

**“MAKRO”-----
The Saga of a
European
Cowboy / Carpet-bagger
in Pakistan**



Shehri-CBE

(Presented to World Congress of IUCN – October
2008)

Shehri-CBE



Shehri-Citizens for a Better Environment
is a civil advocacy group
involved in various issues related to the
protection and conservation of
natural and built environment
in Pakistan

Some success stories

- Establishment of the KBCA '*Oversee Committee*' & '*Public Information Counter*', thus tackling corruption and establishing some transparency
- Demolition of *Glass Towers* illegal encroachment on the notified road-widening of Clifton Road: this action saved the road from being constricted
- Saving of 480-acre *Gutter Baghicha Park* on Manghopir Road: this is the largest open recreational space in a low income congested area of approximately one million inhabitants

Other success stories

- Demolition of apartment structure *Costa Livina* in Bagh-e-Ibn-e-Qasim, Clifton park
- Saving from commercialization of over 25 bus-depot amenity plots all over Sindh & Karachi
- Participation in numerous government committees and fact-finding groups
- Increasing awareness about built-environment issues, and rendering assistance to the judiciary

Story Of
“MAKRO”



**ARE THESE PICTURES OF A
SLUM AREA-----?**

UNFORTUNATLEY NOT !



**RATHER IT WAS THE BACKYARD OF
MAKRO STORE, A CHAIN OF
RETAIL OUTLETS OWNED JOINTLY
BY SVH, A DUTCH COMPANY AND
THEIR LOCAL PARTNERS, HABIB
GROUP.**

Makro-Habib Pakistan Limited



The Makro-Habib chain of store in Pakistan is a joint venture between:

- SHV Holdings, NV, Netherlands (Total net sales in 2006 € 15.1 billion)
- House of Habib Pakistan (one of the largest Pakistani business conglomerates)

The culpability of Makro in violating the environment and making a mockery of the law at the cost of ordinary citizens can be broadly divided into 3 categories

- 1. The taking over of a 20,000 sq.m. of playground in a low-income area for their own commercial benefit.**
- 2. Being a direct cause of environmental & health hazard to the lives of the surrounding area residents.**
- 3. Showing utter disrespect to the law by making a mockery of the High Court orders and thus committing contempt of the High Court.**

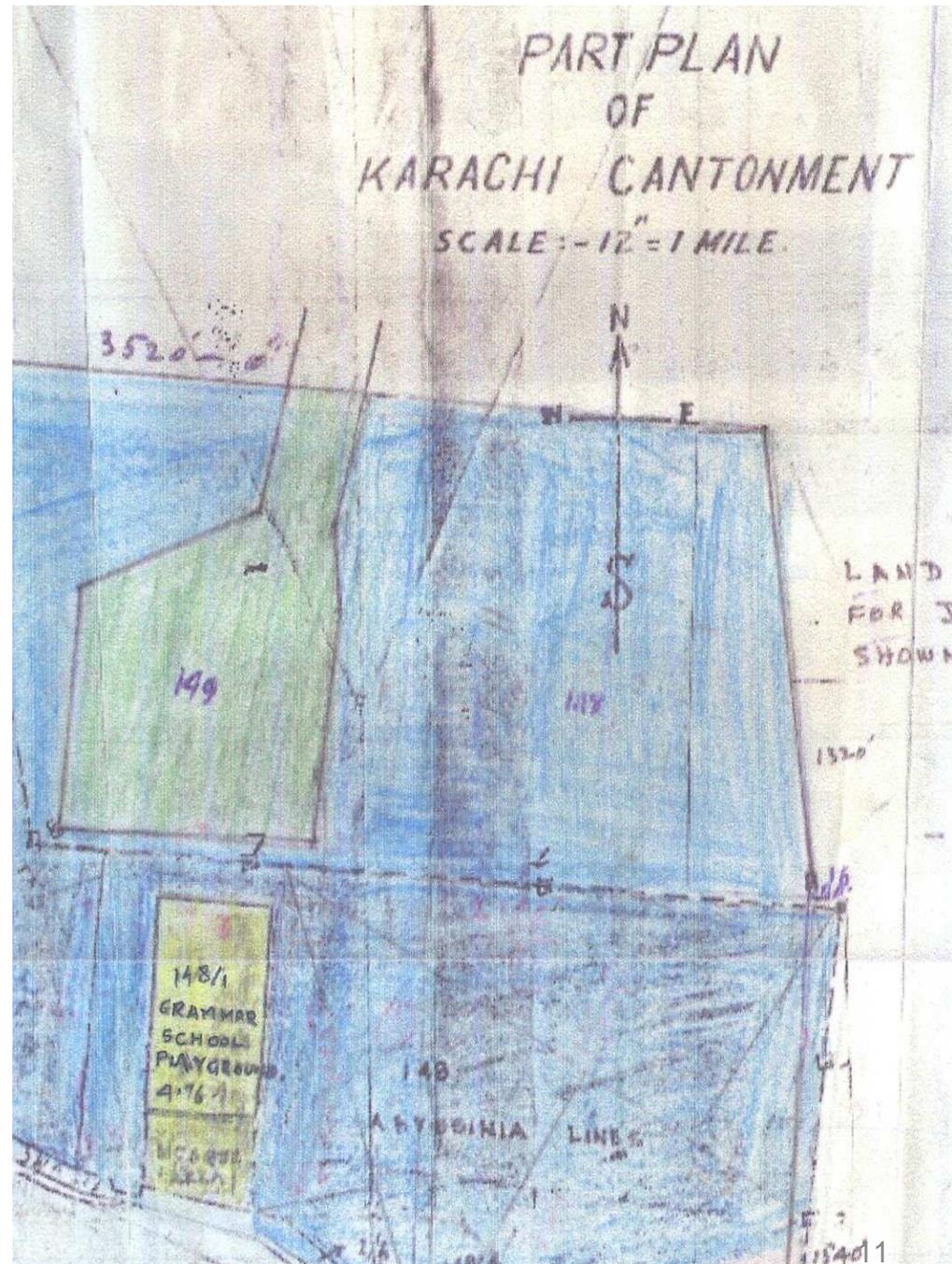
VIOLATION # 1

How a playground was seized by Makro-Habib

- In 1938, the 5-acre 'Webb Ground' in Lines Area was leased by the cantonment/army authorities to the Karachi Grammar School for a 'recreation ground' for sports activities; it was also used by the children of the area as a playground
- In the late 1970s, most of Lines Area was transferred to the City Government by the cantonment/army, and a master-plan prepared showing 'Webb Ground' as a playground

Layout Plan of the Area

The area marked in yellow is the Webb-Ground, which is clearly labeled as “**School Playground**”



GOOGLE MAP OF THE AREA



Webb Ground is beyond the limits of the Cantonment (military) area, marked in red-line, proving that military had no jurisdiction over its ownership.

CITY
GOVERNMENT'S
LETTER
REITERATING
THE OWNERSHIP
OF THE LAND
AND THE
STATUS OF THE
PLOT AS A
PLAYGROUND IN
THE MASTER-
PLAN OF THE
SCHEME



Ph # 2781108
Fax # 2781123

CITY DISTRICT GOVERNMENT KARACHI
LINES AREA RE-DEVELOPMENT PROJECT

Recd
19/2/07

No: LARP/CDGK/PD/07/216

February 17, 2007,

To,

✓ Mrs. Ambar Alibhai
General Secretary,
Shehri: CBE. 206-G, Block-2
P.E.C.H.S.,
Karachi.

Subject: ILLEGAL COMMERCIALIZATION OF 5-ACRE AMENITY
PLAYGROUND WEBB GROUND, MUBARAK SHAHED ROAD,
LARP.

Please refer you letter dated 08-02-2007, addressed to Project Director LARP, on the subject cited above and to inform you that neither plot in question has been leased out by LARP nor sub-lease of the plot has been given to any one.

It is further informed that LARP has not changed the land use of the plot and till to date this plot is an a play ground in the approved Master Plan of LARP Scheme-35, CDGK.

Fachand
17.2.07
PROJECT DIRECTOR
LARP C.D.G.K.

How a playground was seized by Makro-Habib

- On 19 December 2002, the Webb Ground plot, which had earlier been arbitrarily ‘commercialized’ by the Ministry of Defence without carrying out any town-planning studies, was leased-out for 90 years to the Army Welfare Trust (AWT), a military-business (“*Milbus*”) organization, at a throwaway price of Rs 8 per square yard. Commercial land worth approx. \$ 11,000,000,- was given for less than \$ 3,000,-.
- On 7 July 2006, the plot was sub-leased by the AWT for an initial period of 30 years to Makro-Habib, for the establishment of a ‘Cash & Carry’ departmental store.

VIOLATION # 2

Cesspool & Rubble caused by Makro-Habib





- Perishable foods were being sold right next to overflowing gutters.
- The stagnant cesspools were a breeding ground for mosquitoes, thus exposing the employees and customers to the life threatening dangers of malaria and dengue fever.



- The noise levels from the generator installed were 90db, a source of noise pollution.
- Internationally the accepted range of noise level in a residential area is 35 db.
- Note the close proximity of the school to this potential health hazard.

- Spill-over of sewerage from the over flowing gutters of Makro-Habib.



- IT WAS ONLY AFTER A LOT OF HUE & CRY WAS RAISED BY SHEHRI, AND THESE ENVIRONMENTAL HAZARDS PUBLICISED , THAT MAKRO FINALLY RECTIFIED THESE ENVIRONMENTAL CRIMES AFTER A LAPSE OF ALMOST ONE YEAR.
- THE QUESTION THAT NEEDS TO BE ASKED IS, WHETHER **SHV** WOULD HAVE COMMITTED SUCH ENVIRONMENTAL TRANSGRESSIONS IN THEIR OWN HOME COUNTRY, HOLLAND OR ANY OTHER EUROPEAN COUNTRY, EVEN FOR ONE DAY?

VIOLATION # 3

The Fight Against The Land Grab

- On August 2007, an area resident filed a 'Public Interest Litigation' case in the High Court of Sindh and asks for re-instatement of the playground/amenity plot. The Court requests Shehri for assistance.
- On 22 August 2007, the Court issued a 'status quo' order. In defiance of this order, Makro-Habib continued construction

Marko-Habib defying court orders to stop construction work



Complaints of local residents

- Location of the store blocks access of ventilation in the neighborhood
- Installation of three large power generators results in severe noise and air pollution
- Since the construction of the store, sewage overflows have become a regular feature in the neighborhood
- The store has blocked direct access to a school in the neighborhood resulting in great inconvenience to the parents/children
- The store has been built on land that served as a playground for the children of the locality: they have been deprived of this open, recreational space

Makro-Habib's history of land disputes

Makro-Habib's land acquisitions have been controversial and environment-unfriendly

- For its first store in Karachi, an industrial plot in the S.I.T.E was used, but a dispute still persists on the payment of commercialization charges
- The attempted commercialization of a 10-acre amenity fruit garden plot in Lahore has been challenged by area residents and members of the civil society.
- A dubious 8.5 acre land deal on Sharah-e-Faisal, Karachi has been reported in the press. The land belongs to Civil Aviation and can only be used for airport-related activities - not setting up of hypermarkets



The Multinational Cowboy

Makro-Habib has blazed a trail of illegal violations, caused environmental degradation and has willfully participated, even after being made aware of the relevant facts :

- Illegal transfer of land
- Illegal and unauthorized conversion of land/zoning
- Defiance of court orders
- Violation of national environmental regulations & compliance procedures
- Environmental degradation of the locality
- Human rights violations



Could Marko act in this way in Europe?

- In Europe hypermarkets are generally only allowed to be built in the suburbs. Why did Marko establish this 5-acre store in the center of the congested city?
- Could a public playground be forcibly converted to a commercial store in Holland --- despite the vehement protests of local residents and environmental groups?

How can Makro-Habib make amends?

- Makro-Habib cease operation of its store constructed on the public amenity plot, and dismantles its facility so that the said plot can be restored to its lawful status as a playground
- Makro funds a project for cleaning up of the area adversely affected by the environmental degradation caused by the operations of its illegal store