

APEC Summit in Kuala Lumpur

Disappointing Outcome

Barrister Harun ur Rashid writes from Canberra

APEC's failure to agree on a voluntary trade liberalisation is a setback for the future of this organisation. APEC was at the outset a regional organisation with a regional agenda but its increased membership appears to be another reason for renewed reservations about APEC's future.

THE 21-member Asia-Pacific Economic Co-operation (APEC) Forum held its summit in Kuala Lumpur on 16 and 17 November. Prior to the summit, two days (14-15 November) were devoted to Ministerial level meetings. Simply put, the Summit had two primary aims: (a) voluntary trade liberalisation among the 21 members and (b) its plan to ease the Asian financial crisis. The summit failed to reach any of the goals. It was a serious disappointment for the US and Australia which pushed voluntary trade liberalisation, in particular in primary and processed food products. No concrete plan was chalked out to contain Asia's financial turmoil. Furthermore the absence of President Clinton at the summit because of the situation in Iraq undermined the status of the summit.

Background
APEC was constituted in 1989 at the initiative of Australia for the Pacific Ocean-rim countries. It was founded when the South East and North Asian economies were booming. The idea was that an Asia-Pacific Zone would be created for free trade and unrestricted foreign investment among the member countries. It had originally 14 members which expanded into 21 members at present. It includes Canada, the US, Mexico, ASEAN countries, China, Japan, and Russia. They have a combined population of 2 billion and account for 50 per cent of world trade.

Regrettably within eight years, the "economic tiger countries" slipped into deep recession and APEC members except Australia and China were notably silent during the financial crisis in the region and they did not know how to react to this situation. APEC was totally inadequate to present a credible regional agenda for the restoration of financial stability in the region.

It may be recalled that in the last meeting at Vancouver in Canada in 1997, the APEC members agreed that trade liberalisation would occur in sectors such as telecommunications, energy, chemicals, toys, medical equipment, fish and forest products, gems and jewellery. The nine sectors cover an estimated \$US 1.5 trillion in trade.

Expectations at the Kuala Lumpur Summit
At this APEC summit in Malaysia, it was expected that the members would agree on the implementation of a fast-track process to bring down barriers in many sectors including fishery and forest products worth tens of millions of dollars in trade.

It may be remembered that APEC agenda did not require to tear down the barrier "tomorrow" but another decade or so to eliminate protection. However, the voluntary liberalisation plan was designed to lower protection in the sectors more quickly than the overall free trade targets. Many countries argued that voluntary liberalisation in principle was acceptable but it could be executed only at a pace depending on a country's economic situation and many countries in APEC did not think that right time had come.

The US and Australia strongly advocated trade liberalisation which suffered a setback in the summit mainly because of the opposition of Japan who argued that APEC was not the appropriate forum for trade negotiations. Japan argued that WTO (the World Trade Or-

ganisation in Geneva with 132 members including Bangladesh) was the body where such trade talks should be held. Japan refused to further dismantle trade barriers in its fisheries and forestry sectors.

It may be pointed out that Japan is the world's largest importer of fish and forestry products and that imports account for 80 per cent of Japan's consumption of forestry goods. With Japan's tariffs on fish and forestry products between 2 and 4.5 per cent, the Obuchi Government held its ground to withstand pressure to liberalise early.

Why did the Summit Fail?
In my view, politically it was an inopportune moment for the summit. First, the host nation Malaysia, is going through political upheaval following the arrest of its former Deputy Prime Minister Anwar Ibrahim. While the meetings of the Ministers were taking place, riot police were attacking with water cannons and batons the supporters of Anwar Ibrahim on the streets. To the VIP participants from other nations at the summit, it reflected a negative image for the Malaysian Prime Minister.

Second, the talks of trade liberalisation in Kuala Lumpur took place in the background of Malaysia's currency and capital controls on which the leaders held dramatically different positions from that of the Malaysian leader. The summit was almost hijacked by Anwar Ibrahim's trial and the US Secretary of State exchanged sharp words with the Malaysian Trade Minister Dr. Rafidah Aziz at the meeting. The US Secretary of State and the Canadian Foreign Minister met

the wife of Anwar Ibrahim Dr. Wan Azizah despite suggestions by the Malaysian government that this would be seen as interference in internal affairs.

Conclusion
APEC's failure to agree on a voluntary trade liberalisation is a setback for the future of this organisation. APEC was at the outset a regional organisation with a regional agenda but its increased membership appears to be another reason for renewed reservations about APEC's future. Although it may have a long term goal and could be relevant when the economies thrive again yet it abandoned the much-awaited trade package and referred it to the WTO. A few analysts might be tempted to say that APEC threw out the baby with the bathwater.

The writer is former Ambassador of Bangladesh to the UN in Geneva.

After Wye: The Route to ME Peace

by Mohammad A. Auwal

For a true peace to emerge, Israel must compensate the Palestinians for losses. If the Holocaust survivors can get compensation after half a century, the Palestinians uprooted by Israeli violence must receive an apology, reparation, and the right to return home. This is justice, and this is the route to peace,

WYE marked the fourth milestone in the evolution of Arab-Israeli peace process. The Madrid summit was the first, the 1993 Oslo accord was the second, and the 1997 Hebron agreement, the third. Strangely, each successive signing involved a subtle rewriting of the original agreements.

At Madrid, Arafat and Israeli met on the basis of UN Security Council Resolution 242 which called for Israel's withdrawal from occupied Arab lands. There, the Palestinians tacitly renounced their life-long demand for the lands Israel occupied since 1948. They accepted only Gaza and the West Bank as the territory of their future state.

Hailed as the "land for peace" agreement, Oslo allowed Israel to decide how much of occupied land in Gaza and West Bank she should return. It gave Israel the latitude to renegotiate UN resolution 242. It allowed Israel to lock the Palestinians into virtual "ghettos" and "Bantustans" by "redeploying" its troops. The Israeli military cordons and checkpoints have since continued to isolate the Palestinians, worsening their economic condition.

Hebron permitted Israeli settlers to keep their state presence in the city centre and made an Israeli withdrawal contingent upon the Palestinian authorities promise of an end to anti-Israeli violence. About 400 Jewish settlers living in the city routinely make life miserable

for its 120,000 Palestinian residents. The settlers use various barricades — from rolls of barbed wire to a two-storey-high iron gate that is occasionally closed to block off Hebron streets for the Palestinians.

Now in Wye, cheered as the "land for security" agreement, the term "peace" has given way to "security." Since peace involves dialogue, cooperation, mutual trust and responsibility, it makes more sense for Israelis to demand and dictate security, which was defined as "no violence" for the Israeli citizens and "no oxygen" (i.e., prison, torture, and death) for the usual suspects. In return, Israel will "redeploy" (not "withdraw") its forces from 13 per cent of the territories and the Palestinians may eventually have a total of 40 per cent of their "territory" under their control — not 90 per cent that they expected under Oslo before negotiating the final status of Jerusalem.

The Palestinian Authority (PA) received not even a word about whether Israel will continue to build the "Jews only" settlements to further consolidate its grip on the occupied territories or there will be a brake on the settler pogrom spree in the Palestinian neighborhoods. As part of the agreement, the CIA monitors will ensure that Arafat follows Netanyahu's dictation to crack down on Hamas. The PA has been able to rein the Hamas militants as much as Israel herself did before Oslo. With the help of the CIA, the PA

must do miracles this time! Yes, at the expert advice of the CIA, the PA will multiply and diversify its already field-tested repressive measures.

Yes, the Palestinians holding illegal weapons will be disarmed, and the Palestinians who criticize the Wye agreement will be choked. Under the CIA's surveillance, the PA will choke all its opposition voices including those of the political wing of Hamas.

But the thousands of Jewish settlers who are armed by the state of Israel and who condemn even the diluted Wye agreement as "treachery" will not be disarmed. Also, Jonathan Pollard, the convicted American who spied for Israel will be released shortly after "serious review" of his case by the U.S. President himself, but the 25 American citizens who languish in Israeli prisons without due process will not receive a word!

Wye airs little hope for four million Palestinian refugees in diaspora, for the 20,000 Palestinians made homeless recently by the Israeli bulldozers, for the future of Israel's still growing Jewish settlements, and for Jerusalem that she declared as her "undivided and eternal capital."

Yes, there must be no more desperate, disgruntled, hopeless suicide bombers. Yes, the Israelis should be able to live without fear. So should the Palestinians. But such a security may not come from crack-downs. Israelis have done more than enough of such crack-downs, what more can they expect from their proxy repression by the PA? Security must emanate from a true peace, which requires justice as well as an apology from Israel for the havoc she has wreaked on the Palestinian lives and property. For a true peace to emerge, Israel must compensate the Holocaust survivors for losses. If the Holocaust survivors can get compensation after half a century, the Palestinians uprooted by Israeli violence must receive an apology, reparation, and the right to return home. This is justice, and this is the route to peace, not bulldozer diplomacy, nor CIA intervention, nor proxy repression.

The writer is an assistant professor in the Department of Communication Studies, CSU, Los Angeles and vice president of the Council on American-Islamic Relations in Southern California, based in Anaheim.

Nepal Becoming Haven for International Crime

Corruption and bribery are allowing Nepal to turn into a base for international criminals trafficking in drugs, foreign currency, gold, silver, weapons and even human beings. Gemini News Service reports on the growing influence of Nepal's own version of the Mafia.

Prakash Khanal writes from Kathmandu

N EPAL'S government, according to its senior ministers, is a hostage. Not just to fortune, as are all developing countries, but to the Mafia.

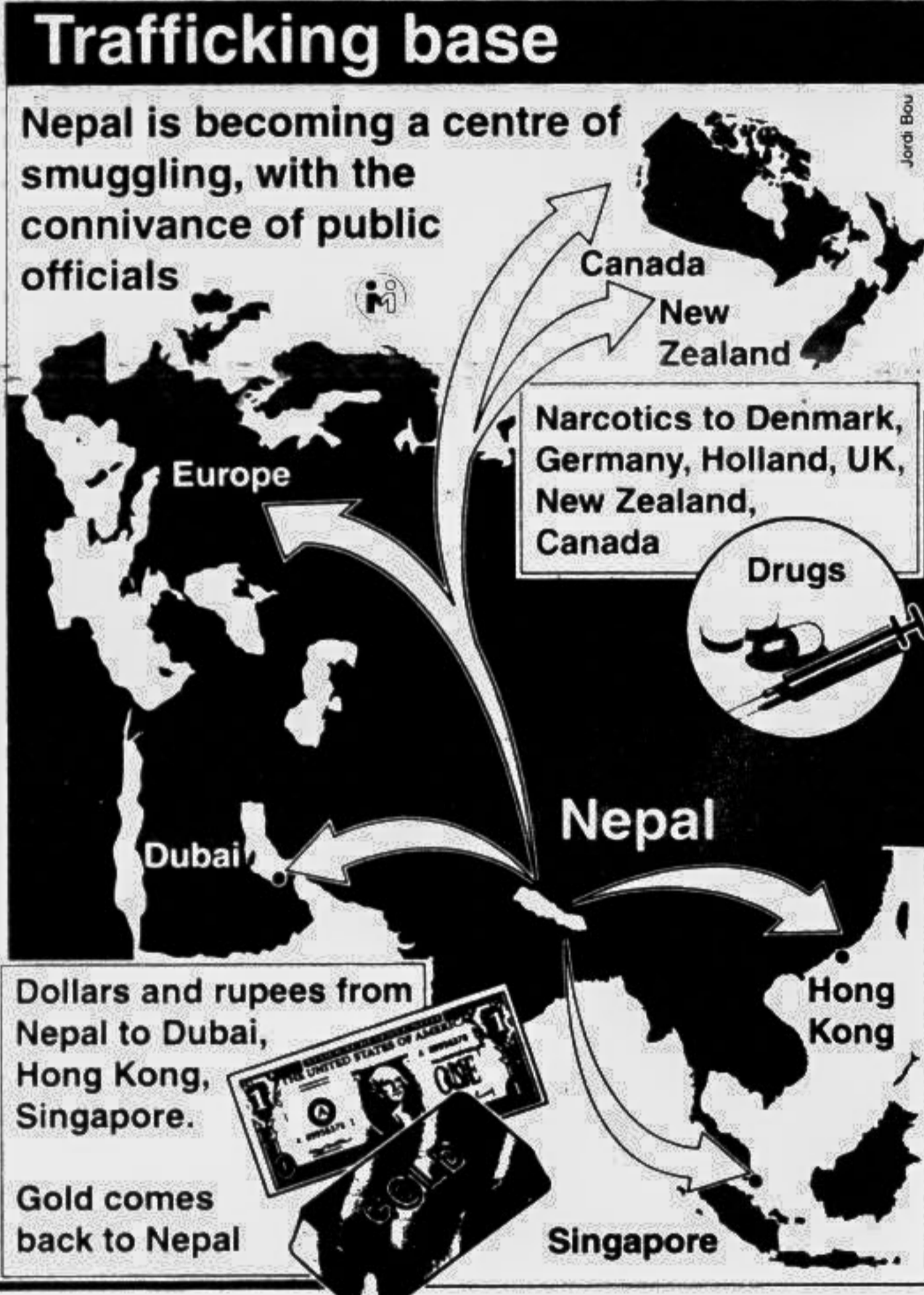
This is not the Italian mafia, of course. In Nepal, as in Russia or the former Yugoslavia, the term simply signifies wealthy and powerful "businessmen" whose business spans both licit and illicit trade and whose money buys them political access and even politicians themselves.

A recent report from a high-level Interior Ministry committee put in black and white how police, secret service, revenue, customs and immigration officials are protecting the Mafia and facilitating the trafficking of contraband from Kathmandu's Tribhuvan International Airport (TIA).

In the report, Shreekantha Regmi, special secretary at the Interior Ministry, explains how almost 60 government agencies are represented at TIA, while trafficking continues to increase.

There are politicians who take money from the traffickers to influence the government," said Regmi. His report says parliamentarians have been paid huge amounts that came neither from state coffers nor political parties.

Over the past six months, the situation of law and order in the country has taken a downward drive as ordinary people die in police custody, and cor-



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Nepalese law enforcement authorities asked the Hong Kong government to provide details of some suspicious accounts, but the Nepalese government refused to give Hong Kong judicial authority, stopping the process. The Nepal Drug Control Law Enforcement Unit (NDCLEU) says it has proof that gold is also bought from foreign currency generated by the sale of narcotic drugs smuggled out of Nepal and India by Nepalese, Indians and foreign collaborators.

In the last nine months, drug control agents have arrested 1,000 people, including 127 foreigners, and seized around 2,500 kg of hashish, 2,700 kg of cannabis and 5.5 kg of heroin.

"When a consignment reaches its destination in Europe or America then the money is transferred to the account of one of the dealers in Hong Kong or Dubai," said an NDCLEU official. According to him, each illegal transaction made from their bank account nets the account holder up to 8 per cent extra on the total deposited amount.

The drug control agents are breaking arrest and seizure records this year. In April they arrested a Dutch national and his Nepalese wife — and for the first time — 11 Nepalese accomplices working for various government agencies at TIA. They helped the couple change the markings on boxes leaving for Frankfurt.

Similarly, the police also busted a German gang suspected of trafficking drugs from Nepal for the last 15 to 20 years. Hashish from Nepal has been seized in the United Kingdom, New Zealand, Hong Kong and Canada. Canadian police seized 576kg of hashish in Toronto on 17 January, leading to the arrest of two customs employees in Nepal.

Joshi believes the Mafia is the explanation for the frequent changes of administration in Nepal — on average every six months, once the incumbents begin failing to serve and please the Mafia.

It builds a vicious circle. As politicians feel they can do little about illegal activities, disillusionment with politicians builds, and illegal activity also accelerates. Then, according to Joshi, as soon as signs of action appear, illegal money makes sure that the votes are there to topple the government.

Says Regmi: "When corruption receives social acceptance then corruption goes on increasing and that's what happened in Nepal."

He says Mafia's growth where corruption is accepted and government is unstable, weak and irresponsible, conditions that exist in Nepal today. The only question is the extent to which the traffickers have managed to build those conditions for themselves.

The author is a freelance Nepalese journalist who has worked for papers including the Japan Times and The Economist.

Troubles Foreshadow Political Change in Malaysia

by ASM Nurunnabi

"There's definitely a palpable demand for change," says an astute political scientist, "It's not necessarily in terms of leadership, but in governance, in politics and in business. People have become more questioning, they want accountability."

LATELY Malaysia has been facing a strong challenge for change in its political leadership. In that country, the strong leadership of its Prime Minister Mahathir Mohamad helped forge a cohesive nation out of different ethnic groups. Now, it seems that the same leadership is dividing them. The worst political crisis to confront Mahathir in a decade has polarised Malaysians. His fame as a nation-builder who united a multiracial country has lately come under a shadow.

The politically dominant United Malays National Organisation which has formed the main prop of Mahathir's power now appears divisive on political issues. The non-Malay minorities also appear divided, although, broadly speaking, they are more supportive of Mahathir, the Chinese more so than the Indians.

Mahathir is an assertive leader of a very Southeast Asian sort; enlightened in his goal of economic development, dependent on party politics and elections for power-and resolute in his control of other democratic institutions, such as the media and judiciary. For nearly all of his years in power, Mahathir's toughness earned him the admiration of his people.

And then comes that unique moment, which no one can ever foresee, when the people change their minds. Observers cite some instances. For Indonesia's Suharto, the triggers were high rice prices and riots provoked by his soldiers in the capital; for Ferdinand Marcos of the Philippines, it was murder of five Benigno Aquino on the airport tarmac. Mahathir, 72, perceived his once-trusted deputy and heir apparent as a challenger to power. What followed could well turn out to be Mahathir's turning point.

Mahathir accused Anwar with promiscuity with women and men and fired him on these charges. Anwar's trial started on November 2 last. As analysts view it, Anwar is in the courtroom no doubt, but Mahathir and his political legacy are also in the dock. Mahathir now faces the toughest battle of his life. People appeared to be growing weary of his I-know-best rule. A potentially more potent challenge to the prime minister is coming from below. Customarily compliant Malaysians from all locales and classes are risking arrest and possible job loss for the satisfaction of standing on a pavement en masse, calling for Mahathir's resignation and for an overhaul of Malaysia's political system. Few would have dared mount such protests, or even conceive of the need a few months back. Pro-Anwar rallies have drawn tens of thousands of people.

Journalists are calling the Anwar affair Malaysia's Trial of the Century. Anwar's trial is the focal point of what threatens to become a political revolution for the country — and possibly more. The testimonies at court hearings provided unexpected peeks into the work-

ings of Mahathir's Malaysia. And they suggested further dramas to come in course of the trial, which could last more than six months. The legal outcome is important for Anwar's future. A single conviction could get him time in jail and legally exclude him from political life for five years. The trial might extend into the next millennium, disqualifying him for a candidacy in the general election that must be held by April 2000. Apart from complete acquittal, Anwar's only hope would be a pardon from Malaysia's constitutional monarch.

Without public-opinion polls, real extent of Mahathir's popular support won't be known until the next election due by April 2000. Most Malaysians have stayed clear of the weekend street protests against Mahathir. Anecdotal evidence and surveys conducted for United Malay National Organisation (UMNO) indicate that the majority of Malays — who comprise more than 55 per cent of the country's 22 million people — are unhappy with the premier.

However, Malaysian-Chinese, who form 24 per cent of the population, appear inclined to defend Mahathir. Many Chinese keep their opinions to themselves, but those who voice them, especially the business elite, say they have confidence in Mahathir's ability to reflate the economy. They disliked Anwar's advocacy of high interest rates when he was finance minister and welcome Mahathir's expansionary measures which make it easier and cheaper to borrow.

Many Chinese also worry about the fiery Islamic flavour of the protests supporting Anwar, a former Muslim activist. They fear that any upheaval will benefit Pas, the Islamic opposition party. What troubles Chinese is the risk that the demonstrations could spark a racial confrontation.

Malaysian-Indians, who comprise about 8 per cent of the population, are divided as well. Unlike the Chinese, fewer higher-income Indians support Mahathir. The fact the Indians and the Chinese are entering the debate, however indirectly, is significant. Twenty years ago, few non-Malays would have expressed an opinion on the issue, regarding it as an exclusively Malay problem. Today, they consider it an issue of national interest.

Ironically, it's Mahathir who is most responsible for this change. Over his 17 years at the helm, Mahathir has pushed, caajoled and browbeaten Malaysia's ethnic communities to think of themselves as Malaysians first. By standing up to the West, undertaking national ego-boosting projects, using nationalistic slogans, Mahathir made Malaysians patriotic. With that has come a feeling that they have a stake, and a say, in the political life of their country.

Lately there has been a political awakening particularly among the young. This growing political awareness is one rea-

son why political analysts say the crisis has moved beyond the fate of Anwar. There's definitely a palpable demand for change," says an astute political scientist. "It's not necessarily in terms of leadership, but in governance, in politics and in business. People have become more questioning, they want accountability."

Even in his own party (UMNO), there are murmurs of dissatisfaction. The party stalwarts reportedly concede that they are in trouble with voters. One party leader said: "We must not underestimate the problems we have. The bigger challenge for us is to win back the hearts and minds of the masses." What appeared surprising to observers was the extent to which Mahathir had misplayed his hand throughout the crisis. He insisted that Anwar's dismissal wasn't a political ploy but rather a legal necessity in view of his alleged misdeeds. But then the government detained 17 Anwar supporters under the Internal Security Act, and Umno is now in the process of

expelling Anwar's allies within the party, promoting the Malaysians to view the case as essentially political.

Anwar's supporters, meanwhile, were planning campaigns to keep their patron and hero from tumbling into political irrelevance during his incarceration. Of course, Mahathir is himself a legendary political survivor, usually at best when trapped in a corner. His control over Umno remains strong a lesser leadership challenge in 1987 actually split the party. Many Malaysian analysts say the Prime Minister can probably hold onto power if the economy takes a sudden turn for the better and the trial credibly convict Anwar on at least some of the charges. Coalition of opposition parties in Malaysia have always been fragile, and Umno is a well-greased political machine. For his part, Mahathir shows no signs of letting up. With characteristic vigour, he continues to defend his government's economic policies and denounce his critics.

A Third Force in Delhi?

A Muslim organisation with several branches across the country has asked Indian Muslims to boycott elections to the four state assemblies due later this month.

In what it called a 'fatwa' (religious edict), the 'high command' of the Milli Parliament on November 16 called upon the Muslim electorate of Delhi, Rajasthan, Madhya Pradesh and Mizoram to stay away from the electoral 'battlegrounds'.

Muslims do not have any political option, hence they must abstain from voting," the parliament, which has its headquarters in Aligarh, Uttar Pradesh, said. The Milli Parliament 'fatwa' came even as Muslim leaders belonging to

various groups, meeting in Lucknow, called for the setting up of an umbrella political party with all-India participation so as to challenge the religion and caste-based politics of other parties.

"When the scheduled castes (lower class Hindus), other backward castes and Hindutva (Hindu nationalist) forces can form their parties, why can't we?" asked leaders of the Milli Jammor Mahaz (MJM) at its meeting in the Uttar Pradesh capital, the constituency of Prime Minister Atal Behari Vajpayee.

The Mahaz is an alliance of the Indian Union Muslim League (IUMML), the Majlis Ittihadul Muslimsmeen and the All India Muslim Majlis.

America's Dichotomy Crosses the Border

by Chaumtoli Huq

ESTA MUY LEJOS (That's really far!), exclaimed the taxi driver in Cancun, Mexico. I had just told him that I was born in Bangladesh and my boyfriend, Andrew, was biracial, Indian and European American, but that we both lived in the States.

"I do not think that I've ever had anyone from India in my cab," the driver continued in a tone that suggested that it was he who was having the unique travel experience — as if he had happened upon some never before discovered antiquity, much as we took in the wonders of the Mayan ruins of Tulum. The fact that I had worn a sarri that night added a bit of reality to his imaginary travels. He was revelling in the moment, so I did not bother to correct him that actually, I was from Bangladesh.

The driver's every question thereafter about who we were reflected his continued fascination with South Asian Americans traversing touristy Cancun. He tried to make sense of us, and he was graciously patient with my Spanglish. As he spoke, I knew that to him, we were "muy lejos."

Not even the multiple-migrating chili pepper in all its colors, sizes and spices could bring us together as I imagine the owner of the Mexican-Indian restaurant, Mirchi, on South Street thought it could. The menu there tells of the pepper's origins in India and use in various cuisines. "Habla espanol muy bien," he exaggerated — his way of slowly bridging our distance. Then he offered his name: "Me llamo Santos."

"Aha! You are a saint!" I said, smiling, and thinking in amusement how surreal it was to be guided by a saint in a cab in Cancun. We passed the short ride to the hotel talking. Toward the end of the ride, Santos sought confirmation: "So, you are really from India?"

"Yes, but we live in the States." "OK, OK, but originally, you are from India," he said, as if he were constructing a tale to tell his friends and family. "Yes," I conceded, "we are from India."

Our encounter with Santos evoked notions of distance and space that bore little relation to geography. It spoke much about who is considered a traveler and who an American.

America's rigid racial dichotomy is replicated in travel: Cancun caters mostly to white Americans and some African American tourists — but separately. Even in Mexico, Ameri-

Courtesy: The Philadelphia Inquirer, Sunday Review, November 15, 1998