

## Thoughts on increasing NRB remittances

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SHAIKH ABDUL HAMID

**R**EMITTANCES by non-resident Bangladeshis (NRB) through official channels hit \$ 6.4 billion in 2007 as per the World Bank, and the caretaker government has shown keen interest in increasing that.

Right after the recent NRB conference in Dhaka interested NRBs held follow-up meetings to try to capitalise on the momentum generated. The march continues. The Bangladesh Enterprise Institute (BEI) organised a roundtable discussion on February 5 on increasing remittances from abroad.

A high-powered GOB team is expected to visit Saudi Arabia to explore the problems of Bangladeshi workers. The Daily Star published related back-to-back articles by two NRBs, Dewan Sadek Afzal ("Promoting NRB Investment" in the February 5 issue), and Halimur Rashid Khan ("Increasing Remittance from Non-Resident Bangladeshis" in the February 6 issue).

We hope that the policy prescriptions that follow from the BEI roundtable, the findings and recommendations that the GOB team brings back, and the prescriptions by others to increase NRB remittances will receive due consideration, careful evaluation, and coordinated, committed and resolute implementation by the GOB.

### Visit to KSA

Dignitaries going abroad often end up meeting, and discussing with, those who can gain access to them -- those in positions of influence, those connected to embassy officials, and those who are leaders of socio-cultural groups and political parties. It is important to get the views and opinions of such people. It is also important to get the viewpoints of a cross-section of expatriate Bangladeshis.

It will be naive to think that the Bangladesh Embassy officials in KSA do not know about the plight of Bangladeshi white-collar workers in the Kingdom -- about the stories of gross underpayment in brazen violation of contracts, mistreatment and abuse by employers, inability to get leave to visit Bangladesh when contractually due, and so on.

This has been going on for decades, and in other countries. But, as with many other problems of the country, no remedial actions have been taken. The voiceless, helpless, and hapless poor workers of Bangladesh toiling in various countries and earning foreign

exchange for Bangladesh continue to suffer. Most of them manage to get a job abroad after paying a fortune to manpower agencies -- often by selling their small plots of land, or by borrowing from relatives -- only to find that they receive a salary much less than what their contract stipulated.

This story has been told again and again and again! But has anything been done to rectify this recurring state of affairs? I wonder if any manpower agency responsible for this has been taken to task. I wonder if the government has intervened to regulate the exorbitant amounts, which are way above the costs incurred, that helpless job-seekers have to pay to manpower agencies. We want the goose to lay golden eggs. But what have we done for the goose?

### BEI roundtable

I hope that the BEI will submit concrete, feasible and practicable proposals to relevant government ministries on strategies for increasing remittances. That should not be the end of it. Government functionaries are busy people, and they can easily lose sight of the proposals if there is no follow-up.

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presented papers in the form of a book. A further helpful step would have been to extract major findings and recommendations from the papers and the discussions, group them into related categories, and forward them to respective ministries as actionable items. This step would have needed follow-up. But who could do that?

To ensure something like that, the recommendation for an NRB Secretariat by Dewan Sadek Afzal merits consideration. In his timely, well-reasoned and articulate article he has also called for developing mechanism to establish planned neighbourhoods.

### NRB Secretariat

As I envision, an NRB Secretariat can help the GOB and NRBs in a number of ways. It can carry out functions like the following:

- Identify problems, challenges, prospects and opportunities faced by NRBs.
- Help the government in designing appropriate policies and strategies to transform idle manpower into a veritable asset.
- Survey and monitor manpower needs (by type and quantity) of manpower-deficient countries, and report to government and private vocational training institutions geared towards producing skilled and semi-skilled manpower for foreign markets.
- Investigate unfair actions and practices of manpower exporting and importing agencies, and recommend to GOB appropriate actions against the perpetrators.
- Create databases of NRB experts in various fields for possible short-term use of their services by the GOB, universities, and local and international agencies operating in Bangladesh.



### Wage-earners abroad - send some more!

- Store and disseminate information on the technology, methods and processes that can be transferred to Bangladesh, with information on relevant experts who can act as transfer agents.
- Gather information on attractive investment sectors/projects in Bangladesh for sharing investment ideas with potential NRB investors.
- Identify and promote less expensive, faster and safer ways through which NRBs can remit money to Bangladesh.
- Advise the GOB on ways to clean the morass and web that investors from abroad have to go through for investing in Bangladesh.
- Advise potential NRB investors about GOB approval processes.
- Identify and promote investment vehicles that will motivate NRBs to invest in Bangladesh.
- Advise GOB on the modalities and approaches for establishing planned neighbourhoods around district towns to facilitate purchases of lands by NRBs in an

orderly and efficient manner.

After analysing the needs of various categories of NRBs, the above list can be fine-tuned.

### Establishing planned neighbourhoods

A significant part of NRB savings go towards meeting real estate needs. Dewan Sadek Afzal's article puts forward a compelling plan of action whereby this need of NRBs can be met in a planned and orderly manner. It will create planned neighbourhoods as well as increase remittances.

But the government has to simplify the process through which it allots plots, so that it is fast, fair and transparent. Why should it take a few years to allot plots after the application and initial deposit have been accepted?

Parcels of land developed near various district towns should be earmarked for allotment only to NRBs, so that influential politicians and persons cannot be the beneficiaries of such parcels. If the process

of allotment is a lottery, it should be strictly that, and not be subject to political caprice.

In the event that an applicant is not allotted a plot, his/her money should be speedily refunded after following a simplified procedure. If it is protracted period, sufferers lose in terms of purchasing power, and also have to forgo the opportunity to earn on that amount over the period delayed. Who will compensate them for that? I am disregarding the fact that they may have to spend some money to get back the deposited money.

This brings me to the all-important point; we cannot expect to increase remittances in a vacuum. Some of the factors that have a bearing on remittances are:

- Creating a stable and conducive socio-economic and political climate that can help create a functioning economy.
- Strengthening the institutions that establish rule of law, strengthen oversight, weed out corruption and create public

confidence in the police and the courts.

- Simplifying bureaucratic entanglements and regulations.
- Easing infrastructure blockages (power shortages, transportation bottlenecks, port and customs delays).
- Enhancing technology and telecommunications facilities for greater integration with world markets, etc.

These factors would contribute toward creating a favourable investment climate to attract not only NRBs but also MNCs.

A factor that is not necessarily related to creating a favourable investment climate, but can, nevertheless, significantly increase remittances is exporting ever increasing numbers of skilled manpower (train them first so they can earn more, save more, and send more). However, it is well known that the presence of an educated and skilled workforce in a country helps to attract foreign direct investment.

If one creates the fastest, safest and cheapest remittance mechanism, but the factors mentioned above are absent in Bangladesh, remittance will increase to some extent, but not dramatically. It will also increase as more people find jobs abroad, but not dramatically. The super-rich NRBs will keep out (as will most MNCs), and they are the large players. They will prefer to invest in safe havens.

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## China calling

**The development policy of the Chinese government is to transform the economy from its agricultural base to athen industrial base, and to improve the standard of living of the people. To fulfill this objective, the Chinese government is working to enhance the earnings and education levels of the farmers so that they become motivated to migrate to towns.**

MAMUN RASHID

**S**OME of my readers may wonder why I have decided to write on China, sitting here in Bangladesh with enough of our own problems to spend time on. Well, sometimes it pays off to look at other countries' experiences for possible lead lessons to one's own issues.

China is a wonder of modern economic history. While the USA is on the verge of recession and its currency value is on a slippery slide, it is looking at China (and the Middle-Eastern countries) to stabilize/rescue its currency and its economy.

Once perceived to be the maker of cheap quality products for poor people, China is now a formidable economic super-power. The global pendulum has swung in favour of China. I hope my readers will not blame me for choosing China as a case for lessons we can learn to benefit our own beloved country.

The economy of China's economy registered a steep growth from 1978 to 2006. For the last three decades the economy of China grew at a pace of 9.7% per annum.

In 2006, the GDP of China increased to US\$2.63 trillion. At present, China is the world's fourth largest economic power. The per capita GDP has reached increased from US\$168 in 1978 to US\$2,042 in 2006, and the total trade volume increased from US\$20.6 billion to US\$1.76 trillion.

The foreign exchange reserve increased from US\$167 million to US\$ 1.33 trillion, while the population number of people below the poverty line has decreased to 21.5 million from 250 million. The China's eleventh five-year plan (2006-10) of China aimed at a balanced and well coordinated development plan for both rural and urban economies, so that the whole economy can achieve a sustainable growth.

As per the bilateral agreement between Bangladesh and China signed in July 2007, China will import US\$53 million worth of frozen fish, jute and leather from Bangladesh. The China-Bangladesh Joint Agriculture Committee has committed more investments in the agriculture sector of Bangladesh.

In April 2007, China has partici-

pated in the SAARC summit as an observer. Among the 14 neighbouring countries, China has made border related agreements with 12 countries. Office equipment and computers that Japan used to import from Europe or USA are now imported from China.

In 2005, total overseas investment by China reached US\$11.3 billion. At the Beijing Conference in November 2006, China, once a recipient of foreign aid, announced grants of US\$5.5 billion to 48 African countries. China is now the 3rd largest foreign investor in Africa after USA and France. At present, China is the 3rd largest exporting country after USA and Germany, since overtaking Japan in 2004.

At present, there are 106 billionaires in China. The number is seven times higher than last year's, and has been increasing at a faster rate than those in the USA and the Europe. In 2004, there were only 4 million motor vehicles in China, which climbed to 19 million in 2005. There are 500 vehicles for every thousand people in USA and only 8 vehicles per thousand people in China, signifying the huge

room for further growth.

China has a competitive advantage in terms of cheap labour. The government has a favourable tax and land usage policy. There are plenty of skilled and educated manpower. China spends only US\$23,000 annually for a post-doctorate individual, whereas in USA a PhD would cost not less than US\$200,000 per annum.



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A few years back, no Chinese company was in the list of the world's top 25 business organizations, but, in 2007, six Chinese organizations made their way to the list, competing with

European, American and Japanese companies. The official population of China is about 1.3 billion, whereas, unofficially, the figure is 1.5 billion. The PPP (Purchasing Power Parity) and GDP (Gross Domestic Product) of China are the highest in Asia. The annual GDP growth rate has been in the range of 6-9% for the last five years.

The cost of labour in China will

tries of China's industries are very productive, and China does not if they do not face any external impediment or obstacles to start more industries, China will lead the global industrial sector and will play the key role in the world economy.

Several industries in China, including electronic goods, chemicals and others, have made undergone tremendous growth. China is making parallel progress in almost every industry. The industrialization of modern China can only be compared with the industrialization that took place in USA in the early twentieth century.

At present, the amount of foreign investments of China has crossed the amount of foreign investment of USA. About 67% of the foreign investment (US\$166 billion) that took place in East Asia during 1996 to 2001, was invested in China. China will not have to pay 26% of its outstanding loan, which is 30% of the total GDP. Another report confirms that in 2003, 36% of country's exports came from companies that have foreign investment.

The Chinese government has taken various steps to eliminate poverty. In the last 25 years, about 220 to 290 million Chinese people came out of poverty level due to rural development and reform programs. The key success factor behind the poverty eradication in

of China was the growth of national GDP. But only GDP growth cannot curtail the poverty alone.

China was quick to realize this fact, and it incorporated the development of export-oriented industries in the coastal areas, instead of agricultural growth, in its development strategies and policies.

During 1999-2001, a new dimension was added to the poverty elimination plan. The government initiated a 10-year plan with diversified programs to eradicate poverty. Several development initiatives in the fields of agriculture, rural development, education, transport and communication were taken.

The migration of rural people to industrial towns was encouraged. The government initiated allowances and insurance for the urban unemployed group, and the Government also undertook a "Great Western Development Strategy" to develop the western region of China in 2000.

In last few years, the Chinese government has also revised the National Agricultural Policy several times. After becoming a member of WTO, China has set a market-driven, multi-faced and commercially viable target for the food crops production. The use of science and technology will help to attain that goal. The new policy took into consideration quality and food value, health protection, and supply management.

The development policy of the Chinese government is to transform the economy from its agricultural base to athen industrial base, and to improve the standard of living of the people. To fulfill this objective, the Chinese government is working to enhance the earnings and education levels of the farmers so that they become motivated to migrate to towns.

This policy has been embedded in various national programs of China. For this initiative, the total number of people dependent on agriculture has come down from 70% to 50% in last two decades. It seems that, China will soon replace Japan to become the largest business partner of USA. The Japanese companies have already started to invest in China.

China never stops surprising me. How can a giant economy such as China sustain its high GDP growth over a prolonged period of time? How can a socialist government be so business and customer-friendly that it launches a customer satisfaction survey at its airports? It seems that the country and the regime are on a continuous learning curve, parade and always want to walk the talk.

Bangladesh and its people have many things to learn from China, and we should take advantage of this relationship with China for the benefit of our people and their sustainable future.

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## The war against jihadism

**The jihadist merchants of death must be defeated morally as well as militarily. Doing so offers the American people the opportunity for national self-renewal and the chance to defend the cause of human dignity throughout the world. The stakes -- the future of freedom -- are very high indeed. It's past time for those who would lead us to acknowledge that.**

GEORGE WEIGEL

**W**HAT kind of campaign is this? Six-plus years after 9/11, while the Taliban attempts an Afghanistan comeback, as Islamist terrorists cause mayhem in Algeria and occupy huge swaths of tribal Pakistan; despite "United 93" and "The Kite Runner," a library-full of books, presidential commissions, congressional hearings, and four election cycles -- despite all of that, a strange, Victorian reticence about naming the enemy in the contest for the human future in which we

are engaged befalls this political season.

Such reticence is an obstacle to victory in a war we cannot avoid, and in which we must prevail. For there is one thing certain in this season of great uncertainties, it is that the war against jihadism will be starting the next president of the United States in the face at high noon on Inauguration Day, 2009.

That is what we are fighting: jihadism, the religiously inspired ideology which teaches that it is every Muslim's duty to use any means necessary to compel the world's submission to Islam. That

most of the world's Muslims do not accept this definition of the demands of their faith is true -- and beside the point. The jihadists believe this. That is why they are the enemy of their fellow Muslims and the rest of the world.

For decades, an internal Islamic civil war, born of Islam's difficult encounter with modernity, has been fought over such key modern political ideas as religious toleration and the separation of religious and political authority in a just state. That intra-Islamic struggle now engages the rest of humanity. To ignore this, to imagine it's all

George W. Bush's fault, or to misrepresent it because of a prudish reluctance to discuss religion in public, is to repeat the mistakes the advocates of appeasement made in the 1930s.

In the mid-twentieth century, it was important to understand the ideas that fed the totalitarian passions of fascism, Nazism and communism. It is just as important today to understand the ideas of such progenitors of jihadist ideology as the Egyptian scholar-activists Hassan al-Banna (1906-1949) and Sayyid Qutb (1903-1966). Why? Because the power of ideas that can call men and women to make great sacrifices can only be trumped by the power of more compelling ideas that summon forth nobler sacrifices. Yet, while our presidential candidates have endlessly debated who was right or wrong and when about Iraq,

the imperative of effective U.S. public diplomacy -- of making the argument for freedom and decency effectively around the world -- has gone largely unremarked. That failure reflects a reluctance to grasp the nature of this new kind of struggle.

This is a war of ideas, pitting two different notions of the good society against each other. The jihadist vision claims the sanction of God. The western vision of the free society, in which civility involves engaging differences with respect, has both religious and philosophical roots. Some Americans have lost touch with the deepest cultural sources of the nation's commitments to religious freedom, tolerance and democratic persuasion, thinking of these good things as mere pragmatic arrangements. But if the United States can't explain to the world why religious freedom,

civility, tolerance and democratic persuasion are morally superior to coercion in religious and political matters, then America stands disarmed before those who believe it their duty to impose a starkly different view of the good society on us.

The war against jihadism is being contested on many fronts simultaneously. There is a military front, which involves Afghanistan and Iraq but also includes such unlikely places as the Caribbean, Mali and the Philippines. There is an intelligence front, an economic front, an energy front and a homeland-security front. Such a complex war, which could last a generation or more, cannot be the prerogative or burden of one political party. The war against jihadism must be owned by both political parties. Thus, one measure of any presidential candidate's serious-

ness is this: can he or she build a bipartisan coalition capable of sustaining the long-haul struggle required to defeat jihadist nihilism?

The landscape is indeed forbidding. Still, there is some good news: the war against jihadism can lead to cultural and political renewal in America. Making compelling arguments in favour of the free society reconnects us with the great ideas on which our liberties rest. Putting faith and reason into conversation strengthens the unity of our diverse society. Defending religious freedom, and supporting Muslim reformers who seek an Islamic case for tolerance and pluralism, reminds us that American civil society is built on truths about the dignity of human life. Energy policies that de-fund jihadism by reducing our reliance on petroleum as a transportation

fuel can ignite entrepreneurial energies, revitalise the American auto industry, and help the environment. Rational homeland security policies can make us safer and less beholden to political correctness.

The jihadist merchants of death must be defeated morally as well as militarily. Doing so offers the American people the opportunity for national self-renewal and the chance to defend the cause of human dignity throughout the world. The stakes -- the future of freedom -- are very high indeed. It's past time for those who would lead us to acknowledge that.

Weigel, a Newsweek contributor, is Distinguished Senior Fellow of Washington's Ethics and Public Policy Center. This essay is adapted from his new book, "Faith, Reason, and the War Against Jihadism" (Doubleday).

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