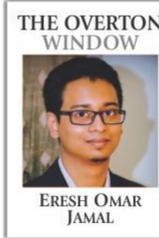


A few simple ways to encourage investment



THE OVERTON WINDOW
ERESH OMAR JAMAL

TO achieve its goal of becoming a middle-income country by 2021, Bangladesh must increase its yearly private investments from 29 percent of GDP in fiscal year 2015 to 34.4 percent of GDP by fiscal year 2020, according to Mahbubur Rahman, president of the International Chamber of Commerce Bangladesh. Rahman also said that the foremost challenge Bangladesh faces in moving to a higher growth path of 8 percent plus GDP to become a middle-income country is its stagnant private investment, followed by the weak institutional capacity of the government to implement badly needed development projects.

Experts and economists, on the other hand, said that Bangladesh needed to increase investment to USD 12.5 billion for infrastructure development from the existing annual spending of USD 3.5 billion to gain any significant benefit from regional and international connectivity. This, again, will require the government to improve its institutional capacity from its current minuscule extent.

This has been exposed even more by the government's failure to utilise properly the funds that China and India had promised to Bangladesh. In regard to India, years have already passed since it had granted Bangladesh access to its first line of credit. Talks of the third line of credit have made headlines a number of times this year, although the Bangladesh government has failed to efficiently use even the first line of credit.

Meanwhile, the funds promised by China have been held up largely because of "bureaucratic" entanglements on either side.



Interestingly, prior to the Chinese president's visit to Bangladesh, one Chinese official mentioned that China was concerned about Bangladesh's capacity to handle any significant amount of funds during a roundtable held by this newspaper. And that his primary concerns were about delay in project implementation/completion leading to costs skyrocketing from what were initially estimated. In a way, perhaps he was preaching to the choir, as Bangladeshis by now are well acquainted with both these issues.

However, if the government can address this, there is a chance for the country to make massive strides within

a short period of time. Let me explain. First, by improving capacity, the government can move forward with the infrastructure projects much quicker. According to experts, infrastructure development "is urgently needed to invite foreign investment to Bangladesh."

According to the State Minister for Finance and Planning MA Mannan, "For more economic development, we need regional connectivity," which is already the purpose of many infrastructure projects that are currently in the pipeline. But there are still other barriers to increasing foreign investment. For example, recently the

US ambassador to Bangladesh has said that "corruption, cumbersome customs procedures and poor sanitary and phytosanitary standards are major barriers to attracting foreign direct investment to the country."

We often hear our government officials pleading with foreign governments to invest more in Bangladesh. But isn't it time for our government officials to become more realistic? Instead of constantly pleading for foreign investment, a much simpler method of achieving that would be for our government to clean up its own house. After all, who else except for other corrupt governments would be willing to invest in a country rife with corruption? Naturally, no one, as corruption simply increases the risk on their investment.

And the US ambassador's concerns were not a one-off either. German Ambassador Thomas Prinz also made similar comments a week earlier, saying that corruption in Bangladesh is the main barrier to attracting foreign investment from Germany. Many European companies and individuals too have expressed their interest in investing in Bangladesh "in a bigger way," as they see the country to be a "good" investment option because of its "sizeable ready-to-work labour force" and "its fast-growing economy."

However, barriers to setting up their businesses – complicated company registration process, energy crisis, bureaucratic tangles, etc. – are discouraging them from doing so.

Their views are, moreover, in agreement with the World Bank's documents that say that despite significant trade liberalisation since the early 1990s, "the procedures for clearance of import export cargo at borders remain cumbersome and are saddled with numerous documentation requirements and poor levels of inter-agency collaboration." For example, a foreign investor apparently

has to collect nearly 25 permissions from different government agencies and departments for starting business here.

A simple fix to this, as proposed by prospective foreign investors, would be to set up a "national single window from where investors can collect all necessary documents without any hassle or harassment."

Meanwhile, better infrastructure would no doubt also encourage greater private investment from domestic sources. For years, the government has said that the private sector must play a greater role, without understanding, for some strange reason, that the easiest way, again, for it to encourage domestic investment is by improving infrastructure and reducing corruption.

For one, better infrastructure would give domestic businesses access to larger markets (to sell their products and acquire resources from); and, two, without the burden of corruption, costs and risks of doing business will go down, improving the prospects of becoming an entrepreneur. This year, net sales of savings certificates again increased by a significant margin—8.91 percent year-on-year. This shows that individuals still do not feel confident enough to invest their wealth and would rather save for now by acquiring savings certificates.

Thus, the way to provide a massive boost to the economy is quite simple. A few minor tweaks alone, such as the ones mentioned above, can lead to much greater foreign direct investment and domestic private investment. But that tweak needs to be done by the government in regard to itself, which requires what successive governments of our nation have lacked the most—political will and admission of its own shortcomings, which, ironically, happens to be the first step necessary for any improvement.

Eresh Omar Jamal is a member of the editorial team at *The Daily Star*.

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Looking back at the Balfour Declaration

MATIUR RAHMAN

TO the Jews the Balfour Declaration was a landmark event and to the Arabs it was a bone of contention, a black chapter in the history of the world because it led to the fulfilment of the former's aspiration for a state and deprived the later from their ancestral home, Palestine and forced them to become refugees. The Balfour Declaration dates back to November 2, 1917 when the erstwhile British Foreign Secretary, Arthur Balfour wrote a letter to Lord Walter Rothschild, a leading member of the Jewish community in Britain expressing support for a "national home for the Jewish people in Palestine". The later subsequently became known as the Balfour Declaration, which provided an impetus to the Jewish dream of creating a state which was eventually realised in 1948. During the time of the Balfour Declaration, Arabs were the majority in Palestine and the Jewish population was less than 10 percent.

The defeat of the Ottoman in Palestine paved the way to find a home for the Israelis. To the Arabs, the Balfour Declaration was the latest unjust, illegal and illegitimate colonial action.

On its Commemoration Day in London on November 2, 2017 the British government felt proud of the moment the Jews returned to their ancient homeland which has Biblical reference in favour of them. The Israelis who were scattered throughout the world as a community, could hardly think of their rise as a nation that the Balfour Declaration, through a twist of fortune, had thrust upon them.

Ipsa facto they were enthralled with pride and glory to have received a state created for them in that part of the world which is historically significant for people of all religions, including Christians, Muslims and Jews. The Jews think that Palestinians must embrace the truth of the Israeli state because it was their homecoming to the land of Israel.

As a matter of fact, the Balfour Declaration was made as a part of the British government's "divide and rule policy" to colonise the Middle East by discriminating against the Arab Muslims. While the British PM Theresa May and the Israeli PM Benjamin Netanyahu were marking the Balfour Declaration Centenary, there were strong protests not only in London, but also around the world clamouring for Britain to apologise for this illegal and immoral declaration. Even young boys and girls reacted against it and became adamant in fighting for their motherland:

"Could thou and I with Fate conspire, To grasp this sorry Scheme of Things entire!, Would not we shatter it to bits-and then Re-mould it nearer to the Heart's Desire!" (Rubaiyat, Omar Khayyam)

One political analyst called the Balfour Declaration the most contested document in Arab history. The Palestinians regard it as a historical injustice. Richard A Falk, an ex-US reporter was critical of it. According to Marwan Bishara, a senior political analyst of *Al-Jazeera*, the Balfour Declaration has become a great tragedy that still continues in Palestine. We have observed in tragedy that the hero

suffers tremendously for the fault he commits unwittingly. Then what is the fault of the Arabs in Palestine? The answer is not far to seek. The fifty years from 1917 to 1967 were characterised by numerous periods of violence and hostility between Jews and Arabs. From 1919 to 1939 some 370,000 Jews moved to Palestine with the rise of Adolf Hitler in 1933. In 1937 the Peel Commission in response to the violence advocated for the partition of Palestine in the first attempt to a two-state solution. The Zionist, though not unified, supported the plan but most of the Arabs opposed it. It was a grave mistake on the part of the Palestinians. With the extermination of six million Jews during World War II, the UN voted for the partition of Palestine in 1947 and the state of Israel was established in May 1948. Israel was attacked by the local Palestinian population and later by seven Arab countries. At the end of the fighting on March 1949, Israel had increased its territory beyond the partition plan and some 700,000 Palestinian Arabs became refugees. The Israeli called it the War of Independence while the Arabs called it the catastrophe. The Six-Day War began on June 5, 1967 when Israel captured not only the Sinai Peninsula, but the Gaza Strip, the Golan Heights and also the West Bank from Jordan. As a result, 250,000 new Palestinian refugees were created. The Arab League announced for the boycott of Israel. The Balfour Declaration referred to the local Arabs as the "non-Jewish community in Palestine" whereas in the United Nations Security Council Resolution 242 they were referred to as "the



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refugee problem". As decades passed, Palestinian national identity strengthened in opposition to Zionism. The far-reaching implication of the Balfour Declaration reveals that the Palestinians were dispossessed of their homeland, while hundreds and thousands of them were massacred and many turned refugees. How heart-rending

it is to be displaced from one's motherland and live in other countries as stateless citizens!

"There is a comfort in the strength of love; 'Twill make a thing enduring, which else Would overset the brain, or break the heart." (A pastoral Poem, William Wordsworth)

Our PM expressed strong solidarity with the Palestinian people in their bid to establish an independent state within the occupied lands in her historic speech at the UN General Assembly.

Day by day, Israel is continuing its war crimes against the Palestinians in defiance of international law and is carrying on its expansionist policy in the Middle East. Video footages continue to bring to our eyes the ferocity of Israeli aggression and destruction. It is interesting to note that the opposition leaders of the British Parliament expressed that the British government should change its policy towards Israel and Palestine and emphasised that it is time for Britain to recognise Palestine. Since Britain is proud of her relation with Israel, it is her moral obligation to mount pressure on Israel to solve the Palestinian problem.

Finally, we come to see that the Israeli-Palestinian conflict arises from the Balfour Declaration, which all parties concerned should accept as a *sine qua non* for the resolution of this never-ending problem in our present-day world, to enhance regional peace and progress, by keeping aside the mistakes of the past.

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