

**International Business News**

**Dollar turns lower in Asia**

AFP, Tokyo

The dollar came under fresh selling pressure in Asian trade on Tuesday after an overnight rally sparked by hopes of an easing of the credit crunch on Wall Street fizzled out, dealers said.

The dollar fell to 100.19 yen in Tokyo afternoon trade from 100.73 in New York late on Monday.

The euro rose to 1.5550 dollars from 1.5422 and to 155.83 yen from 155.40.

Concerns weighing on the greenback included "the bearish outlook on the economy and expectations of more (interest) rate cuts," said Tomoko Fujii, head of economic strategy at Bank of America in Tokyo.

The Fed may cut rates by half a percentage point next month and another quarter point in June, she said.

The Fed has slashed its key lending rate by a cumulative 300 basis points since September to try to prop up the economy and shaky financial markets.

The lower rates have weakened the dollar as investors seek higher yielding assets priced in other currencies.

The greenback had risen in US trade on news that JPMorgan Chase was raising its offer for Bear Stearns fivefold.

Further support came from an unexpected 2.9 percent rebound in US existing home sales in February that snapped six straight months of declines.

Sales picked up to an annual rate of 5.03 million units, well ahead of the pace of 4.86 million expected by most economists.

**Malaysian PM promises action on economic reforms**

AFP, Kuala Lumpur

Malaysia's Prime Minister Abdullah Ahmad Badawi on Tuesday pledged to push ahead with economic reforms after disastrous election results, and backed down on looming fuel price hikes.

"The result of the election was a strong message that I have not moved fast enough in pushing through with the reforms that I promised to undertake," he said in a speech to an investment conference.

"I thank the Malaysian people for this message: point well made and point taken."

Abdullah said that despite plans to dismantle energy subsidies that are draining state coffers, he will maintain fuel prices at current levels to protect the interests of the poor.

"Whatever the present price, we will have to live with it," he said, adding that a policy on subsidies would be announced later.

The ruling Barisan Nasional coalition was delivered a stunning blow in March 8 elections, ceding five states and a third of parliamentary seats to the opposition which campaigned heavily on high inflation.

**MIGRATION**

# French workers crossing over to live the English dream

AFP, London

Thousands of French workers are leaving home, where ambition is often stifled by poor prospects or discrimination, to benefit from the flexible job market in London hailed by President Nicolas Sarkozy, who arrives here Wednesday.

"Here, I can write Mohamed on my name badge and it doesn't bother anyone," said 23-year-old Mohamed Latbi, who studied for a business diploma in the western French city of Rennes but was only able to find work as a dustman at home "and I needed connections to get that."

He arrived in London in October 2006, and in three weeks, managed to land a job as a hotel receptionist.

"It was hard -- people spoke very quickly. But if you show them you are motivated..." he said, leaving the sentence unfinished.

Mohamed hung on, and eight months later, he secured a job as an employment consultant at the Centre d'Echanges Internationaux (CEI), a French organisation which helps new arrivals to find jobs.

He is among some 250,000 French citizens who work in Britain, with 15,000 coming each year.

"Yes, it's possible to find a job in London within 48 hours," Mohamed said. "But you have to be willing to do anything."

It was with that attitude that Vladimir Cordier first arrived in London in September 1997.

A few weeks before, he gave up a master's course in economics at the University of Rouen where one of his teachers summarised his job prospects thus: "I recommend you stay in education as long as possible."

"I wanted to avoid the struggle that some of my friends have gone through," he said.

Vladimir left for London on

a Sunday, and found a job by the following Tuesday at a French secondary school in the British capital.

Even he admitted it was not the best start and during a series of less-than-challenging jobs, he considered throwing in the towel.

Nearly 11 years later, though, he has risen through the ranks and is now the European head of tour programmes at American online travel agency Expedia -- all at the age of 32.

"In France, that would not have been possible...in England, it is a meritocracy," he said.

Thibaud Herem agreed:

manager, Thibaud worked as a freelance designer on the side.

He soon launched his own Internet site and orders began to flow in, to the point where, aged 25, he is ready to quit his job at the cafe in June, and set up his own studio.

It's the free market in England that "allowed me to have a regular job," he said.

But despite benefitting from the system in Britain, he would not like to see it introduced in France: "We're treated like rubbish...they could wave me goodbye with a week's notice."

For him, the ideal job market would be some combination of the two, "between no



French and British flags in Windsor ahead of a two-day State Visit by French president Nicolas Sarkozy. Thousands of French workers are leaving home, where ambition is often stifled by poor prospects or discrimination, to benefit from the flexible job market in London.



Thousands of people demonstrate in Paris as part of a nationwide day of protest of French civil servants. Thousands of French workers are leaving home, where ambition is often stifled by poor prospects or discrimination, to benefit from the flexible job market in London hailed by President Nicolas Sarkozy, who arrives here Wednesday.



Philippine President Gloria Arroyo (F) accompanied by Representative Carlos Padilla of the lone district of Nueva Vizcaya inspects a rice farm in the village of Malasin, in Dupax Nueva Vizcaya on March 24.

**Philippines' Arroyo orders raids on rice hoarders**

AFP, Manila

Philippine President Gloria Arroyo on Tuesday said the government will clamp down on rice hoarders who artificially jack up the commodity's price amid a looming supply crunch.

Arroyo noted that the Philippines, is a "price sensitive nation" that feels the strains of pressures from a globalized economy.

"I am asking traders not to jack up prices just because there is a crisis," Arroyo said.

Agriculture Secretary Arthur Yap told reporters the government will make certain rice types available to the poorest households at 18.25 pesos (about 44 US cents) through subsidies.

"That is the order of the President," he said. "Regardless of how high the prices will go, we're going to keep it temporarily at 18.25 pesos."

Arroyo said she has ordered Yap to stake out all government warehouses that stock the subsidised rice varieties "so he can follow the big 10-wheeler trucks and see where they are bringing rice."

"He is investigating all warehouses, watching them, re-licensing them. He shall hit the hoarders," Arroyo said.

**COLUMN**

**SYED NASIM MANZUR**

## Jobs for the boys... (and girls)

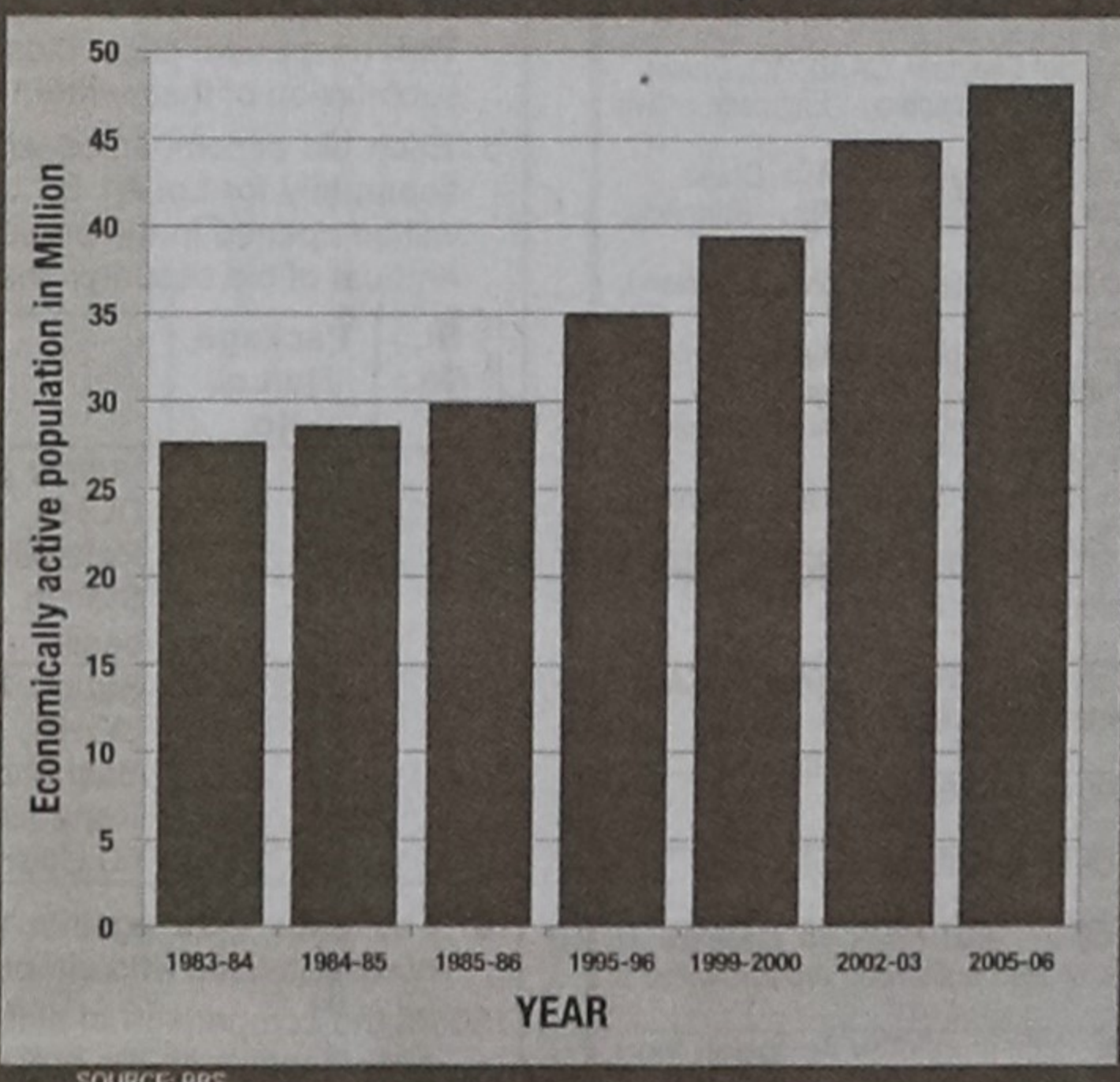
Bangladesh last year imported more than 50,000 sweater machines which, according to a friend of mine in the ready made garment industry, will require 150,000 skilled workers to operate.

Another emerging industry, ship building, will need thousands of specialized welders and fitters while one of the major container lines needs thousands of young men and women to work onboard their ships all across the world as crewmembers.

All the above stories fit the "Investment=Exports=Growth=Jobs=Poverty Reduction" model perfectly. It is the model that is today the most widely accepted formula for progress in most developing countries. Quite simply we are to export our way out of poverty.

The idea was perhaps taken to its most extreme by John Tiemez in the New York Times on 16th October last year, when he argued that Walmart, the US low cost retailer, had been the most significant driver of "Third World" poverty reduction in recent times! His argument was that supplying the retail colossus had created millions of new jobs in developing countries.

**BANGLADESH'S ECONOMICALLY ACTIVE POPULATION (15+ YEARS) 1983-2006**



But while jobs created by export growth should be welcomed, it is worth examining whether they really add that much to net employment, especially if export success is accompanied by the sudden removal of import tariffs. On a broader level, can economic growth that excludes large

sections of the country, notably the rural areas, really take Bangladesh forward?

Let's look at some facts. The country that has moved the highest numbers of people out of poverty in the last two decades is China. The relentless manufacturing juggernaut is the envy of the

world due to its sustained economic growth. But for all the growth, Chinese manufacturing employment peaked in 1995 and despite a slight recovery in recent years, today is still around 12 percent lower than the levels of the mid 1990s, according to official Chinese government statistics. So China has recently been experiencing "jobless" growth which, I believe, is a serious danger for developing economies such as ours as well.

It is also interesting to note that the period of highest employment generation in China was before their joining the WTO and import liberalization. The reason is the two pronged strategy of export led growth and over exuberant trade liberalization which leads to the sudden reduced viability of small local producers. The new jobs created by export growth are often not enough to compensate for the old jobs lost due to the sudden influx of cheap imports.

At a conference at JNU University New Delhi last June the presenters argued that the "Hindu rate of growth" (pre-liberalization when the Indian economy was closed and heavily protected) was in fact

higher than the present rate of growth of jobs in the new liberalized import regime.

The reasons being that in the new India employment growth has been more in the informal sector, increased use of "casual" labour and the rise of outsourcing in the organized sector. The loss of jobs in agriculture due to urbanization, mechanization and indebtedness in India is well known. This should not be misconstrued as an argument for protectionism. But when one of the oldest and largest footwear retailers in Bangladesh, tells me that they have moved production of 49,000 pairs of shoe uppers per week from local factories to China, due to import tariff reductions, and as a result thousands of local jobs have been lost, surely we must begin to ask where the jobs will come from? Can we transform all these shoe makers into service providers, sales persons and call centre operators? Doubtful.

Driving output growth through new investments, both foreign and domestic, may lead to employment generation but that by itself will not be enough. Not if we wish to move more people out of

poverty and raise their standards of living to the much coveted Middle Income Status by 2020. It is very important that we start to look at the nature of our employment generation as well. In recent years the employment growth through exports especially RMG has been undermined by the loss of jobs in traditional sectors due to import penetration.

Generating economic growth is one of the biggest issues facing all economies today but the results show that it should be part of the solution and not the panacea for all our ills. The challenge is to make the growth inclusive. Our strategies and policies need to be evaluated not only on the growth scale but also on the jobs creation scale. The focus thus needs as much to be on raising employment generation through productivity and the two pre-requisites for this are investments in health and education.

Unless we can do this, we will only be providing jobs for a few of the boys... and girls... and to be honest, they may not be worth having.

Syed Nasim Manzur is an economist turned shoe maker and entrepreneur.