

## GATT Proposal at Davos

Peter Sutherland, the chief of the General Agreement on Tariffs and Trade (GATT) has called for the formation of a new global forum of the rich and poorer nations for better management of the world economy. Though not altogether a novel approach in itself, the GATT Director General's plea carries a sense of urgency and a ring of realism.

Mr. Sutherland made his appeal while addressing the World Economic Forum the other day. Held at the Alpine ski resort town of Davos in Switzerland, the meeting was attended by some 1,500 political and business leaders including prime ministers, finance ministers and central bank governors.

The world has learnt to look upon the Group of Seven (G-7) industrialized powers — Britain, Canada, France, Germany, Italy, Japan and the United States — as the arbiters of the global economy. The GATT chief has termed the G-7 as a small and exclusive group of wealthy nations. He says that G-7 is incapable of coordinating the work of the International Monetary Fund, the World Bank and the newly emerging World Trade Organization. The world has to treat money, finance, trade in an integrated manner and needs to find better ways for coordination in these areas, he argued.

Mr. Sutherland makes out his case for increased participation of developing countries in global economic management by drawing a reference to the newly industrializing nations in Asia and Latin America. These are the economies that are expanding fast, providing the world the best hopes for growth and it wouldn't do to keep them out, he reasoned.

Recent shifts in the pattern of economic regionalism tend to suggest that the world's major industrial powers are getting somewhat more inclined to enter into arrangements for closer association with developing countries. The North American Free Trade Agreement (NAFTA) which became operational last month, links Mexico to the United States and Canada. The 17-member Asia-Pacific Economic Cooperation (APEC) forum links Australia, Canada, Japan, New Zealand and the United States to twelve developing economies. APEC used to function as a loose-knit consultative forum. However, the leaders attending its summit meeting last November, felt impelled to issue a 'joint vision statement', saying that their economies were moving towards interdependence, reflecting a growing sense of community among the APEC members. Then again, the Paris-based Organization for Economic Cooperation and Development (OECD) — also known as the Capitalism's club — took the unprecedented step in its last June's meeting to invite two developing countries, South Korea from Asia and Mexico from Latin America, to join its fold.

It's not that the developing countries do not sit together even now with industrial nations in global economic policy making bodies of organizations, such as the International Monetary Fund and the World Bank. However, what they actually do is represent their own constituencies, namely, other developing countries. They do not have an equal voice with the developed countries. Intricate rules on voting rights see to that.

At Davos, the GATT Director has proposed the creation of a top-level forum for global economic management. He wants a world body that would sit prime ministers, finance ministers and trade ministers from the OECD nations and from developing countries. If the world heeds to his call and does form such a forum, the countries participating must be treated as equal partners in managing the global economy.

## Where EC Failed

If anything, the just concluded mayoral elections of the metropolitan cities have proved the point that the democratic polity of the country is in the process of maturing. Belying the fear that large-scale rigging and pre-polls violence would not allow an objective reflection of the popular will in the election results, this time the electorate have largely been able to get things their way. Indeed, the voters did care little if anyone was taking exception to their way of exercising franchise; what they cared, instead, for is their own judicious judgement. The post-polls carnage in Nawabganj, Dhaka, although has robbed the mayoral election much of its democratic values and sanctity, should better be considered an isolated incident.

Sure enough, a dispassionate evaluation of polls to the four city corporations will come to the conclusion that the gains far outweigh the limitations and minus points. Notwithstanding a few blemishes, the Election Commission (EC) has done a wonderful job this time. It deserves accolades for what it has done in holding the election, to a large degree, freely and fairly. But it is because the EC has given an improved account of itself that we feel it our duty to point to an area that appeared to have been grossly oversighted by it. Well, the voters' list is what we are talking about.

The fact that genuine residents of Dhaka, who have been living for generations here and have cast their votes in all previous elections, have also been left out this time shows that the job was shabbily done. That a number of impossible and fictitious names got enlisted and genuine voters were dropped from the voters' list may not have affected the outcome of this election, but certainly they have a tremendous bearing on the system of democracy itself. Admittedly, in our situation preparing a fail-safe voters' list is next to impossibility but when discrepancies and irregularities do occur — either by default or deliberately — on a substantial order, there is a need for the EC to look into the matter. The sooner it does so the better. A large number of complaints have been reported and a thorough enquiry will reveal the full extent of the problem.

In this context, we take the opportunity of redirecting the focus to the question of introducing identity cards for the voters. The feasibility of this being implemented before the next general election which is due in two years time, should be studied. If it appears to be a tall order, at least the anomalies in the voters' list should be brought in order well ahead of the next general election. To make the election more credible to the people, the first step is the making of the voters' list as perfect as possible.

## Labour and Environmental Codes for World Trade

THE dust of the seven year wrangle over the Uruguay Round has been settled down. The global trade accord is yet to be signed formally — on April 15. But there are already omens of new contentious issues being raked up. Another row over world trading rules seems to be in the making.

The move this time is to extend world trading rules to environmental and labour issues. Efforts are on to set up a committee at the World Trade Organization (WTO), the new global trade body which replaces GATT (General Agreement on Tariffs and Trade), to deal with environmental issues. It is planned to have the new committee at the WTO in place by April. As the world forum for settling international trade disputes, the WTO is also to be given a broad mandate on labour issues.

Developing countries in general have all along opposed the notion that codes on environmental and labour issues should be written into the world trading rules. They see the move as a smokescreen for enabling the industrial nations to indulge in new modes of protectionism. If a new bawl shapes up over this issue on the global trading scenario, probably there would be a line-up of broadly the developing nations on one side and the advanced economies on the other.

The latest public utterings of the main protagonists of the move tend to confirm the worst fears of many of the developing nations. The sponsors of this move are openly airing apprehensions that trade liberalisation emanating from the global accord could

lead to a surge in cheap imports from the developing countries, particularly those in Asia. Developing countries are in a position to produce goods cheaper, the argument goes, because their prevailing environmental standards, poor working conditions for labour and low wage structure combine to reduce the cost of their output. Large imports made by these low-cost imports into the markets of the West under the cover of a global open trading system would seriously undermine the competitiveness of the producers in the developed world. The West, on the other hand, could not lower wages and social standards to improve its competitive edge because that would depress incomes and increase insecurity. The answer, then, is to set global labour and environmental standards, write these into the world trading rules and let the new governing body, the WTO, enforce them. To conform to these standards, producers in the developing countries would have to spend more. The increased outlay will raise their cost, eroding their competitive advantage. The trade in the goods so produced will then not only be free but also fair.

No wonder, many a developing nation, see in the new move an effort to impose the West's environmental and labour standards on them. And this may not be all. There are talks of extending the coverage of the standards even to human rights issues such as prison and child labour, minimum wages, health and safety.

The issues being raised now cannot possibly be faulted on grounds of principle. The call for global standards may also

reflect the genuine concern of the industrial world with environment and human rights. The developing countries themselves are getting increasingly aware of the need for a clean environment and for improving the human rights situation. Wages are going up in these countries too and labour conditions are getting better.

Developing countries are also aware that it has taken the West the better part of a century to reach the present environmental and labour standards. They just cannot make the transition overnight.

economic development itself would heighten their awareness of the need to protect the environment and improve labour standards. This is the way it worked in the West too.

It has been said that extending the developed countries' higher environmental standards to the poorer nations would benefit their economies immediately through the spread of improved technologies. May be there is something in it. However new technologies will not come cheap. The agreements on trade-related intellectual property (TRIPS) reached under

technology most likely will go up. Emboldened by the TRIPS, holders of patents and trademarks, inventors and innovators, will raise royalties and other fees. Poorer nations may really find the acquisition of high-cost technology unaffordable. Meanwhile, they would have had lost their competitive advantage in trading with the industrial world. Global labour and environmental standards, set as a yardstick for determining access to markets, would then descend on them as a disguised form of protectionism.

Developing countries need a firm assurance that extension of world trading rules to environmental and labour issues is not being used as a pretext for putting up new barriers to their exports to the markets of the industrial nations. They would also need time to catch up with the West's labour and environmental standards. Even the TRIPS allow the developing countries up to ten years to implement the accord. Some such arrangement is the least that can be done in case labour and environmental standards come to be written into world trading rules.

The forthcoming meeting between the US President and the Japanese Prime Minister in Washington will probably count, in the world of trade disputes, as the main event of the month. The so-called framework agreement for reducing trade imbalance, reached between the two sides in July last year in Tokyo, still remains largely undefined. At hand is the issue of setting targets for increasing access of US goods into the Japanese market. However, fixing numerical targets for market opening is not being talked about much these days. Devising a formula for achieving measurable results in prying the market open, appears to be the main item on the agenda. Still, many analysts continue to regard these problems as yet another phase of the ongoing exercise for setting numerical targets. To them at least, the outcome of this month's US-Japan summit might as well show if managed trade prevails over free trade on the eve of signing of the global accord.

### ALONG MY WAY

S B Chaudhuri

What they need is continued and increased support from the West to enable them to attain the industrial world's standards. They should be encouraged to reach these standards rather than punished, by way of imposition of global norms, for their failure right now to meet these.

Limiting access of the poorer nations' products to the markets of the advanced economies on ground of their failure to conform to prescribed environmental and labour standards would, in fact, deny them the benefits accruing from expanded world trade. They should be assured of favourable conditions in which they would be able to compete on the global marketplace. Economic growth in developing countries would otherwise be thwarted. And,

the Uruguay Round would probably see to that. TRIPS deal lays down elaborate rules for protection of patents, copyright, trademarks, industrial designs, even trade secrets — to prevent piracy. The new world trading rules are justifiable, at least on grounds of morality, if not for business considerations alone. It is quite possible that the safeguards for intellectual property rights that TRIPS would ensure, could stimulate technology transfer to the developing countries. However, there will probably be a higher price-tag for such transfers.

In short, adherence to a new global code on labour and environmental standards may not necessarily assure the poorer nations of ready access to higher technology. At least the cost of acquiring new

## Elections will Affect Nepal's Political Future

Jan Sharma writes from Kathmandu

**Few people believe that the ruling party president is not interested in becoming prime minister**

Bhattarai's candidacy follows the 'historic' Nepali Congress-UML accord last August which, for the first time since Mr Koirala's election, raised the prospects of his resignation.

The central working committee of the Nepali Congress, dominated by Mr Bhattarai's loyalists, 'unanimously' passed a resolution on Nov 19, asking Mr Bhattarai to run in the by-election for the House of Representatives and leaving him to choose his constituency. The decision was later endorsed by the party's parliamentary board.

Although endorsement of Mr Bhattarai's candidacy was described as 'unanimous', Mr Koirala, feeling threatened, could not hide his anger and displeasure.

Under the present circumstances, it is better if you do not contest, Mr Koirala had warned Mr Bhattarai. Your prestige should be secure for the next elections. If you lose this time, government may be in crisis. The party would also be unpopular.

Few people believe that statement, however. Mr

man who would rather break than bend, has been asserting that nothing would prevent him from completing his five-year term of office.

I have been elected as the prime minister for a five-year term,' said Mr Koirala, unable to hide his anger. 'I am confident that I shall continue to be the prime minister for five years.'

Mr Bhattarai wants to secure Mr Koirala's support in the electoral campaign. The premier's endorsement is crucial as the ruling party cannot agree on whether or not Mr Bhattarai should contest the by-election. Even Mr Koirala has strong reservations.

The ruling party president faces strong challenge not only from the white saree-clad widow but also Jog Meher Shrestha of the Rashtriya Prajatantra (National Democratic Party (RPP)), loyalists of the former autocratic panchayat regime.

Internal feuding and sharp division within the Nepali Congress and UML's lack of strong leader to unite the dif-

ferent factions create a favourable situation for the RPP. It wants to take advantage of popular disenchantment with the government and the failure of UML, the largest opposition, to provide an alternative voice, even though Mr Shrestha is not a very respected name.

Mr Bhattarai's decision to contest the elections surprised many because he has been reluctant after losing in the two free elections he contested: in 1959 and 1991. After the 1991 loss, he told a visibly amused King Birendra: Your Majesty, there is something terribly wrong either with me or with the democratic process. I have always lost (in) general elections.

Despite being immensely popular and highly respected, Mr Bhattarai, who spent most of his life fighting for democracy and human rights, lost because of his preoccupation with the drafting of a democratic constitution and then holding of Nepal's first free elections in 32 years. He also suffered from poor campaign management. His highly arrogant, corrupt and incompetent party colleagues further doomed his candidacy.

Mr Koirala has done some good like streamlining the bureaucracy and setting the

economy in the right direction. But his overall performance is very disappointing. Perceptions of nepotism and favouritism in government have demoralised the bureaucracy which is not efficient to start with. Corruption is at its all-time peak.

Disappointment with Mr Koirala's performance has many ruling party workers and Mr Bhattarai's supporters asking: what is the use of supporting the party president who does not seem to offer an alternative to Mr Koirala? But Mr Bhattarai's presence in parliament, if elected, is expected to somewhat moderate Mr Koirala's autocratic and arrogant style of governance, according to activists sympathetic to the party president.

Despite the controversy, Mr Bhattarai fights on. There was no doubt that the ruling party was tied up in knots over the choice of Mr Bhattarai. The choice seems to reflect the failure of the younger party leaders, who are increasingly frustrated by the poor performance of the ageing leadership, to assert themselves and replace their elders.

This is the party decision. They have requested me to contest from any vacant seat and the CWC has endorsed it unanimously,' Mr Bhattarai said.

— Depthnews Asia

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### Containing corruption

Sir, A saying goes, 'It is easier to check the first desire, than to satisfy those following it.' It is true that a man who may find himself satisfied with whatever he has, may soon fall prey to the greed of having more. This may be owing to very many reasons, the prime one might be his neighbour.

In fact it is a thing of vital importance that when an individual is capable of checking his first desire of having something, he invariably saves himself from the burden of shouldering the additional burdens, which were to follow in the long run; if and when he was subdued to the first desire.

Every desire when checked in the beginning, it is so much better. And when it is not checked and implemented it would involve some responsibility to matters that would surely follow taxing one's time and money. And an increase in the sense of want, is likely to expand the range of corruption; if the individual is not capable to meet the fund through his ordinary resources. Because when a want is felt, an urge is invariably created to fulfil it by whatever means fair or foul, which is sure to breed corruption.

Today, when we look at things around us, we find out our utter surprise and dismay, a sense of competition in those who are men of lower income group to have costly amenities of life, obviously not within their reach by honest means.

It is, therefore, very much desirable that an individual should think in terms of remaining content and satisfied with whatever he has or he can expect of have within his financial capability, so that the range of corruption may be contained and suitably kept under control.

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formation of United Nations Commission of India and Pakistan (UNCIP) with three members from the states represented in the United Nations, one each selected by India and Pakistan and the third jointly by the other two. As per Security Council Resolution of 6th February of the same year, it was authorised to investigate the situation on the spot, endeavour to help India and Pakistan to bring about law and order in the state of Jammu and Kashmir, and then try to arrange a plebiscite to decide the future of the state. Its role from the very outset was that of mediator rather than enforcer of international law.

The original proposals for the UNCIP were greatly strengthened on 21st April 1948 when a further Resolution emerged from the Security Council. The strength of UNCIP was increased to five members. The post of a Plebiscite Administrator was also created.

The Commission was first convened in Geneva on 15 June 1948. The members were Argentina, Czechoslovakia, Columbia and Belgium selected by the Security Council, and United States selected by the President of the Security Council. A feature of the UNCIP plan, as it developed in practice, was the creation of a United Nations military presence in the disputed territory. Its function was mainly to observe and report to the UN Secretary General any violation of the ceasefire and it consisted of forty to sixty professional soldiers from the member states of UN commanded by a General Officer as Chief Military Observer.

From the early days of the Kashmir dispute until today, there has always been a direct UN presence in the state of Jammu and Kashmir on both

sides of the cease-fire line to remind the various parties involved that the outside world is watching what goes on either side of the cease-fire line. The rest is history and issue of Jammu and Kashmir has remained what it was then — unresolved. The only solution lies in a plebiscite.'

N II Sufi

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### BTW interview

Sir. We have a population of about eight million in Dhaka city. Out of this number of human heads couldn't we select just one who could take proper interview of a foreign dignitary? We were very much disappointed by seeing the postures, making of faces and movement of bodies of the interviewer while he was taking interview of Mr Yadav Kant Silwal, the new Secretary General of SAARC.

Presuming that, unfortunately, we have none who could do well in the art of interviewing dignitaries, why can't the TV authorities entrust the job to English news readers till such time when more men and women are groomed for this purpose? BTW should not let down the image of our country.

Abu M Faiz

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### MR Clinics

Sir. The sensitive issue to be addressed here is one of grave moral and ethical concern to all conscious human beings. Essentially, it involves a procedure which is being widely practised in our country under the legal umbrella and primary necessity of population control.

This procedure known as Menstrual Regulation (MR), consists of aspiration of the

contents of the uterus by means of a small cannula attached to a low pressure syringe, within 14 days of a missed menstrual period, or within 42 days after the first day of the last menstrual period. At present, this procedure is also being performed by doctors at various free MR clinics around the country, funded primarily by a Swedish NGO, with government approval. As conventional pregnancy tests are unable to confirm a woman's pregnancy within the time-frame an MR is performed, the term abortion cannot easily be applied.

Given this, and the relative safety of the procedure, it is easy to be popular among women suspecting an unwanted pregnancy.

However, observations in many MR cases show that the woman was indeed pregnant at the time the procedure was performed. Add to this the fact that recent laboratory tests can determine a woman's pregnancy only six days after the last missed menstrual period.

Any conscious reader will realise from the above, that whatever the indications and legality, M R involves the destruction of a living human embryo, similar to abortion.