

Why is Clinton Visiting China Despite Opposition by the Congress?

by Barrister Harun ur Rashid

China, according to one set of World Bank calculations, already has the world's second largest economy (after the US and ahead of Japan) It has become strong industrially and militarily and will become a great power in the next century.

President Clinton will pay a visit to China despite the opposition of the US Congress. His administration embraced a deliberate strategy of "engagement" with China and has developed close economic and strategic interests with it.

The US administration believes that this strategy should not be allowed to regress in the US's overall interests. Ignoring US Congressional hostility towards China, President Clinton has accorded China the Most Favoured Nation (MFN) status in bilateral trade, notwithstanding its questionable record on human rights as perceived by the Congress.

It could be argued that US policy to China continues to oscillate between toughness and sweetness. Although the US is publicly critical of China of its violations of human rights, it did not sponsor, as it did in the past, a resolution against China in the UN Commission of Human Rights. The stance of the US is very significant and dramatically shifts its earlier position on China's record of human rights.

In trying to comprehend the glue that sticks both the US and China together, there are a number of questions which need to be addressed. Why do the US and China want to build closer economic and strategic interests? How do they benefit from each other by pursuing a strategy of "engagement"?

China's Interests

China has quickly understood that the challenge in the present day world of intense competition is to build a comparative advantage in relation to other countries. Only in this way will China have the strength to face the challenges of globalisation. The chief purpose of Chinese policy was to make China respected in the international community. To win respect, China realised it was essential to become strong first. China pursued this policy vigorously and with strong determination recalling the honour and glory of its past.

The Chinese leadership realised that the best way to make the country strong is to become an industrial, technological, economic and military power. Merely being a permanent member of the Security Council is not enough. On the domestic front, they know that they cannot retain stable power if they fail to give their people a far better standard of living. China in wisdom and pragmatic sense has sought closer relations with the capitalist West.

The Chinese leadership believes in "Confucian" virtues (respect for authority, discipline and solidarity) and they perceive that these virtues underlie economic success. They seem to have the firm view that democracy and effective economics (market economy) do not necessarily go together. For rapid development, the Chinese leadership believes that political centralised control is imperative for discipline and order while espousing economic liberalisation.

It is to be noted that last April while Premier Zhu Rongji

spoke in London to the China Britain Trade Group on Chinese banking reform and economic liberalisation, he did not mention political reform. Premier Zhu acknowledged that China continued to remain backward in agricultural science and technology, although there have been three consecutive bumper harvests in grain and cotton and there is no likelihood of food shortage in the near future. He appreciated the visit to China of British agricultural specialists led by the Agricultural Minister last April. Mr. Zhu also said that China is politically committed to complete the negotiations in the World Trade Organisation (WTO).

The close relations with the US and the West have facilitated the acquisition of sophisticated technology and expertise from western nations which underpin its prosperity. China is eager for foreign investment and foreign expertise. The foreign direct investment to China from the western industrialised nations has grown considerably. (One report indicated that direct foreign investment to East Asia varies between \$37 to \$43 billion dollars per year.) Much of this investment went into light industry and textiles. Special Economic Zones were created to foster industrial contact with the West. China, according to one set of World Bank calculations, already has the world's second largest economy (after the US and ahead of Japan) it has become strong industrially and militarily and will become a great power in the next century.

US's Interests

In the eyes of many western security experts and it seems most of the US Congress, China has supplanted the former Soviet Union and they fear that a rising and assertive China may acquire the military muscle to threaten US and western strategic interests in East Asia and eventually become a global threat to the US. One best selling novel—Dragon Strike—captured the prevailing mood by depicting a future war between the US and China over the South China Sea. The suspicion was strengthened in the aftermath of the 1996 Taiwan Straits crisis, during which China conducted live missile tests off Taiwan to demonstrate its displeasure at Taiwan's apparent efforts towards independence.

The US is aware that following the economic melt-down, the East Asian countries will spend much less in defence. Thailand slashed its defence budget by nearly 12 per cent, South Korea appears to have shelved its \$2.6 billion plan to buy surveillance planes from the US. Indonesia is expected to delay in the acquisition of advanced Russian SU-30 aircraft. Many other states in the region may follow suit. The result is that East Asia's defence modernisation will proceed at a much slower pace than envisaged eighteen months ago.

In the context of the East Asian security environment,

the US has already moved to have defence ties with Japan and its traditional allies. In recent times, the US secured agreement for US warships to use the new naval base in Singapore when completed and put in place a new framework agreement for defence relations with the Philippines. However the US needs China to protect its strategic interests in this part of the world. The visit of Defence Secretary Cohen last year together with senior US military commanders touring a top-secret command centre in Beijing was an unmistakable sign these two great powers are willing to accommodate each other in keeping their strategic edge in the region. Most important, the close relationship with China, as established by the Clinton-Jiang Summit in October last year.

China happens to be a huge market for the merchandise from the US. China recognised the need for reform in its banking sector which is as an essential element in the on-going growth of the Chinese economy. The opening of China's financial services sector is regarded as the most important sector from a market-access point of view from the US. Contracts providing for China to purchase 50 Boeing airliners were signed during President Jiang's visit to Washington last year. (China at one stage wanted to give half of the purchase order to Airbus). The contracts have given a boost to the economy of the US considerably.

Furthermore, besides the economic interests, the US has strategic interests in the region as well. The majority of the countries do not want disengagement of the US from the region. To them the US is the countervailing force to China's military might. There are many flash points in the region and the US needs to be alert in the region. On the other hand, the US acknowledges that China could play a vital role in easing tension in the region.

First, there is North Korea which is a security problem for the US because of its hostility towards US ally South Korea. China's assistance and cooperation is imperative to resolve the North-South Korea issue. Furthermore, the US has to ensure that China does not "rattle sabres" over disputed islands (Spratly Islands) in the South China Sea and against Taiwan. It may be recalled that in 1996 China's repeated tests of their new rockets in the Straits near Taiwan drew strong US navy units to the scene.

China's influence with its ally Pakistan is also needed to halt the nuclear arms race in the Indian subcontinent. The uncertainty in Indonesia after the political change is a great concern in a zone that has often seemed characterised by volatility. The increasing Chinese influence on the Indian Ocean is to be accommodated by the US in its global strategy not to jeopardise its security interests.

The US hopes that China will join the Missile Technology Control Regime (MTCR) which will prevent China from passing on its missile technology

to other countries. (One report suggests that North Korea provided the missile technology to Pakistan and Iran). China is suspected of contributing to developments that could produce useable nuclear weapons in the hands of so-called US "terrorist" countries, Iran, Syria and Libya. This appears to be the greatest concern of the US administration in the proliferation of nuclear weapons. The now established traffic between China and the Central Asian Muslim Republics has aroused misgivings in the mind of the US which desires that the relations should be limited and transparent.

Alliances are often based on slowly changing structural forces. Over the next 25 years or so, the force and impact of China's wealth will change the security profile in the region. As China becomes a big economic power, the relative strength of the US is likely to fall along with its crucial stabilising role in East and North Asia. The US administration will have to forge a close relationship with China even when the US Congressional leaders continue to speak disparagingly of China. The US will gradually accommodate itself to the emerging and new balance of power in East and North Asia.

Conclusion

Today a country's prospects depend not just on its domestic resources but increasingly on what it makes of the opportunities and challenges confronting that country. The challenges China knows about, I would argue, can be summed up in the following words—competition and globalisation.

The visit of the US President is significant for China. This visit will be followed by the visits of British Prime Minister Tony Blair and the European Commission's President Jacques Santer later this year. These visits will no doubt stimulate the momentum of the emerging relationship between China and the West.

The immediate dividend of the visit is likely to ease US sanctions on transfer of sophisticated non-military technology to China from the US. Another conceivable outcome will be the support of the US to the China's entry into the Geneva-based World Trade Organisation. In the domestic scene, the Chinese leadership will be able to declare that the tragic incident of 1989 Tian An Men (Heavenly Peace) Square is now buried once for all and the visit to the Square by the US President will lend credibility to the declaration and will be counted as China's political advantage.

Strategic and economic interests propelled the two big powers — one capitalist and the other communist — to develop close relations to the perplexity of many nations. When the East and North Asia region is in economic turmoil, both need the co-operation of each other to reduce the adverse impact on their economy.

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Assessing Impacts of Development Projects

by N Shams Choudhury

The challenge that confronts all is how to choose projects where the negative impacts are minimum but strengths and related opportunities are best exploited, and thus all the interests concur.

DEVELOPMENT projects initiated in a system, whether it is a country, a region, a community, or a sector like transportation, industrial, agricultural, health, or other systems within a larger system — the environment, in response to satisfy certain needs and solve certain problems facing the system in order to achieve greater realization of goals of the system utilizing the resources available to the system.

Projects on implementation ensue changes that influence or impacts various interests associated with the projects and the environment that are satisfactory to some but may be harmful to others. This article familiarizes the readers with development interests and options, and impacts and assessment approach.

Development Interests and Options

Development projects are influenced by individuals, citizens, entrepreneurs, institutions, societal groups, community, etc., for various interests that are influenced in turn by the changes ensued on implementation.

Development interests can, generally, be identified under four major interests groups: consumers/users, entrepreneurs, facilitators and the society at large. Consumer/users interests in development projects are related to their needs or problems. Consumers/users seek for, but not exclusive, mobility, accessibility to markets, jobs, housing, low cost, community facilities, security, high standard of living, etc.

Entrepreneurs are driven by profit motive and invest in various sectors like industry, communication, transportation, commerce, education, health and others. Facilitators are involved to promote infrastructural facilities in the areas such as industry, communication, transportation, agriculture, education, health, housing, recreation and sports, etc. Their activities motivate entrepreneurs to invest and produce, facilitate productivity, provide jobs, eradicate poverty, maintain equity, minimise costs, improve mobility and accessibility, promote social-economic-cultural activities, etc.

Whereas the society at large, i.e., a community, a neighbourhood, an indigenous society or citizens group separately or together, is much concerned with their present and future livelihood, well-being and welfare, standard of living, green space, healthy environment, decent quality of life, preservation of culture and tradition, history, resources, endangered species, etc.

Public institutions should essentially belong to one or more of the four groups. They

are predominant as facilitators. Commit and provide finance or subsidy for projects like educational, health, industrial, transportation, housing, etc., as or associate of the entrepreneurs represent the society at large impose and restraints or constraints on development as legislative and statutory authority to maintain equity — social and economic, for conservation of resources, etc. Besides, a number of government institutions can be identified who have interests as consumers/users for services or goods, e.g., public transportation and shipping of people and freights require transportation infrastructure facilities.

Facilitators and entrepreneurs to satisfy their interests select projects among available options. These options may cover project type, location, scale, design and specifications, technology, policies including financing, operating, pricing, scheduling and others. The project options influence output performance attributes — such as level of services, standards or quality of goods, costs, etc.

Projects in turn influence interests of the consumers/users and the society at large, who have wide range of options for use, consumption, location or various other activities relating to goods, services, land use, residence, employment, or other social-economic-cultural in nature; and scale and pattern.

For example — production of goods of an industry or new road may induce consumption of the goods or activities to shift along that route. In course of time increase in consumption of the goods may cause price inflation or increase in traffic flow on the route may influence the decision to increase production or improve capacity by modification or expansion of the existing facility or building a new one.

The consumers/users may shift to other product or route in case of no action. Again, the physical presence of the project, and multifarious activities that are ensued or induced may hostile the surrounding environment with waste product, pollution, noise, endanger safety, security, ways of life, culture, etc., of the people; and/or dislocate and displace people, business or job. Eventually, the project may not only fail to serve its purpose but create a larger societal and environmental problem.

A framework presented in figure 1, consists of the project options 'P', people's options for activities, goods or services 'A', and related output consumption/users 'O'. The relationships among P, A and O discussed earlier, are represented in brief: (a) P and A determine O, (b) O causes changes over time in P.

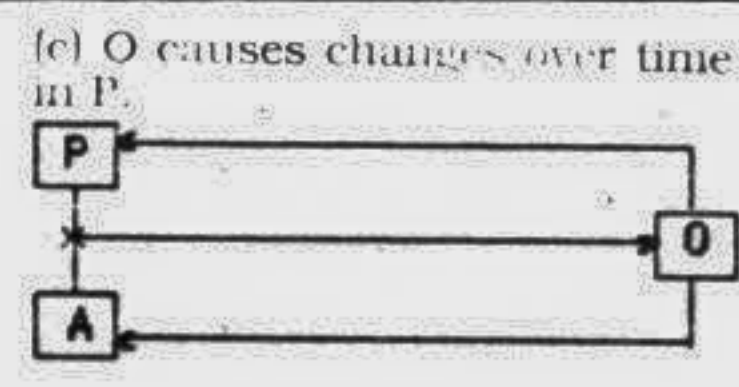


Fig. 1

Impacts can be identified as project attributes i.e., (i) strengths, (ii) weaknesses, (iii) opportunities, and (iv) threats; or grouped under four identified interests groups or defined as positive and negative.

A new railway station or a bus terminal project will help to visualize the attributes. Facilitating movement of people and transportation of goods, improving mobility and accessibility to land at its vicinity, increase in land value, etc., are identified as strengths of the project. People will concentrate around the location motivated with opportunities for work, live and other activities like industrial, commercial, real-estate, recreational and cultural.

On the other hand traffic, congestion, noise, pollution, delay, long waiting and travel time, hazards, etc., cause discomfort to the consumers and users, and are recognized as weaknesses of the project. Beside, miscellaneous nuisances like waste products or disposal, pollution, noise, crowd, health hazard, erosion; and inconveniences in the form of disruption of landscape, disruption and/or displacement of businesses, activities and people; and others are concomitant to the project.

On due course of time, depending upon scale and pattern of a project, haphazard growth, cultural conflict, wastage and depletion of scarce natural resources, cropland and forestry, etc., may also occur; and on occasions mass exodus of people or/and extinction of animals, species, etc., may result. Neighbouring villages or communities, societies, or interests groups recognize these nuisances and inconveniences as threats to the environment that sustains their ways of life.

Consumers and users are mainly influenced by performances of goods or services and hence their impacts are reflected in terms of time, cost, size, safety, comfort, quality, reliability, availability, standards, specifications, technology, etc., in particular and performance in general. Entrepreneurs are mainly concerned with maximizing their share of demand and/or their net revenues, and their impact variables are costs of input resources of their projects.

Facilitators are mainly interested in the usage and condition of their infrastructure elements, and hence, their impacts are reflected through the

investment, maintenance and upgrading costs which are, in general, functions of the usage of the infrastructure network. The impacts to the society at large are caused by the physical presence of facilities and the variables include specifications, technology, environmental amenities or compatibility measures, etc., to offset noise, congestion, conflicts, pollution, displacement or dislocation of residents, business and/or other activities.

Strengths of and opportunities due to a project are considered positive impacts, and weaknesses and threats are negative. Again, the four interests groups will identify impacts as positive if their interests are complemented, and negative if contrary.

Impacts Assessment Approach

The options of project and activity are influenced by performance of output — goods or services. The performance 'S' is determined by project options 'P' and output demand volume or quantity 'V', i.e., S=f(P,V); where 'V' is performance function and established by 'P'. On the other hand, demand volume or quantity 'V' is dependent upon 'S' and people's options for activities, goods or services 'A', i.e., V=f(A,S); and 'K' is demand function and dependent upon 'A'. Then the output consumption or use at equilibrium of demand and supply is predicted as O*=(S*,V*) and presented in the figure 2 below.

Once the equilibrium position is predicted, the different impact variables can then be estimated through a set of impact models.

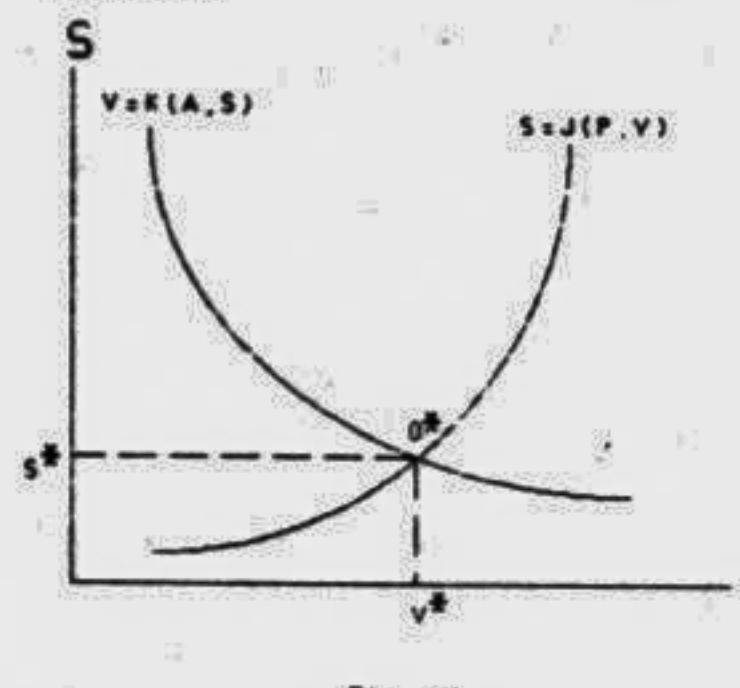


Fig. 2

Remarks

The range of interests of different groups obviously are wide and often found conflicting, and the project options impact differently each of the different groups. The challenge that confronts all is how to choose projects where the negative impacts are minimum but strengths and related opportunities are best exploited, and thus all the interests concur. The cope with the challenge requires assessment of impacts taking consideration of all the groups and their sub-groups whose interests are associated with the projects.

A New Beginning for Northern Ireland

by A S M Nurunnabi

A historic accord was reached on 10th April, 1998, which aimed to end decades of violence between Protestants who make up the majority of Northern Ireland and want continued British rule and Catholics who seek union with the Irish Republic to the south. Struck up at an almost no-solution point, the Northern Ireland or in other words, the Ulster question constituted one of the knottiest of problems that kept nagging at the post-colonial world. The political mosaic of Northern Ireland became more and more intricate over the years with the forceful presence of various power groups, especially Sinn Fein, the militant organ of outlawed Irish Republican Army that came to news headlines many times in the past. The political strife of the last three decades was marked with guerrilla raids, bombing, assassination, rioting and various other forms of violence.

The coveted goal of peace was ultimately reached under the dogged perseverance of the key facilitator in the negotiations, former US senator George Mitchell.

The peace settlement was subject to a referendum which was held on 22nd May last. In a massive yearning for change, 71 per cent of the voters in that referendum said Yes to an agreement that will transform the politics of Northern Ireland and redefine the historically contentious relations between London, Dublin and Belfast. Buoyed by hope and yet clouded by a past filled with things gone wrong, the vote sets the stage for hard-fought elections on June 25 to a new Northern Ireland assembly.

The political transformation of the North was linked to a key constitutional change in the Republic of Ireland. There a huge majority, in a similar referendum in the south, abolished Dublin's long-standing territorial claim to the North. In amending their constitution, voters in the republic made it plain that a united Ireland remains an aspiration, as it does among republicans in the North.

deceives. It took 10 years of hammering away at political parties with links to paramilitaries. It took cajoling, arm-twisting and risk taking by two British Prime Ministers (John Major and Tony Blair), two Irish Prime Ministers (John Bruton and Bertie Aherne), President Clinton, besides the talks chairman, former US senator George Mitchell.

Even the campaign in favour of the deal stumbled badly during the six-week run-up to the referendum. With the agreement now in place, the political transformation of the British Isles begins. A North-South Ministerial Council — a nod to those who aspire to a united Ireland — must be set up within a year. A British-Irish Council — a nod to those who seek to prevent the break-up of the United Kingdom — will consist of representatives of the British and Irish governments, as well as devolved institutions in Northern Ireland.

Blair will use his commanding majority in the Parliament at Westminster to push through legislation that will put the positive verdict of the referendum into effect. In the meantime, the

political parties of Northern Ireland will have to field candidates to fill 108 seats in the new assembly.

With fingers crossed, the people of the province will yearn for an end to the bombing and shooting and killing that are so at odds with their tradition of churchgoing respectability, order and decency. Throughout the tortuous Northern Irish peace negotiations it was commonly and piously said that if only the politicians would listen to ordinary people, there would be peace. Now that majority of the people have given positive response in the referendum, it is to be hoped that the longed-for peace may not be difficult to achieve. During the run-up to the referendum, there were reservations in some quarters on a couple of emotive side issues, namely, the "decommissioning" of weapons and the release of prisoners convicted of terrorist activities.

On the question of "decommissioning", it is felt in general by the majority in Northern Ireland that the fact the IRA are hanging onto their weapons is not proof that they intend to use them in the foreseeable future — it is just as likely to reflect their

unwillingness to be seen to "surrender" and their distrust of the Protestant — dominated police. If the fear of a return to violence is the issue, that is much more likely to be provoked, according to impartial observers, by dashing the peace process on the rocks of decommissioning, than by allowing Sinn Fein into the proposed cabinet. The question of prisoner release is just as tricky. The fact is that only prisoners belonging to organisations that are maintaining ceasefire will be released, and even they will be let out "on licence" — which means they will be yanked back if they re-offend.

Unionists of Northern Ireland, as opined by some keen analysts, above all have the huge majority of Yes vote to protect them from the thing they have feared most — being forced into a united Ireland against the consent of the majority of the population of Northern Ireland. It would now be perverse for Unionists to reject a deal based on the very principle for which they have long — and rightly — campaigned.

BJP and Nuclear Tests

G S Bhargava from New Delhi

The hackneyed agenda for security dialogues, with Pakistan, China and the US could yield place to a realistic assessment of the situation. It is now possible for India to drive home to Pakistan the risk of persisting with promotion of terrorism.

IF the Bharatiya Janata Party (BJP) had carried out the nuclear tests with the narrow political motive of opting for a snap election to win a Lok Sabha majority on its own, it could not have erred more grievously. Not only is a mid-term election not on the horizon, with poll fatigue rampant among electors plagued by myriad problems and MPs averse to go to the hustings again within a year but the economic situation also does not permit the luxury. Even otherwise, I don't subscribe to the charge of Mulayam Singh Yadav, Deve Gowda and their likes in the matter. The more plausible, is BJP's known aim for exercising the nuclear option instead of keeping it open indefinitely. In its earlier incarnation of Jan Sangh also, the party had consistently advocated India going nuclear.

It was far from happy when Morarji Desai, as Prime Minister of the short-lived Janata Government, had in 1977 openly and unequivocally eschewed the nuclear weapons option, reverting to Nehru's position that India should never acquire the horrendous weapons of mass destruction. Morarji Desai had also taken serious objection to Mrs Indira Gandhi's 1974 test questioning her claim that it was a peaceful nuclear explosion for harnessing nuclear energy for constructive purposes as envisaged in the US President, Dwight Eisenhower, If it were so, why was it shrouded in secrecy? he asked. Why were scientists from other countries not invited to witness it?

constituent of the Janata Party, had abided by Morarji Desai's decision because of its commitment to discipline but it broke away from the dissipating parent body to form the BJP it reverted to its earlier stand of favouring exercise of the nuclear option. The Jan Sangh had, incidentally, welcomed the 1974 test unlike George Fernandes who was then in the socialist party and had charged Mrs Gandhi with undertaking the test to break the railway strike led by him.

More recently, in its 1996 election manifesto as well as the latest one, the BJP has committed itself to undertaking a national security review through a national security council with a view to advancing on the position since 1974 of keeping open the nuclear option. The national agenda for governance of the BJP-led coalition has echoed the sentiment in as many words. If the RSS chief's claim is true that the 1996 Atal Behari Vajpayee government had also toyed with the idea of going in for nuclear tests and would have undertaken them if it had lasted beyond its span of 13 days it further proves that making India a de jure nuclear weapons state is almost an article of faith with the party.

The personnel of the task force set up to work out the role and functions of the proposed national security council (NSC), namely, Krishna Chandra Pant, Jaswant Singh and Air Commodore (ret'd) Jasjit Singh are known votaries of the "bomb". Pant was minister of State for Defence at the time of the 1974 test and was also defence minister in the Rajiv Gandhi government. His pro-

'bomb' outlook is thus not the product of his recent entry into the BJP. Similarly, Jasjit Singh, a military officer who has taken voluntary retirement to head the Institute for Defence Studies and Analyses (IDSA) is an academic with impeccable intellectual integrity. His being on the same wave length with the on the nuclear issue is intellectual, and not political.

It is a different matter that even before the NSC has been set up, and undertaken the proposed strategic review the government decided to go in for the tests. The apparent but unavoidable feint is to keep the American CIA from prying and to avoid the embarrassment of Washington breathing down the neck of the government to preempt the tests. It has been said that the former Prime Minister, P. V. Narasimha Rao, had planned nuclear tests in 1991 but was thwarted by the US coming to know of it in advance and prevailing upon the government against the move.

Experts claiming to be knowledgeable have said that the secret of the planned tests had been "leaked out" by the then prime minister's office. If true, it could mean either that the political establishment even at the highest level was riddled with US agents or that the wily Narasimha Rao had deliberately seen to it that the US was posted with the secret to claim concessions for giving up the planned tests. Was the US move to have a strategic dialogue with India one of the concessions, besides American technical aid to the light combat aircraft stuck on the drawing board for over a decade?

As for the national security council, the VP Singh Govern-

ment in 1990 had set up one and packed its advisory council with lobbyists for the atom bomb. Was the possibility of the government resuming Pokhran tests one of the factors for the Bofors problem as widely believed? If so, were rajiv Gandhi and Chandra Shekhar parties to preempting the tests? Considering the role of the Chandra Shekhar regime during the Gulf War, when US war planes were allowed to be refuelled in Bombay, it was not inconceivable.

As for the claim of the I K Gujral government deciding to undertake the tests on the even of its collapse in November last, it sounds one of weird statements Mulayam Singh Yadav is notorious for. More importantly, Gujral and Deve Gowda as well as their Communist allies have challenged the BJP claim of deterioration in the security situation prompting the tests. How could the situation have deteriorated in six months, necessitating the tests? they asked.

Against this background, exercising the option, instead of keeping it in cold storage, would mean movement in all directions. The hackneyed agenda for security dialogues, with Pakistan, China and the US could yield place to a realistic assessment of the situation. It is now possible for India to drive home to Pakistan the risk of persisting with promotion of terrorism. The nexus between its presumed weapon capability and emboldened indulgence in terrorism in India can be broken. A clear warning of pursuing the terrorists to their hideouts under the accepted international principle of 'hot pursuit' will tell, without the risk of large-scale hostilities.

—Mandira