

by Martin Khor Kok Peng

A Commendable First Step

We commend the Congress government, especially its Prime Minister PV Narasimha Rao, for the firmness with which it has confronted the challenge from the Bharatiya Janata Party (BJP). Though much can be said, and much has been said, about the absence of a similar resolve at the early stages, especially in preventing the destruction of the Babri Mosque itself, we nevertheless congratulate the Indian government for giving a decisive blow to the communal forces, which was once again trying to reignite the fire of hatred and destruction. The decision by the BJP to go on with the holding of the rally, in spite of the ban imposed by the government, was a direct challenge to the authority and effectiveness of the government that Prime Minister Rao had little alternative but to crush.

Early reports of the confrontation between the BJP and the law enforcing agencies suggest that the turn out of the BJP loyalists was far less than expected, and the consequent violence was far less than feared. This itself could be construed as a victory for the forces that do not want to see India take to the path of self-destruction.

The agenda of the BJP, which has been clear from the outset, has once more been demonstrated to be against everything that India has stood for, and against everything that has sustained India's unity and brought it the success that it has gained so far. Therefore there is no question that opposing the BJP is actually opposing the destruction of India. If the BJP agenda, which wants to establish a Hindu fundamentalist state to replace the democratic secular India, is allowed to have the upper hand, India in its present form will cease to exist.

It is this loyalty to the India of today that the Congress and all the liberal and secular forces should try to build upon. The Congress must shed the appearance of indecision and lack of direction, which it has exhibited since the destruction of the Babri Mosque, and should now go all out to appeal to its traditional constituency to galvanise the grassroots support in favour of saving India. In this struggle the Congress should be supported by all the left forces, the liberal forces and by India's sizeable intellectual community.

Religion is a very powerful force which is capable of arousing intense passion that often clouds rational thinking. In poor societies and among oppressed classes, such passions can be used to set one deprived group against another. There is no doubt that BJP is unleashing a revengeful fundamentalist religious passion which builds on the backwardness of the masses and feeds on the greed and prejudice of those who enrich themselves at the cost of the property and wealth of the minority community. The haze created by this fundamentalist passion must be cleared by reaching out to the saner and liberal elements within the BJP sympathisers. A true follower of any religion believes in peace and justice, because every religion speaks of love and compassion.

It is therefore necessary that the Congress and its left and liberal allies will have to expand their support base and reach out to a larger and wider section of the population. The Hindu traditional values of peace and harmony will have to be mobilized to fight the more militant and destructive version of Hinduism that the BJP and especially the VHP and RSS represent.

Foiling the BJP rally in Delhi is only the first of the many confrontational steps that Rao's government will have to take to destroy the evil force that the BJP has unleashed. It is possible that the police action may trigger some backlash and gain some short term public sympathy for the BJP. However, it is also possible that Congress, along with its allies, may take the offensive from now on and not allow BJP to recover from this blow. Given the fact that BJP failed to put up any show of strength, may indicate that liberal opinion may have begun to gather momentum and that forces for stability and unity of India may at last be asserting themselves. We definitely hope so.

Children from a War

A sordid drama is being played out with the lives of Amerasians, the sons and daughters of Vietnamese women and US soldiers who served in the Indo-Chinese conflict. In the new unfolding scenario, the worst loser is the US taxpayer and the victims are tens of thousands of half-Vietnamese and half-US children. The real beneficiaries, the villains, are nameless faceless Vietnamese who first allegedly purchase the Amerasians from the streets of Ho Chi Minh City and then use them for migrating to the United States.

For years, the US authorities were unsure about these unfortunate kids who, abandoned by their GI fathers, roamed the city streets as homeless urchins. Now, the policy has changed, with Washington encouraging the migration of these children to the United States, accompanied by their closest relatives. This is what has opened up the way for what a section of the US press has described as a "massive fraud". It is reported that unscrupulous Vietnamese have started picking up Amerasians from the streets, treating them as "gold children" and migrating to the US. According to one estimate by voluntary agencies, fake families may account for half of more than 50,000 Vietnamese relatives of Amerasians who have made their homes in US since 1989. Then, at the cost of \$6,000 per person to process the migration, more than \$150 million have been spent in federal funds in what was originally planned as a superb humanitarian project.

The US authorities, not to mention the voluntary agencies involved in this exercise, must get to the bottom of the fraud and deal with the Vietnamese who have used these unfortunate kids to serve their own ends. However, it is important that in the process, the law enforcing agencies in the US do not go to the other extreme, say, by expelling the so-called fake relatives from the US or, worse still, by calling a halt to the resettlement of Amerasians in their new homes. These kids, now grown up young men and women, have suffered enough for no fault of their own. It is time they get on with their new lives in the country where they really belong.

INTERNATIONAL economic negotiations taking place in Geneva could lead to the creation of a new body called the 'Multilateral Trade Organisation' (MTO), which might eventually lead Third World countries to further economic dislocation and greater loss of national sovereignty.

The talks, known as the Uruguay Round, are conducted under the umbrella of the General Agreement on Tariffs and Trade (GATT). Some Northern countries (principally the European Community) want to vastly expand GATT's powers and institutionalise them in the proposed new MTO.

Whilst the present GATT only deals with issues relating to trade in non-agricultural goods, the proposed MTO would also have powers over agricultural goods, trade and investments in the services sectors, foreign investments, and rights over technology (intellectual property rights).

GATT's principles of liberalisation (opening up one's national economy to outside market forces) would then be applied not only to trade, but also to investments and services. On the other hand, the South's access to technology would be curbed by new intellectual property rules, thus perpetuating the Northern corporations' technological domination.

The MTO, which would become a Super-GATT, would have international regulatory teeth over almost all economic activities generated internationally as well as nationally. It would become as powerful as the World Bank and International Monetary Fund (which deal with finance) and even surpass their influence. This trio of global institutions

Out from the Uruguay Round talks, which Northern governments are desperately trying to conclude, may emerge a vastly expanded successor to GATT. Europe wants it to be called 'MTO', the US prefers 'GATT-II'. Whatever its name, the new body will have unprecedented powers to shape the economic policies of every member country. The effects are alarming for the Third World.

would act in concert, dovetailing and coordinating their policies, and have overpowering sway over the national policies and structures of weaker countries, namely those in the Third World.

Once the government of a country signs on to the proposed MTO as part of the Uruguay Round package, it would be very difficult for that government, or any successor governments, to amend or get out of the deal. Each country would have to amend its national laws and policies to conform to the Uruguay Round agreement. Whichever government or Parliament comes to power in the future would have severely limited capacity to chart independent policies or laws relating to the major economic aspects such as trade, foreign investments, services and technological development.

The MTO's power will rest not only on the broad range of economic areas it will command, but also on its enforcement capability. It will have an 'integrated dispute settlement procedure' that enables 'cross-sectoral retaliation'. This means that a country that is found not to comply in one area (say, it does not enact intellectual property laws in conformity with MTO standards) can be retaliated against in another area that can really cause hurt (for example, restrictions are placed on im-

porting its main export goods). The potential damage for non-compliance is so huge that Third World countries would be pressured to follow the rules.

The rules the MTO is planned to operate are wide-ranging, with very serious implications for shaping the economic and political models and policies of all member countries. Incorporating the many various results and agreements of the Uruguay Round, the MTO will be the institution to monitor and implement a wide range of economic (and not just trade) rules. Among them are:

* An agreement on services, which is likely to open up the services sectors (such as banking, insurance, tourism, professions, culture) of Third World countries to foreign companies and operators. It will be difficult for local companies and professionals to compete successfully in many areas.

* An agreement on intellectual property rights, in which Third World countries will have to introduce patent and copyright laws that protect the interests of transnational companies, and hinder the local development of technology.

* An agreement on 'investment measures' that would prohibit countries from disallowing the entry of foreign investors. Once established in a country, the foreign firm

should be accorded 'national treatment' (treated no differently from a local company). Thus policies favouring local companies would be prohibited. Moreover, conditions now imposed by many Third World countries on foreign companies (for example, some of their equity should be owned by locals, specified portions of their materials used should be locally supplied, and a ration of their output should be exported) would be disallowed.

* An agreement on agriculture, that would force countries to stop restricting the import of foreign food and other agricultural products, and to reduce import duties as well. Farmers in countries where agriculture is protected will be adversely affected.

The MTO proposal has been mooted by the EC countries as part of the Uruguay Round package that negotiators from Europe and the US are trying desperately to complete within a few months. If these two major powers resolve their differences, mainly over agricultural issues, they will try to get Third World countries to accept the whole package on a 'take it or leave it' basis. Almost all countries would be pressured to sign on, because no one wants to be left out in the cold, with prospects that its exports will be hit.

Several citizen groups and non-governmental organisations have launched a cam-

paign against the setting up of an MTO along the proposed lines. At a November meeting in Hamburg, 25 groups from North and South issued a statement urging governments to exclude the MTO from the Uruguay Round final document. More than 100 groups from 40 countries have signed on.

In mid-December, US representatives at the GATT talks also rejected the idea of establishing the EC-inspired MTO. Instead, they proposed that the present GATT be expanded into 'GATT-II', which would also deal with monitoring and implementing all the agreements of the Uruguay Round (including Intellectual Property, investment, services and agriculture). There are some significant differences between the MTO and GATT-II proposals. The effect of an expanded GATT would however be essentially the same for South countries, and indeed the US proposal may have even more harmful potential.

Third World official resistance to a Uruguay Round conclusion that is, on balance, harmful to developing countries' interests, is now very low or minimal. The initial fights put up by countries like India have considerably softened, as most of them face pressures caused by external debt and dependence on World Bank loans.

Northern governments and institutions have tended to

highlight, in exaggerated ways, the benefits that a Uruguay Round conclusion would bring. The Western media have in recent months often cited \$200 billion as the additional boost the Round would give the world economy. But the supposed source of that figure, the powerful OECD (Organisation for Economic Cooperation and Development) Secretariat, has now delinked itself from this estimate which it says was the result of a 'pretty theoretical study and the figure was taken out of context.'

In the Punta del Este Declaration that launched the Uruguay Round in the early 1990s, it was agreed that a review be made of the final agreement on developing countries, prior to its conclusion. So far, no official review has been carried out.

It would appear that the Third World is once again at the mercy of the major Northern powers. If the Uruguay Round is concluded in the next few months, and either an MTO or a GATT-II is established, this new institution would be an additional powerful vehicle to shape and re-shape the economies and societies of the South to serve Northern interests even more efficiently. The world would then be ruled economically by the G-7 and OECD nations, using the trio of the World Bank and IMF (for finance, development projects and macro-economic policies via structural adjustment loans) and the MTO or GATT-II (for trade, investments and technology).

(This is first of a two-part feature; the second part will follow)

— Third World Network
Martin Khor Kok Peng is director of the Third World Network.

India Woos Foreign Investors as it Opens Economy

D K Joshi writes from New Delhi

India is shopping for foreign investment to stimulate its economic growth. Its programme of economic liberalisation launched less than two years ago was seriously set back by the outbreak of sectarian violence last December. Yet recent visits by world leaders — John Major, Boris Yeltsin and Helmut Kohl among them — have shown that foreign interest in India has not waned. As Finance Minister Manmohan Singh presents the budget, Gemini News Service reports on the Indian economy.

How India has grown



rouble exchange rate amicably resolved.

Other world leaders pursued their own agendas, dominated by trade concerns. Gonzalez said Europe was looking for investment in India. Kohl came leading a high profile delegation of German industrialists. A 30-member delegation of the Overseas Private Investment Corporation of America toured India in January to explore the opportunities "offered by India's new investment climate." New

Delhi regards this as evidence of a new-found investment interest in India.

Earnest Stern, Managing Director of the World Bank, who was in New Delhi recently, assured Singh that the Bank would respond positively to India's request for \$2.5 billion a year for the next three years to help its balance of payments situation. India is also negotiating with the International Monetary Fund (IMF) a \$7 billion loan under its extended fund facility.

The government has already taken decisions to prove that it is serious in implementing the economic liberalisation programme. The programme broadly follows the recommendations of the Raja Chelliah Committee on tax reforms, which demands drastic reduction in both custom and excise duties.

Import duties on many items such as fax machines, personal computers, television sets and VCRs, brought as personal baggage by Indians returning from abroad, have been reduced.

Numerous amendments to the Foreign Exchange Regulation Act indicate far-reaching changes in the government's policy towards foreign investment. Apart from automatic clearance by the Reserve Bank of direct foreign investment up to 51 per cent in priority industries, the Foreign Investment Promotion Board (FIPB) is empowered to negotiate proposals outside the 51 per cent limit.

In addition, foreign companies have been given permission to open branches as well as having subsidiaries. The lending rate is expected to be pruned by one per cent to stimulate investment.

While the direction of the

budget proposals will be determined by the committee's recommendations, the extent to which the government is prepared to go will depend on its assessment of India's present economic and political reality. It cannot afford to ignore the contradictions it faces in implementing the structural adjustment policies imposed by the IMF.

The IMF, the World Bank and Indian exporters are clamouring for full convertibility of the rupee on the trade account. The government is considering whether it should go the whole way or change the current 60:40 ratio (conversion of 60 per cent at market rates and the rest at official rate) to somewhere around an 80:20 ratio.

The inhibiting factors are the continuous burden of imports of petroleum products and fertilisers as well as defence imports on the official account and the sharply rising trade deficit which has crossed the \$3 billion mark.

The budget is expected to formulate a stable and consistent fertiliser policy, lift controls on the sugar industry and make radical changes in the corporate tax structure. The government envisages an impressive growth rate of 4.2 per

cent during the current financial year.

The budget will reduce customs and excise duties. But a lobby is pressing the government not to reduce excise duty as drastically as import duty for those industries which have a strong manufacturing base. Domestic industry does not want tariff protection reduced drastically because it cannot compete with multinationals. Tariffs may be reduced by 10 per cent instead of the steeper reduction of 30 per cent the IMF wants.

The government will, perhaps, not ignore the fears of competition of the indigenous industrialists. Even Tata, India's biggest industrial conglomerate, which supports the opening up of the country to international competition, warns that India cannot be allowed to "become a dumping ground for the rest of the world to unload surpluses."

The dilemma facing Singh is how to juggle the tariff structures and at the same time maintain the fiscal deficit at the low level sought by the IMF. He has to increase the prices and cut subsidies, which will further alienate the masses. Although a supporter of economic liberalisation, the Hindu revivalist Bharatiya Janata Party (BJP), the biggest opposition party in parliament, remains a constant threat to the government's stability.

This makes Rao more dependent on the Left parties which are bitterly opposed to economic policies they regard as a surrender to multinationals and neo-colonialists.

D K JOSHI is the chief Gemini correspondent in India.

To the Editor...

Letters for publication in these columns should be addressed to the Editor and legibly written or typed with double space. For reasons of space, short letters are preferred, and all are subject to editing and cuts. Pseudonyms are accepted. However, all communications must bear the writer's real name, signature and address.

Hajj: Accommodation and other expenses

Sir, Having fulfilled all specified requirements I applied to the Government for being permitted to proceed for performing the holy Hajj this year. As many others, I have not yet been balloted, and the long wait is making me nervous.

The notification published in the form of a press release issued by the Ministry of Religious Affairs states that from the sum of Tk. 84,725.00 deposited by each applicant a sum of Tk. 42,000.00 is towards enabling each applicant to buy foreign exchange equivalent to 4,000 Saudi riyals to meet expenses in Saudi Arabia during the period of Hajj.

Besides the mandatory 4,000 Saudi riyals, each pilgrim has also been advised to carry an additional 500 US dollars bought from any scheduled bank at IP rate.

As I have no idea of expenses I may have to incur in Saudi Arabia, and as certain

points in the government notification and in the application form appear vague to me, I approached the Deputy Commissioner's Office and also the Hajj Office, but did not receive satisfactory reply to the following queries:

1 (a) What will be the charges for residential accommodation arranged by the Government of Bangladesh in Saudi Arabia?

(b) How far will the category A accommodation and the category B accommodation be away from the Ka'aba Sharif?

(c) Will residential accommodation arranged by our Government in Saudi Arabia be at Makka only, or will it also include accommodation at Arafat, Mina, Muzdalifa and Madina?

(d) If not, what will be the average cost of accommodation at each of the places outside Makka?

2 (a) Will all ballotee-pilgrims be able to avail of Government-arranged transport?

(b) Will the pilgrims have to pay any charge on that ac-

count? (c) If so, what will be the charge?

(d) Will that charge include transport charges to and from Makka?

(e) If not, how much additional cost will have to be borne by each pilgrim?

May I, and many like myself, expect the Ministry of Religious Affairs to let us know the aggregate number of applications received in this regard from all over Bangladesh and also to issue yet another press release to clarify my questions?

A Hajj applicant

Freedom of movement

Sir, We are sunk in the sea of confusion. First chicken then egg or first law then order or first freedom of speech then freedom of movement? We all, however, believe that Adam first then Eve.

Do we enjoy freedom of movement, freedom of assembly and freedom of speech as envisaged in Articles 36, 37 and 39 of our Constitution? Yes, we do. But when we hold a public meeting in Gulistan area, in front of National Press Club or Shapla Chattar, our right of freedom of movement is violated and our Constitution is flouted.

But why the Articles 36, 37

and 39 dispute the application of Article 21 of our Constitution?

We would humbly request the Members of the Jatiya Sangsad, our constitutional experts and the public leaders to kindly look into the matter and help solve the problem on 'give and take basis' immediately before the chicken comes out of the egg.

O I I Kabir
Dhaka

Govt accommodation

Sir, In general there is shortage of Govt staff quarters in the country. But the problem is all the more acute in Dhaka. Rent of private quarters is exorbitant here. Govt has to spend a huge amount as house rent support on the officers and the staff. Bally Road, Minto Road etc are in the vicinity of Secretariat and there is still scope for construction of multi-storied officers' quarters in those areas. Many of the old bungalows occupying huge chunk of land have become old and worn out and have outlived their utility. Hence it is suggested that by demolishing those buildings and by other vacant places of the area multi-storied officers' flats should be constructed to solve a very pressing problem. If a hundred flats are constructed every year this problem will be eased considerably within a few

years.

It seems that policy makers are not much interested in the matter, most of them having posh houses in Gulshan, Banani, Baridhara, Dhanmandi etc. An annual outlay of roughly Tk ten crore may be required for the purpose. So this is not something unmanageable. What, however, needed is goodwill, initiative and interest. Will the Ministry of Finance, the Works and the Planning Commission ponder over this?

Saleh Ahmed Chowdhury
Dhaka Cantonment

Old age survival

Sir, The BNP government is reducing the rate of interest on bank deposits and savings certificates continuously since coming to power. It transpires from Jatiya Sangsad proceedings that millions of Taka given to public sector and private sector enterprises, have become bad debt. The public is yet to know the result of recovering money from those big defaulters whose names were ceremoniously published in the national dailies. The assets of many of those enterprises are much less or negligible compared to the bank borrowings.

Under the above backdrop, I am bewildered how to survive at old age as I received a paltry sum as gratuity and provident

fund though I served 25 years in sector corporation and EPIDC. I am to survive on bank interest and savings certificates interest alone. The BNP Govt has given pension to US members though they serve a five-year term only.

Let the Govt do plan some lucrative investment programme for old age survival. A good investment with guaranteed return is needed for old people.

Sadiq Alee
Magbazar, Dhaka

"Down to Earth"

Sir, Thank you for publishing the article "A river port with many minuses" in the Down to Earth column of your daily on February 13. I also thank the writer Mr A S M Nurunnabi for his taking the pains to write on such an important matter especially for the people of southern part of the country whose only means to communicate with the capital is river craft. Like me, all the people of this area are experiencing this difficulty. And day by day, the condition of the water transport service is deteriorating. I hope and pray that the concerned authority will be kind enough to take necessary steps before the situation becomes worst.

Md Rafiqul Islam Khan
Bhadarganj, Shariatpur