

Poverty spreading in Asian cities

MANILA, Jan 19: Poverty is spreading in Asian cities with migration from the countryside triggering a rapid growth of shanty towns, the United Nations Development Programme (UNDP) says in a report, reports Reuter.

Asia will have five of the world's 10 largest cities by the year 2000 and its urban population is expected to rise from 700 million to 1.2 billion, said the report issued before a UNDP regional meeting.

Development experts from 30 Asian nations are to attend the four-day conference opening in Manila on Monday.

"Widespread poverty, which is an affront to development progress, is still an important characteristic of the Asia-Pacific region," the UNDP said. "Poverty is being increasingly urbanised with the movement of poor people from rural to urban areas."

It said some 800 million people, three-quarters of the world's poor, live in absolute poverty in the region.

"Squatter settlements are growing rapidly without access to most municipal facilities such as piped water, sewerage connections and electricity," it said.

The report said steady progress had been made in east and southeast Asia in raising literacy rates and life

expectancy and reducing infant mortality but the situation in south Asia had barely improved.

Up to 600 million people in south Asian countries "do not have access to safe water and sanitation. Literacy rates are also lower than in any other part of the world, falling below 20 per cent for women in several countries," the UNDP said.

It urged member governments to explore ways of increasing cooperation with non-governmental organisations because the state could not solve the problem of poverty by itself.

The countries meeting in Manila are seeking more support from rich nations to fight the spread of poverty in Asia.

They will try to draw up a plan covering 1992-96 to combat poverty, environmental degradation and contain the spread of AIDS in Asia, said Sebastian Zacharia, Chief of the UNDP's Regional Programme Division.

Officials said the UNDP would use up to 500 million dollars at first to fund regional programmes to spur development projects in the continent.

The three-day meeting will also look at attempts by Laos, Vietnam and North Korea to reform their centrally planned economies.

India to lift price control over steel

NEW DELHI, Jan 19: The Indian government has decided to abolish price controls on iron and steel with the exception of only certain sensitive sectors, reports Xinhua.

The far-reaching measures were announced by Steel Minister Santosh Mohan Dev Thursday night after a meeting of the Cabinet Committee on Economic Affairs, presided over by Prime Minister Narasimha Rao.

Dev told reporters that the government still retained partial distribution control over sensitive defense sectors, exports of engineering goods and the northeastern region.

He said India's steel production in 1991-92 was 13.40 million tons, 2.12 million tons less than the demanded 15.52 million tons.

There was a shortfall in pig iron of 500,000 tons, billets (600,000 tons), long plates (600,000 tons), pellets (650,000 tons) and flat steel (1.15 million tons).

The government had also decided to reduce import duties by 20 per cent on items such as pig iron, billets, H R coils and flats to help the secondary sector utilize its idle capacity, the minister said.

In addition, the import duty for scrap had been slashed by 25 per cent in response to the demand from secondary steel producers, he added.

US may reshuffle aid policy

WASHINGTON, Jan 19: Sen Claiborne Pell was startled by the scene at a New Year's party in Moscow: The Russian Army men's chorus, in full uniform, singing "God Bless America," reports AP.

Amid such stark signs of a New World Order, there is virtually unanimous agreement among U S policy-makers, academics and lobbyists that the country's 15 billion dollar foreign aid program, aimed for decades at containing communism, needs to be revamped from the bottom up.

That kind of review will likely jeopardise allies who found favor under the old system, countries such as Israel, Egypt, Turkey and Greece. It could benefit the developing world—Africa, Latin America—and nations embarking on experiments with democracy, such as the former Soviet republics.

But agreement is just as solid that American taxpayers are going to be paying for the Old World Order for at least another year. In fact, the biggest struggle this year will involve whether to grant 10 billion dollar in loan guarantees to Israel, which already gets the most aid.

The reason? This is election season, and no politician wants to breathe the words "foreign aid," let alone become immersed in a complicated rewrite of the program, at a time when "America first" has become a political battle cry.

The sensitivity is demonstrated by Pell himself, whose job as Foreign Relations Committee Chairman is to seek passage of aid legislation. "I will support what the traffic will bear," he said. "But conditions are not good in our country, either. I had 7,000 people in my state lining up for food."

Since World War II, U S foreign policy has been dominated by the idea that all efforts—economic, diplomatic, military or humanitarian—should be aimed at thwarting Moscow. That threat has vanished, replaced by worries about economic competitiveness, political instability, ethnic strife and terrorism.

But U S aid programs, insulated by well-entrenched lobbying groups, bureaucratic inertia and governmental indifference, have remained immutable.

"There's probably no other area of government policy where there's such a great gap between current policies and new realities," said John Sewell, President of the Overseas Development Council, a privately funded policy analysis center.

President Bush, devoting more time to domestic policy these days, has yet to offer a comprehensive proposal for changing foreign aid.

Democrats fanning the criticism are equally loathe to raise the subject.

Most U S foreign aid con-

tinues to flow in the form of weapons or cash that simply props up the budgets of foreign governments. That is true of the two leading recipients, Israel and Egypt, as well as countries such as Greece, Portugal, Turkey and the Philippines, where American military forces have been based.

Relatively little aid goes to the smaller-scale programs that experts agree provide the greatest help to Third World countries—programs such as population control, agricultural development, health care and education.

"The administration has to recognize that at least half the aid program has been designed to counter the so-called Soviet threat in the Third World, and it's not there anymore," said Rep. David Obey, Chairman of the House Appropriations foreign aid sub-committee.

"We need to look at every region to see whether continued aid is justified. We should ask the administration whether they have any objection to beginning a five-year phase-down of the massive aid we're providing in the Middle East... It seems to me nobody has a permanent entitlement right for the aid budget."

Among ideas that have been advanced for the next generation of foreign aid:

The unabashed promotion of American trade. Under a proposal by opposition Demo-

Non-OPEC production outweighs Soviet loss

NEW YORK, Jan 19: Oil output in countries outside OPEC rose in fourth-quarter 1991 as small gains by several producers outweighed losses in the former Soviet Union, a Reuter survey of oil executives and government sources showed.

Oil production in the non-OPEC exporting countries rose 210,000 barrels per day (BPD) to 32.16 million BPD last quarter despite continued losses in troubled former Soviet republics.

"Soviet losses have been averaging 100,000 BPD each month this year," said Mathew Sager of Soviet experts planeon.

Production in the former Soviet Union averaged 9.84 million BPD in the fourth quarter, including condensates and natural gas liquids, down almost 320,000 BPD from the third quarter.

Russia traditionally accounted for 91 per cent of Soviet production. In 1991 Russian produced 9.35 million BPD, according to the IEA.

Kazakhstan, at 500,000 BPD, was the second-largest producer and Azerbaijan was third at 220,000 BPD.

Production in both the Norwegian and UK sectors of the North Sea rose in the fourth quarter. U K production increased from an average 1.89 million BPD in the third quarter to 2.04 million BPD in fourth-quarter 1991.

Norway's output rose to a record high of 1.97 million BPD from 1.76 million BPD in the third quarter.

US production increased 100,000 BPD to 7.41 million BPD in the fourth quarter.

Canadian output rose a scant 20,000 BPD to 1.59 million BPD. Mexico was unchanged, while Colombia trimmed 10,000 BPD to stand at 450,000 BPD in the period.

China's output was up marginally at 2.8 million BPD. Malaysia raised its production 20,000 BPD to 640,000 BPD.

Analysts said Oman lifted output 50,000 to 700,000 BPD. Egypt was steady while Syria held at 420,000 BPD.

Yemeni output dropped 20,000 BPD to 200,000 BPD, sources said.

Iran seeks Gulf help to raise oil price

ABU DHABI, Jan 19: Iran which needs cash to rebuild its war-hit economy, has sought help from major Gulf oil producers to prop up sagging oil prices, an Iranian official said here Saturday, reports AFP.

"We realise that without Gulf help, prices will not go up again," said the source, a member of an Iranian oil delegation visiting the United Arab Emirates (UAE).

Jalil Sayyidzadeh, Iran's Parliamentary Petroleum Commission Chairman, met UAE Oil Minister Youssef Ibn Omair Ibn Youssef and delivered a letter from his Iranian counterpart Chahmrezza Agazadeh.

"Our minister stressed in his letter the need to coordinate action to boost oil prices after they seriously declined over the past three weeks," the source told AFP, asking not to be named.

"The UAE Oil Minister welcomed the idea and promised to work for improving oil prices," he said, declining to specify if Agazadeh had asked the UAE to cut its production of 2.5 million barrels per day (BPD).

WB gives India \$ 124m for environment, jobs

WASHINGTON, Jan 19: The World Bank (WB) has approved a credit of 124 million US dollar to fund a project in India to prevent further environmental degradation, project and develop forests, and increase rural incomes, reports Xinhua.

The credit, which will be extended by the International Development Association (IDA), the Bank's leading arm of concessional loans to developing countries.

About 800,000 households will benefit from increased access to fuelwood and new jobs created in forest management, the IDA said.

The project in the state of Maharashtra, set for completion in 1999, consists of three investment activities related to land treatment, technology improvement and institutional development to support investment activities.

The land treatment activities include forestry production through planting and management of natural forests, and wasteland development of degraded public and private lands.

A PTI report adds: India's oil exploration programme with emphasis on import substitution is expected to get a boost with the approval recently of two major loans totalling over 400 million US dollar (about Rs 1,000 crore) by the Asian Development Bank (ADB) for "reform of the hydro carbon sector" and "development of the Gandhar oil field".

The ADB loans approved towards the end of the last year come at a time when the country is facing a severe resource crunch and the Planning Commission recently had the unpleasant task of tailoring the eighth plan outlay for the sector down by a Rs 20,000 crore, oil industry sources said.

The first loan of over 150 million US dollar was for the development of the Gandhar oil field in the western offshore of Gujarat.

The second of over 250 million US dollar is for the development of the hydrocarbon sector as a whole.

The government itself has earmarked a scheme of Rs 10,000 crore plus investment for boosting oil production to match closely the rising demand in the next decade.

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Unemployment may hit Tory's poll prospect

LONDON, Jan 19: Another rise in British unemployment has set back the ruling Conservatives' attempts to revive the economy in the countdown to an election, reports Reuter.

The government said Sunday unemployment jumped 31,100 in December to 2.25 million, the highest since December 1987.

Nearly a million Britons have lost their jobs since March 1990, leaving nine per cent of the workforce unemployed with a general election due by July.

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LONDON: Three 'Spitting Image' puppets representing Labour Party chief Neil Kinnock, Queen Elizabeth and British PM John Major (L-R), featured in the hilarious new show are unveiled at Spitting Image Covent Garden site, called 'Some of Our Puppets are Revolting'.

ASEAN to adopt free trade plan

SINGAPORE, Jan 19: Celebrating its 25th birthday this year, the Association of Southeast Asian Nations (ASEAN) is struggling to remain relevant in a period of swift political and economic change, reports AP.

ASEAN heads of government meet in Singapore Jan 27-28 for only their fourth summit, with the original goal of economic integration as distant as ever.

With the Cold War over and no regional security threat on the horizon, ASEAN hopes to refocus on its original goal of closer economic ties.

Officials say the summit will adopt plans for an ASEAN Free Trade Area, known as AFTA, to be developed over 15 years.

The watered-down result of consensus decision-making, AFTA would exclude agriculture and services and offer plenty of loopholes to give

ASEAN's weaker economies a chance to opt out.

Thailand suggested AFTA and wanted it to be operating in 10 years. Other modifications include a proposal for Indonesia to steadily lower and harmonize tariff rates on selected manufactured products for the purpose of inter-ASEAN trade.

AFTA was endorsed in Kuala Lumpur at a meeting of ASEAN economic ministers in October after Malaysian Prime Minister Mahathir Mohamad complained that the group's record of achievements, "particularly in the field of economic cooperation, has been dismal."

He urged them to come up with bold steps "that will push ASEAN economic cooperation forward and fast. This is crucial if ASEAN is to survive as a viable organisation in view of the dramatic changes that are occurring worldwide."

Earlier attempts at cooperation featured the Preferential Trading Arrangements of

1977, designed to lower tariff barriers on a product-by-product basis.

It failed because each of the six was allowed to exclude any item deemed vital to its economy. Thailand, for example, once excluded about 1,600 items, covering 63 per cent of all the goods it traded.

An independent study last year dismissed the programme as "window dressing and irrelevancy."

Major joint-venture projects announced with much ballyhoo — Hepatitis B vaccine for Singapore, soda ash for Thailand, urea for Indonesia and Malaysia, and copper fabrication for the Philippines — made little progress.

While most of the members prospered individually, ASEAN has never been effective in mediating between their competing economic interests.

Overseas students in Moscow hit hard

MOSCOW, Jan 19: For the third straight year, Indian student Mitali Mitra must eke out an existence on the paltry 166 rouble monthly stipend provided by the Soviet government to all her to study at Moscow's Pushkin Institute, reports IPS.

Mitra is thankful for the meagre sum, however. Many of her fellow students from the Third World could not afford to return to their studies when their subsidies were cut and their tuition bills were suddenly charged in hard currency.

Moscow schools and colleges have not been immune to the winds of change blowing through the country. They have been forced to find free market answers to problems caused by the government's decision to slash funding to the foreign student programmes.

These programmes were originally devised to reinforce links with Third World and communist states worldwide. But as the world abandons communism and the Soviet Union tightens its belt, they

have been the first to go.

"We've had so many economic problems," said Sergei Ivanovich, Vice-Director of International Relations at Moscow's Pushkin Institute, renowned for its Russian Language programmes.

Ivanovich claimed his school earned one million dollar last year by its new policy of charging 435 dollars a month in fees and not accepting rouble payments.

"The majority of students are now paying hard currency," said Gedika Sharing from Bihar, India, who started her PH D in Russian Literature at Moscow State University with the aid of a private sponsor this year. She says she is one of the "lucky ones." There are far fewer students from Third World countries, she adds.

A teacher at Moscow's International Lumumba University, who asked not to be identified, said her division enrolled 600 students in the last academic year, most of whom came from socialist countries.

But this year, the roster showed 125 students, only

seven of whom attended the first day of school in late August.

Foreign embassies and educational institutes in Moscow support these figures and conclusions. Cuba sent 2,200 students this year—almost half last year's number—to study in the Soviet Union, according to Miguel Gonzales at the Cuban Embassy in Moscow.

Students from impoverished Vietnam were hit particularly hard. Two years ago, 800 Vietnamese students attended universities here.

Fewer than 300 are expected this year, said Educational Director Chan Van Khung of the Vietnamese Embassy here.

"It was a decision on the Soviet side to lower the numbers," said Khung, whose government persuaded the Soviets to keep paying the 160 rouble monthly stipends to Vietnamese undergraduates, though subsidies for post-graduate students have been cut.

The winners among the former foreign students in the Soviet Union are the former

East Germans who, should they wish to continue their studies in Soviet universities instead of transferring to the generously appointed German colleges, can claim full support from their unified government.

"No student from the ex-German Democratic Republic has to leave because of support," said Enno Barker, Press Attache for the German Embassy.

Despite this offer, fewer than 700 German students opted to study in the Soviet Union this year. Every one of the Pushkin Institute's 150 East German students on last year's roster failed to turn up for the start of this academic year.

The decline and fall of the communist empire also means that a Soviet degree is no longer the job-seeking advantage it once was in formerly Soviet-controlled Eastern Europe.

"Students find it no longer useful to study here under the changing political conditions," said Barker. Some former communist countries like Czechoslovakia and Bulgaria

have stopped their Student Exchange Programmes anyway.

The Pushkin Institute, whose Barren Walls and Dimly Lit Halls are a hangover from the Soviet era, is one of the many schools that must cope with these ideological shifts.

This year, one of its three divisions welcomed 56 students from the West and 181 students from other nations compared to last year's 32 Westerners and 445 students from what it then deemed as socialist countries.

Victor Nikolaevich Petrenko, Director of Russian Language programmes for the State Department of Education, says his departments decline is the direct result of the changes in former satellite countries, where Russian has definitely become out of fashion.

The result is an international surplus of Russian teachers, which add to the list of qualified people seeking teaching jobs in the West and the hard currency incomes worth a king's ransom at home, this is where the demand is nowadays," says Petrenko.