

ASIA

A West-weary World Looks to the East

by Daya Kishan Thussu

At a time when the Western world faces its worst recession since World War Two, some countries in East and South East Asia have shown spectacular growth. This trend is likely to continue in 1993. However, the new year beacons less hope for the Indian sub-continent, one of Asia's poorest areas. Regional cooperation may be the solution. Gemini News Service looks into the problems and prospects for 1993 among the countries of the world's biggest and most populous continent.

AS the Western world continues to struggle with the worst recession since the 1930s, the countries of East Asia are growing at a rapid pace. In the new year that trend is likely to continue. This economic growth may also lead to greater political assertiveness among some Asian countries such as China.

common effective preferential tariff scheme (CEPT) which will reduce tariffs on many products to five per cent.

A call to enlarge ASEAN membership is likely to come in 1993 as Cambodia sees an end to years of bloodshed under UN-supervised elections. Now that relations with the West are improving, ending

and Iran are likely to return to start a new life. Tribal and ethnic groups will continue to vie for control of Kabul. Some warlords may also interfere in neighbouring Tajikistan. The thaw in relations between India and China is likely to continue in 1993, although the border dispute remains unresolved.

Religion will continue to be on the ascendant in an area where it has always been dominant. The destruction of a historic mosque by Hindu fanatics may be the death knell for the Hindu-revivalist Bharatiya Janata Party, which has been projected by its opponents as not being responsible enough to lead a country of India's size and complexity.

This could lead to a new political equation in India bringing together secular elements from left and centrist parties to check the onslaught of the right on the secular nature of the state. Although the potential of right-wing parties making life difficult for Prime Minister PV Narasimha Rao cannot be discounted.

In the field of economics, the region — one of the world's poorest — will continue to

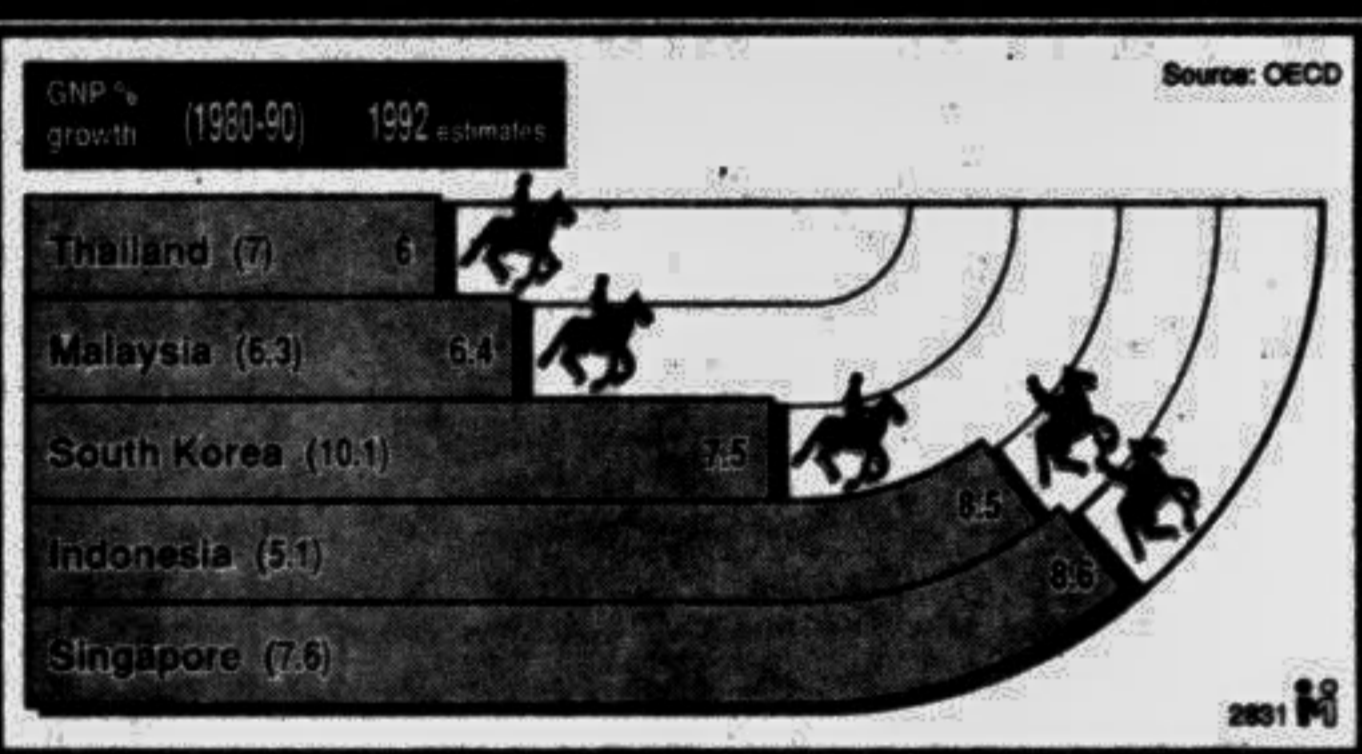
move towards a free market. Privatisation of generally over-stuffed and inefficient public sector may be extended under IMF/World Bank pressure. The possible job losses could result in labour unrest, affecting production. Ethnic and sectarian violence may increase because of economic difficulties.

Indian Finance Minister Manmohan Singh has said that to make his poor country prosperous he wants to follow the South Korean model of development. It is likely that, given the right incentives, enterprising Indian companies may be able to add to the growth rate. But the boom stories of the year will be that of the "dragon power."

The continued success of East Asia in the new year will further undermine the Protestant capitalistic ethic that has dominated the modern world, and which now appears to have failed to deliver the goods. Confucian capitalism may be the way forward in the post-Cold War world.

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Asia gallops ahead



The Asian giant, which has followed economic perestroika while preserving the fundamental structures of communism, looks set to continue building a highly successful market economy. Since the supreme leader Deng Xiaoping opened China to liberal economy, the Gross National Product has risen at an annual rate of more than eight per cent.

Given the country's size, its natural and human resources and its disciplined, Communist-Party cadres, China has the potential to take over the market in Asia and in other parts of the world. If it continues to grow at the present rate, many observers believe that, within a generation, China could develop into the world's largest economy.

A strong economy may be reflected in a more aggressive foreign policy. It is likely that Beijing will robustly try to undermine attempts to bring democracy to Hong Kong. China's economic muscle will also enhance its position as a spokesman for the Third World at the United Nations Security Council.

The new year may also see a rapprochement between the two Koreas, now that the South, for the first time, has a civilian as president. While the European Common Market and the North American Free Trade Agreement will take effect in the West, in Asia and the Pacific there is talk of creating a "yen zone."

A new economic axis between Japan and Russia could arise if capital from Tokyo is used to develop Russia's vast eastern areas. However, the dispute over the Kuril Islands may continue to block this.

The economic miracles of 1993 are more likely to spring from East Asia. At a time when Japan, the world's second biggest economy after the United States, grew by only an estimated two per cent in 1992, the four Asian "tigers" — Singapore, Hong Kong, South Korea and Taiwan — are thought to be growing by up to seven per cent annually.

According to a forecast by the Institute of Development Economics, a Japanese research institute, economic growth in East Asia, the world's fastest growing region, is set to increase from six per cent in 1992 to seven per cent in 1993.

Other Asian countries such as Indonesia, Malaysia and Thailand have also put in excellent performances. Unlike South Korea and Taiwan, the three South-East Asian nations are endowed with oil, tin and timber.

the last vestige of the Cold War in the region, Vietnam might also join the economic club.

Move towards regional co-operation in Europe, North America and South-East Asia may well be taken up by the South Asian nations.

In Dhaka, the rescheduled seventh summit of the South Asian Association for Regional Cooperation (SAARC) comprising India, Pakistan, Bangladesh, Sri Lanka, Bhutan, Nepal and Maldives, will give the opportunity to strengthen regional cooperation.

However, any moves towards closer economic ties are unlikely to be successful given the endemic mistrust among countries in the region. Smaller countries fear domination by India, the biggest of the seven with a huge industrial and technological edge. It is unlikely that any significant treaties will be signed in 1993 since India's neighbours do not want their markets to be flooded with Indian goods.

Another factor restricting closer relations among countries of the Indian sub-continent is the continuing tension between India and Pakistan, particularly over Kashmir. However, it is possible that elections may be held there in the new year. Few breakthroughs are on the horizon to solve the ethnic problem in Sri Lanka in 1993. But some glasnost is expected in the new year in that closed country — Burma.

Internationally, the region may witness a further improvement in New Delhi's relations with the United States. India will emphasise its democratic credentials and the liberalisation of its economy to invite more US investment.

The US is keen to do business in a country which, despite its notorious bureaucracy and socialist rhetoric, has a West-oriented middle class of 200 million, ready to lap up things American.

Moreover, in the post-Cold War world, Washington sees India as a long-term strategic ally and shares its concern over growing Islamic fundamentalism.

However, differences over New Delhi's refusal to sign the Nuclear Non-Proliferation Treaty, which it says is discriminatory, and the dispute over the issue of Intellectual Property Rights may hinder relations. Closer ties with New Delhi will inevitably lead to the weakening of Washington's relations with its Cold War ally Pakistan. With the end of East-West tensions Pakistan's importance in US strategic thinking has diminished.

The Americans also oppose Islamabad's efforts to acquire nuclear weapons. It is possible that Pakistan will look to northern neighbours in the newly independent countries of Central Asia for new friends.

Peace is unlikely to come to Afghanistan in the year, although an increasing number of Afghans from among more than five million in Pakistan

AFRICA

Real Hope for the Continent Lies in the South

by Derek Ingram

As the year begins, almost every country in sub-Saharan Africa finds itself in the midst of constitutional change and debating multipartyism. The changes have largely been forced by conditions imposed from the West. They have been rushed through. In 1993, reports Gemini News Service, the success or failure of these transitions is likely to become apparent.

IN 1993 the styles of democracy introduced into Africa from Europe this century as a result of colonisation are facing their most critical test.

The political party system as practiced in the West has not so far put down deep roots. The year 1993 will show whether it has a future or whether African countries must begin again to develop their own, different, form of modern democracy.

The Nineties rush to multipartyism all over the continent that followed a similar rush into one-party rule in the late Sixties is looking far from a surefire success.

No one should be surprised. It is the third time in a century that Africa has been put

oped, with party and state operating as one. The system was not a success. Economic failure resulting from maladministration at home and, later, impossible pressures of international debt weakened African countries to such an extent that decided they had no alternative but to accept the medicine prescribed from the West.

A main ingredient of that medicine is the return of the multi-party rule with which they were equipped at the time of independence. In 1992 an unprecedented spate of elections took place all over Africa under new constitutions. More are to follow in 1993.

The results so far have proved little. The Zambia election was a signal success, but in Ghana the opposition re-



What hope for the next generation of Africa?

through massive constitutional change. It has escaped many westerners that colonial rule, mainly by the British, French, Belgians and Portuguese, was in no way democratic. It was authoritarian and administered with varying degrees of harshness.

In the last stages, legislatures with a certain amount of opposition voices were introduced, particularly in the British colonies. The press was able to exercise only a limited amount of freedom, even in the final years of colonisation.

In places like Angola and the Belgian Congo the party system was totally alien, so to expect them suddenly to become model exponents of the kind of democracy practiced by the US Congress, the Palace of Westminster or the French National Assembly is really rather unreasonable.

At independence each country was equipped with a western-style constitution and left to make the best of it. The one-party state soon devel-

oped to accept the result and began boycotting the system. In Cameroon elections seem to have been rigged. President Paul Biya clings to power and the situation is worse than before. In Togo a referendum on a new constitution has been followed by threat of civil war. In Zaire hundreds of parties have formed, but still no election is being called.

In Angola, where the situation has been complicated by the aftermath of civil war, the first attempt at democratic elections was followed by the refusal of the two main parties, UNITA, to implement the process.

In Nigeria, attempts by the military government to introduce an American-style two-party system have foundered an elections and transition put off until mid-1993.

All this tends to suggest that the West is still trying to impose on Africa role models that are not necessarily suited to it. At best it is forcing countries into political change

too quickly. The preparation of new constitutions has been too hasty and elections under new rules held hurriedly.

In many cases incumbent leaders have deliberately rushed into elections so that the opposition has had no time to organise itself. Constitutional safeguards are missing. Games of divide-and-rule has enabled leaders to say that their opponents are unfit to govern.

Constitutional change should be a long, careful and painful process. In Africa it is being made, as a response to outside pressures in a matter of months, even in some cases, weeks. In 1993 we shall see whether what is being introduced can produce more stability and administrative efficiency than in the past.

The prospects are not as gloomy as all this sounds. The year opens with several hopeful signs. In Ethiopia and Eritrea rebuilding and rehabilitation are under way after years of war. The civil war in Mozambique seems at last to be at an end. Even in Angola it is unlikely that strife on the scale of the last 20 years will be resumed.

The large-scale UN-American intervention in southern Somalia seems sure to end with some kind of long-term UN supervisory mission and bring much of the misery to an end.

The drought in southern Africa looks to be ending and that will help restore the economies of several countries, notably Zimbabwe and Zambia, but also South Africa, which was badly hit by the lack

of rain.

And it is on South Africa that most eyes will be trained in 1993. The country is moving up to the starting tape for the most historic general election in the country's history. Polling must take place in 1994. This time every person will have the vote.

The shortening timetable is already concentrating the minds of all the parties, and in particular is forcing the government of F.W. de Klerk and the African National Congress under Nelson Mandela towards a full agreement. An interim government will emerge in 1993 containing blacks-possibly even Mandela himself.

The parties are locked into each other's arms, knowing that they simply must work together to save the country from political and economic disaster. Every day of delay weakens financial stability and pushes recovery further back.

It is the prospect of that financial recovery which holds out hope for so much of Africa. If black Africa can resume normal economic relations with South Africa and the country's full industrial potential can be realised, most states in the continent will benefit.

Of all the situations in Africa, nothing has been more debilitating to the entire sub-Saharan region than the existence of the apartheid regime in South Africa. A beginning of development towards normality in 1993 will bring real hope to the whole of Africa.

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THE AMERICAS

Clinton Promises a Laser Beam on the Economy

by Kevin J Kelley

A new United States president takes over on January 20. At 46, Bill Clinton is from a new generation, bringing the Democrats back to power for the first time since Jimmy Carter was defeated in 1980. He is expected to concentrate at first on the domestic economy, but international problems are so many and pressing and as the new year opens they are bound to take up much of his attention. Gemini News Service's US correspondent looks ahead to the Clinton era.

BILL Clinton has said he will focus "like a laser beam" on the nation's economic troubles when he takes over as President of the United States on January 20. He has not yet indicated whether priority will be given to reducing the enormous federal deficit or to spurring job creation through additional government spending.

He has promised to begin building a national health insurance system. And the state of race relations, as evidenced by rioting in Los Angeles and New York in 1992, will also occupy a central spot on the president's agenda.

Will Clinton seek tax cuts as a way to stimulate consumer spending, even at the risk of deepening the deficit? Will he call for reductions in expensive social programmes, despite likely opposition from his political base? And how big a chunk will he try to remove from the military budget, which serves a major source of jobs?

The answer to the last question hinges on the kind of foreign policy Clinton formulates. He will have to manage the deployment of 30,000 US troops in Somalia, deciding how long to keep them in place.

Clinton has hinted that the Pentagon may be assigned a combat mission in Bosnia to enforce the United Nations ban on Serbian flights. Depending on what transpires in Somalia, the new president could also come under pressure to intervene militarily in other parts of Africa, such as Liberia and Sudan.

Early in the new year, Clinton will also signal his intentions in regards to China and Russia. He has already softened his campaign criticisms of the Bush administration's refusal to restrict trade with China as punishment for Beijing's human rights abuses. During the race for the

White House, Clinton likewise suggested that the US should do more to assist Russia's transition to capitalism. Economic constraints may lead the new administration to modify that position as well.

Diplomatic recognition of Vietnam is a distinct possibility in 1993. A renewed push for a Middle East peace settlement will be made in the weeks following the inauguration. And the expanded group of black lawmakers on Capitol Hill will meanwhile prod Clinton to play an active role in facilitating democratic rule in South Africa.

Of direct concern to the rest of the Americas, Congress will probably be asked sometime in 1993 to approve the free trade agreement among the US, Canada and Mexico. Clinton has said he wants to strengthen the environmental and labour-protection aspects of the treaty, and most observers believe that these changes can be successfully negotiated.

Progress in concluding this pact will be monitored closely by governments and business leaders throughout Latin America and the Caribbean. Most are hoping that the agreement with Mexico will be followed by realisation of George Bush's vision of a free-trade zone extending from Alaska to Patagonia. Easier access to the North American market is widely seen as a potential boon for economies all over the hemisphere.

Further construction of trading blocs in Latin America and the Caribbean is likely in 1993. Governments in Central America are working towards creation of a common market with Mexico in 1996. And the 13 countries that make up the Caribbean Community (Caricom) will try in the coming year to advance their plan for closer economic integration.

Fears regarding the ramifications of the US-Mexico-Canada pact are pushing other

states in the region to band together for protection. Some investments by North American corporations that might have gone to Central America or the Caribbean have instead been funnelled into Mexico in anticipation of the free-trade treaty's ratification. Particularly worrisome is the future impact on the area's apparel industry, which accounts for 200,000 jobs in Caribbean Basin countries other than Mexico.

Economic recession in much of the hemisphere is further fuelling the drive to break down trade barriers. Because the debt crisis of the 1980s led to slow growth in Latin America's major economies, countries such as Brazil and Argentina are striving to make the 1990s a decade of greater prosperity.

Owing partly to the weakness of the left, conservative governments have generally been able to implement austerity programmes meant to ease the debt load. But centre-right political leaders are coming under increasing pressure to aid the poor, estimated by the UN to account for 45 per cent of Latin America's population. The frustrations of this large impoverished sector are posing a threat to several of the newly democratic states in Central and South America.

A significant number of Venezuelans, for example, were not especially dismayed by the latest in a series of coup attempts against President Carlos Andres Perez. In Peru, democratic institutions were temporarily nullified by President Alberto Fujimori — a move which likewise satisfied many citizens. Democracy also cannot yet be considered firmly entrenched in either Argentina or Brazil, both of which experienced some political turmoil in 1992.

Democrats throughout the Americas were heartened, however, by Brazil's ability to

remove a corrupt president from office in accordance with constitutional provisions. The impeachment of Fernando Collor de Mello also suggests that Latin America may be finding ways of rooting out the official corruption that has long plagued the region and contributed to its relative underdevelopment.

The coming year may determine whether Central America has indeed ended an era of bloody civil conflict. A formula for national reconciliation will be put to the test in El Salvador, where the army, former guerrilla forces and the economic oligarchy are seeking ways to accommodate one another.

Nicaragua's government will try to maintain the delicate balance between Sandinista activists and conservative interests, which are pulling President Violeta Chamorro in opposite directions. The awarding of the Nobel Peace Prize to Guatemala's Rigoberta Menchu may heighten international pressures on that country's rulers, who have yet to settle their violent differences with opposition groups.

Will a truly historic transition occur in the Caribbean during 1993? The odds are probably still against it, but Fidel Castro could be forced from power 34 years after seizing control of Cuba. In February he is holding the first multi-party elections since he came to power in 1958.

A change of leaders is possible in Canada as well. A national election may well be scheduled for some time in 1993, and unpopular Conservative Prime Minister Brian Mulroney could experience the same fate as his ideologically similar neighbour, George Bush.

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EUROPE

Single Market may Spur Protectionism

by Ken Laidlaw

On New Year's Day the European Community formally becomes a single common market, creating the world's biggest trading unit. In the coming year the North American Free Trade Agreement may be approved. Japan is trying to create its own bloc in Asia. These trends could lead to protectionism in world trade. The economic fate of the developing countries, reports Gemini News Service from London, hinges on a successful completion of the GATT talks.

JANUARY 1 is the day the European Community (EC) formally becomes a single market without any internal frontiers. All trade barriers will come down on schedule and people, goods, services and money will be able to move around the 12 member states as freely as within one country.

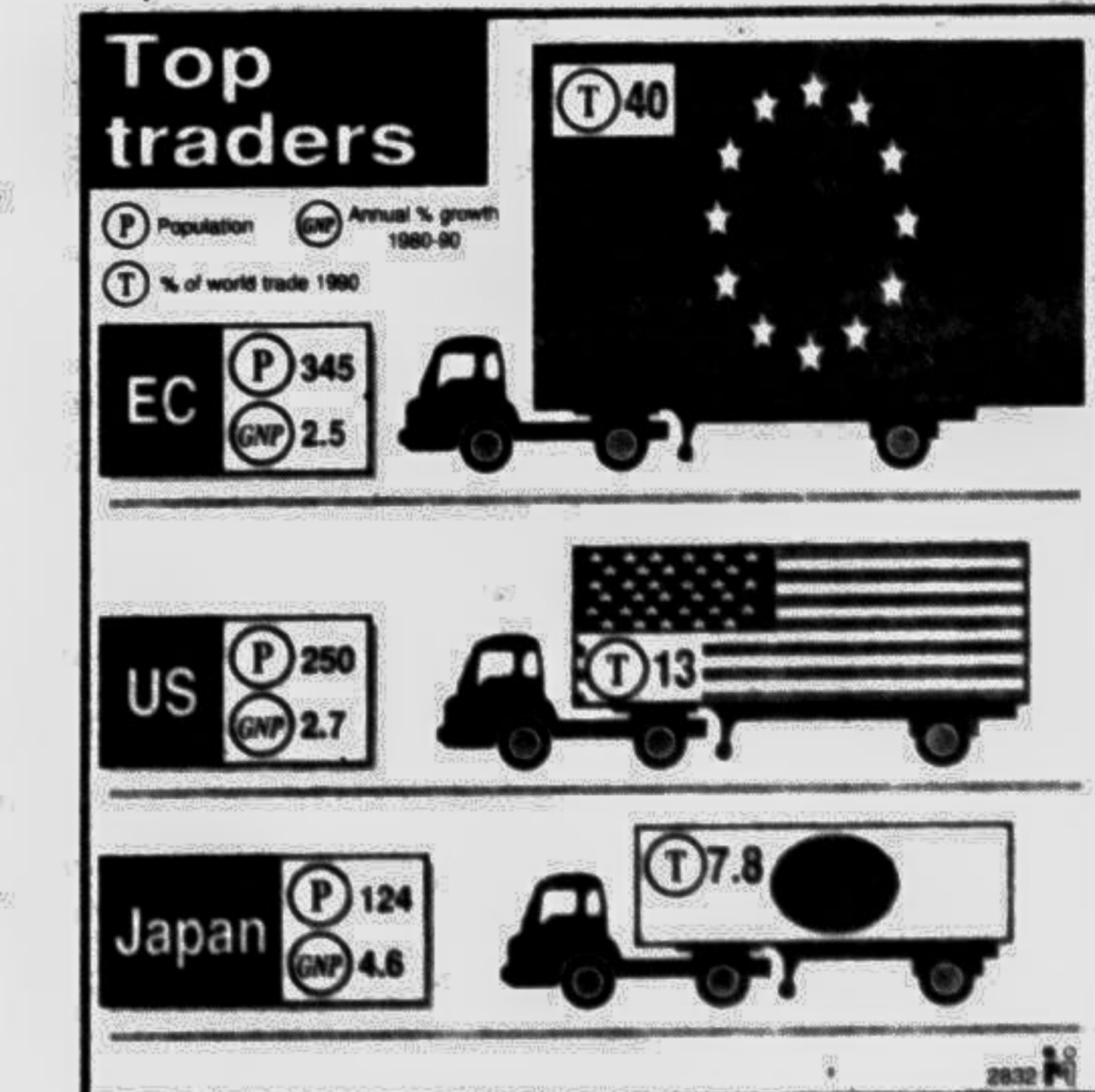
The single European market will mirror the increasing trend around the world towards regional economic integration.

Across the Atlantic, the North American Free Trade Agreement (NAFTA) between the United States, Canada and Mexico under which 9,000 tariffs will be scrapped over a 15-year period, is expected to

claves Asia could well form a third powerful trading bloc by the year 2000.

For developing countries, particularly in Africa, the emergence of such trading blocs means that their only hope is the successful completion of the GATT trade talks in order to provide some minimal insurance against increased protectionism.

For Europe the increased liberalisation of trade will extend further than the 12 member nations of the EC. In the spring of 1992 a treaty on the European Economic Area (EEA) was signed between the EC and the European Free Trade Association (EFTA) if ratified by the seven members of EFTA — Austria, Sweden,



come into effect precisely one year later in January 1994.

In the Far East, Asia is not this far along the road to establishing a powerful trading bloc. But there are signs that if Europe and North America develop into protectionist en-

Finland, Norway, Iceland, Switzerland and Liechtenstein — the EEA will become the world's largest integrated market consisting of more than 380 million consumers.

A Swiss referendum in