "I think you'll see him dial it back," says the adviser. But "he's hard to control." Another adviser, who asked not to be named for the same reason, speculated differently: "I think there was a strategic decision made for him to be the attack dog. That, in general, was thought out. There's an occasional loss of control, however." A third adviser said, "This all started because he thought the media wasn't doing its job, looking into Obama's record."

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