

JAPAN

The maverick wins



Party (LDP), which has run Japan for all but a few months of the past 45 years, elected him as their leader. With 298 votes, Mr Koizumi, who has held both the post and telecoms and health ministerial portfolios, easily defeated his main challenger, Ryutaro Hashimoto, a former prime minister, who gained 135 votes. Mr Koizumi is expected to be approved as prime minister by parliament on Thursday. In the past, the job has automatically gone to the LDP's leader.

Mr Koizumi replaces Yoshiro Mori, whose year-long tenure of the post has been marked by gaffes and blunders, by corruption scandals and by signs that the economy, far from being on the point of recovery, may be slipping back into recession. With elections for the upper house of parliament coming in July, the job of leading the LDP had looked like a short-term and dangerous assignment. But with the desire for change so strong in Japan, Mr Koizumi was able to ride a groundswell of popular support to propel himself into the job.

While Mr Hashimoto leads the largest and best-organised faction within the LDP, Mr Koizumi chose to fight on policy rather than factional loyalty. As a symbolic gesture, he quit his position as chairman of the LDP faction of which Mr Mori had been a member. He was helped too by the fact that the LDP had finally changed the process of selecting its leaders, diluting its time-honoured tradition of back-room dealings which is how the hapless Mr Mori was chosen. This allowed local chapters of the party, with ordinary members rather than professional politicians, to participate in a primary contest, which Mr Koizumi also won handsomely.

Mr Koizumi now has to hope that his grassroots support will help him to get his way. He represents a small group of reformers within the LDP and could easily be outgunned. Nor are the LDP's coalition partners, the Buddhist-backed, New Komeito Party and the small New Conservative Party, natural allies of Mr Koizumi. Nevertheless, the party urgently needs to impress

the voters before the July elections, which is a force that Mr Koizumi may be able to use to his advantage.

Later this week there will be the first indications of just how reformist Mr Koizumi really will be. He will shortly make appointments to senior posts within the LDP and, when elected prime minister, announce his cabinet. In the past, cabinet posts have mostly been jobs-for-the-boys, shared out according to factional and coalition loyalties. "I hope to appoint appropriate people regardless of recommendations made by factions," Mr Koizumi said. Perhaps, but if he does fill his cabinet with radical reformers, he may find that the LDP's powerbrokers in parliament do not back him.

Mr Koizumi's own platform is party reform. In particular, he wants to privatise the post office, an institution of enormous significance in Japan. The post office helps to deliver the LDP's organised rural vote, through the powerful influence of the chiefs of local post offices and their families. Also the postal-savings system is an important source of cheap funding for the government. That in turn helps the construction industry, another big source of LDP support. Although electoral reform, migration and demography are all weakening the political power of the countryside within the LDP, the party still clings to its political roots. Mr Koizumi says he wants to sever the LDP's old rural ties and rebuild the party around the urban majority.

As Japan struggles to overcome its decade-long economic crisis, its financial system is still heavily burdened by bad debt. To tackle these problems, Mr Koizumi has called for tough measures, including a cap on the government issuing any more debt and a shake-up in the banking sector. But these measures, too, some analysts fear, could also be watered down by Mr Koizumi as he tries to get to grips with the LDP's internal politics. Sometimes, even in Tokyo, springtime does not last very long.

Courtesy: The Economist of London.

THE PHILIPPINES

Turning the page

PHILIP BROWNING

WITH the campaign for May 14 congressional elections now in full swing, President Gloria Arroyo is facing some uncomfortable realities of Philippine politics. First, the ballot box may well deliver a verdict rather different from the exalted claims of the so-called People Power II movement that drove President Joseph Estrada from office in January. Second, Mrs. Arroyo's need to establish a broad base for her government and reward those who helped her into office risks serious dilution of the unrevolutionary reform for which the metropolitan middle classes, in particular, are yearning. Many who joined the street demonstrations against Mr. Estrada did so hoping that his demise would lead to a wholesale clean-up of political institutions and that fear of exposure would cause senators to vote according to their beliefs rather than to fiscal incentives. It was hoped too that the amazing revelations of the Estrada trial would lead provincial electors to reject long-established clans and political bosses in favor of a new generation of issue-oriented politicians.

There is progress. The number of "traditional politician" candidates has declined and parties with platforms are getting a little more attention. As Congress is as much elected on local as national issues and is easily susceptible to presidential patronage, it should cause Mrs. Arroyo little problem. The Senate is another matter. To support her claims to People Power, she needs her supporters to sweep the 13 available Senate seats. Active support for the disgraced Mr. Estrada is waning but lingering sympathy exists among many poor people. Mr.



Estrada was indicted on eight corruption charges Wednesday but it is not clear whether this will help the government's cause or lend support to the popular notion that he is being victimized by the Manila elite. Despite the ubiquity of national television, the gulf between Manila and the provinces is wide. In Mindanao Mr. Estrada's successful military offensive last year against the Moro Islamic Liberation Front will win votes from Christians concerned that Mrs. Arroyo's restarting of peace talks is a sign of her weakness. In the Senate race, opposition candidates include high-profile figures like Juan Ponce Enrile, defense minister under the former dictator Ferdinand Marcos and a key figure in the 1986 revolt that deposed him, Gregorio Honasan, leader of two coup attempts against President Corason Aquino; and Panfilo Lacson, Mr. Estrada's top policeman, credited by supporters with reducing street crime but viewed by opponents as a notorious human rights violator. The pro-Arroyo candidates are a

more attractive group, but Senate elections are usually more about candidate exposure and campaign funding than issues. The cost of constant politics in a poor country invites a continuation of the practices exposed during the Estrada trial. Few are entirely innocent. Mr. Estrada's takings were tiny compared with those of Mr. Marcos, whose money still sits in European banks under his family's control. People Power I did not secure a single significant prosecution. If Mrs. Arroyo can get a clean sweep she will have the potential to create a strong administration supported by the ballot box rather than by compromises with the various groups to whom she owes power. But opinion polls suggest that the opposition could win five or six of the 13 Senate seats. That would not be a good result. Mrs. Arroyo is a serious and hard-working president with a competent cabinet and she enjoys international and local business goodwill. But she is already being accused of lacking the toughness needed to make decisions on the basis of national

interest, not political compromises. Military men who helped her into power have been given many posts, sometimes regardless of their reputations. A general relieved of his command after allegations of racketeering has been given the key post of Philippines' representative in Taiwan, a strategically crucial neighbor and a source of much capital. The Church has been rewarded with a presidential ban of a sexually explicit movie passed by the censor. Even the insurgent left has been given an olive branch of dialogue. The business elite is still very much behind her but time and self-interest are already starting to blur allegiances. The influential businessman Eduardo (Danding) Cojuangco has shifted from a pro-Estrada to a neutral position. That is the kind of maneuver which is making life easier for Mrs. Arroyo now but could make it more difficult to deliver reforms like cleaning up the police and judicial systems and making corporations and the rich pay taxes so there is money for roads and schools. The Philippines may be gradually returning to "politics as usual" which case Mr. Estrada and People Power II will be seen in retrospect as having provided good theater but little change. If so the Arroyo presidency will be a watered-down version of the administration of Mr. Estrada's predecessor, Fidel Ramos. That would be a big improvement on Mr. Estrada, but not enough to justify January's short-circuiting of the constitution. Let's hope the May 14 election will prove otherwise. It could give political reform the kind of momentum that Thailand witnessed after the 1992 revolt against the military, later bolstered by the financial crisis. But do not bet on it.

Courtesy: International Herald Tribune.

MALAYSIA

Discord rules

The wagons are circling but not around Mahathir. Is this the last stand?

PENNY CRISP

THE orchestra strikes up for another turn around the dance floor. By now, most Malaysians know the tune. It starts with rising ethnic tensions. Then the economy kicks in sluggish, with future prospects dim. Discord within the dominant ruling party, the United Malays National Organisation, spills out from behind closed doors. Oppositionists are restless. Minor parties in the governing coalition start to squirm. In undertones, the political survival of Prime Minister Mahathir Mohamad is questioned. And with a reshuffling of police cymbals cued by the Internal Security Act, it all ends in jail.

In the nearly 20 years under helmsman Mahathir, Malaysia has followed this score several times, and Dr. M was always smiling at the end. It has been played out again recently, but this time there are none-too-subtle shifts in cadence. Once quick to fall in line behind the prime minister's line, the loyal backing choir is no longer easily assuaged. The Malay electorate, trades unions, businessmen and even members of UMNO are openly standing apart from Mahathir.

In recent weeks the Malaysian Trade Union Congress, the country's biggest labor group, called for an unbridled nationwide picket over various complaints - not least the decline of its state-controlled pension fund. Unionists accused the government of using the fund to help out a politically connected tycoon. "Enough is enough," says congress secretary-general G. Rajasekaran. "The time has come for us to go out and make ourselves heard." In turn, business pressure is rising for a revision of the ringgit peg. Foreign direct investment slowed to a trickle last year. Last week most gross domestic product forecasts plunged from 7% to between 3% and 4%. Capital con-

ditions have sent all the wrong signals," says William Kaye, head of the Pacific Group in Hong Kong. "Few people are now interested in investing in Malaysia because they have a habit of changing the rules all the time." Other grumblings are more familiar. Formerly loyal voters began deserting Mahathir's Barisan Nasional coalition, led by UMNO, after the prime minister fired his appointed successor and deputy, Anwar Ibrahim, in 1998. Electorally the government since has gone from bad to worse, culminating in December with the loss of a formerly safe state seat on Mahathir's home ground. This cut deep into the UMNO psyche, unleashing the previously obedient to start publicly criticising the prime minister. "I don't think there is a problem with UMNO," says Shahriar Samad, a former cabinet minister and current member of UMNO's Supreme Council. "The problem is with the leadership." Once, Mahathir knew exactly where he wanted Malaysia to go. He had a vision - one that most Malaysians largely shared. It encompassed an economy that wasn't a joke. It asserted a strong Malay sector in a racially mixed society. It shook off colonial baggage and stood proudly on its own feet. Now 75, Mahathir has accomplished much of that often through the sheer force of his will. But the payoff is that newly confident Malaysians feel bold enough to challenge him. For them, his vision is no longer relevant. Says James Wang Wing On, a former opposition parliamentarian and now a political columnist for the Chinese-language daily newspaper *Sin Chew Jit Poh*: "For the first time for more than 20 years the outcome of the next elections is very unpredictable." At the moment, a poll two years down the track is the least of Mahathir's worries. In keeping with his habit of firing at all targets when under siege preferably before they realize they are targets



he allowed the police to arrest seven oppositionists on the eve of an April 14 public rally in Kuala Lumpur. The rally, which marked the second anniversary of Anwar's conviction on corruption charges, went ahead anyway. There were no untoward incidents. But as Asiaweek went to press, the activists were still being held under the controversial Internal Security Act (ISA), which allows for indefinite detention without trial. Mahathir claimed the police had evidence that rally organizers mainly members of the Keadilan opposition party formed by Anwar's wife, Wan Azizah Ismail had planned to use bombs and even rocket launchers. Hatta Ramli, a leader of the main Malay opposition group, Parti Islam se-Malaysia (PAS), dismisses the notion. "They have come to a level where they will use any excuse to stifle the opposition," he says. "If they have the evidence, bring the people to court instead of keeping them under the ISA."

"Some people are accusing us of playing politics or playing into the hands of dissidents," says union congress secretary-general Rajasekaran. "But our members are just fed up with the way EPE has managed our money - changed the

rules in clear and utter disregard of the interest of EPE contributors." He says the fund reduced its annual dividend because of bad investment decisions. "Then they had audacity to go and bail out... Time dotCom. Why do these people need to be bailed out from a poor people's provident fund?" On the economic front, a key aspect of Malaysia's "miracle" growth in the 1980s and early 1990s was foreign direct investment by multinationals seeking a manufacturing base. The country regularly pulled up to \$6 billion a year in new investments for manufacturing. That figure was down to \$2 billion last year. Malaysia now ranks below South Korea, Thailand and India.

But the Mahathir broadsides keep coming. He renewed attacks on Anwar while officiating at the country's International Islamic University on April 17. This shows he is "under intense pressure again from within UMNO and the Malay community in general," says columnist Wong. Three trusted lieutenants lost out in UMNO divisional elections this month, indicating that even his powerful faction is losing authority in the party. "The Mahathirian vision is transforming into something else," says Wong. "As the order (in UMNO) becomes more democratic, more centers of power are emerging."

Snipes one middle-ranking UMNO leader: "Mahathir is a desperate man looking for desperate solutions." One day he tries to talk to PAS on Malay unity, the next he talks tough to Keadilan over street protests. "He is trying to tighten the grip on the media, rein in civil servants, woo younger voters and women voters. It's all contradictory. Every day he's trying to do something new." Or something old. Like playing out that familiar tune. One last dance, anyone?

Courtesy: Asiaweek.

CHINA

The puzzle

AFTER 12 days swanning around Latin America, President Jiang Zemin returned home with a fight on his hands. His handling of the American spy-plane incident is the latest test of his political skills in a protracted struggle to ensure a smooth succession to a younger generation of leaders loyal to him, as well as his own elevation to the status of revered, semi-retired elder statesman. His success or failure will become apparent only late next year, at the 16th Communist Party Congress, and at the 2003 session of parliament, where sweeping leadership changes will be announced.

Mr Jiang's remains in control, but he is vulnerable. The spy-plane crisis demonstrated that he can in principle keep relations with America on track despite pressures from hawkish elements in the armed forces and a public opinion that increasingly gives voice to a virulent, anti-western brand of nationalism. But there are many more tests to come. The crew of the aircraft may have gone home, but the plane itself has not, and a row over that was developing fast. Nor is America likely to suspend its surveillance lights, as China demands.

Mr Jiang will also have to formulate a response to a decision by President George Bush on the sale of high-tech weapons to Taiwan. And he will have to decide how to handle the latest snafu in China's relations with Japan, which is wondering whether to grant a visa to a former Taiwanese president, Lee Teng-hui. Mr Lee says he wants treatment for a heart illness in Tokyo, but China's hawks will demand a robust response from Mr Jiang if Japan allows the man condemned by China as traitorous "scum" to step on its soil.

Gone are the days when a Chinese leader could establish foreign policy without reference to public opinion or the political establishment. It was possible, despite the anti-American fervor of the Cultural Revolution, for Chairman Mao Zedong to extend the hand of friendship to Richard Nixon, and in the early 1990s for Deng Xiaoping to establish ties with Eastern Europe's new anti-communist leaders, ignoring pressure from party hardliners to engage in polemics.

Mr Jiang must also be mindful that every major anti-government movement in China in the past century, including the Tiananmen protests in 1989, was fought under the banner of patriotism. The party tries to present itself as the embodiment of nationalism because it knows that, if it fails to do so, its opponents of whatever political hue will try to assume the mantle themselves. The more insecure the party feels, the more it is inclined to pander to nationalist passions. And Mr Jiang does not feel fully secure. His critics in China are already gunning for him. They accuse him of promoting his cronies, of fostering his own mini-cult of personality, and of wanting to cling to power into his dotage in the manner of Mao and Deng. Mr Jiang is 74.

Mr Jiang detained the spy-plane crew for what he probably felt was the minimum length of time necessary to demonstrate his nationalist credentials to a public and party still smarting from the bombing of the



Chinese embassy in Belgrade in May 1999. But there are still many in China who believe he did not go far enough. "The foreign ministry was inundated with letters offering calcium pills," says a Chinese official by which he means that many Chinese felt their leadership lacked backbone in the showdown with the Americans. Given the chance, many Chinese would have staged anti-American protests during the spy-plane affair, as they did after the Belgrade bombing.

Among students in particular, the United States inspires a curious mixture of respect and contempt. Many are attracted by American culture and wealth, yet resent what they feel to be American efforts to hold China back. During this latest crisis the authorities made sure that

calm prevailed on the campuses, but at the cost of making Mr Jiang seem lacking in patriotic fervour, at least in the eyes of students.

Mr Jiang's instinct in the days ahead will be to try to smooth over differences with Japan, just as he would like to establish good working relations with Mr Bush. The problem is that public and institutional opinion in China an increasingly volatile force as the country undergoes painful social and economic change could propel him to adopt a tougher stance than common sense would dictate in order to ensure he maintains his influence in the years ahead.

Courtesy: The Internet edition of the Economist of London.

Directorate General Defence Purchase Ministry of Defence New Airport Road, Tejgaon, Dhaka-1215 Re-Tender Notice 1. Sealed tenders in foreign currency are invited from all bonafide manufactures/dealers/suppliers/indentors (enlisted firms in DGDP only) for supply of the following stores/equipments required for the use of Defence Services: SI No Description of stores/equipments Date of selling From To Date of opening Currency Tender No a. Electro Medical Equipment/Instruments (Various Types- Total-03 Items) Double Envelope System 25-4-2001 03-5-2001 07-5-2001 Foreign 214/235/EM/P-3 b. Electro Medical Equipment/Instrument (01 Item) Double Envelope System 25-4-2001 03-5-2001 07-5-2001 Foreign 214/236/EM/P-3 2. The tender schedule with detailed specifications/conditions will be available at the fixed rate (Non-refundable) on any working day between 0800 hours to 1200 hours. The tender will be opened at 1005 hours on above mentioned date in presence of all available tenderers. ISPR/Misc/2001/364 DFP-10417-22/4 G-757 Major For Director General

গ্যাস জাতীয় সম্পদ এর অপচয় রোধ করে জাতীয় দায়িত্ব পালন করুন BAPEX Bangladesh Petroleum Exploration & Production Company Limited (BAPEX) (A Company of Petrobangla) Materials Control Department HBFC Building (9th Floor), 22, Purana Paltan, Dhaka-1000 Tender No 123.53.04/2001 Dated: 15-04-2001 Tender Notice Tenders in prescribed schedule are hereby invited from bonafide suppliers/manufacturers/distributors for purchase of stationery goods for the company. Tender schedule consisting terms & conditions and rules & regulations will be available at Tk 500.00 only (non-refundable) per schedule from the company's Accounts & Finance Department, Ibrahim Mansion (3rd Floor), 11, Purana Paltan, Dhaka during office hours from 03-05-2001. No tender schedule will be sold on the date of opening tender. Tender stating description of goods in sealed cover should be deposited in tender box kept at Materials Control Department, HBFC Building (9th Floor), 22, Purana Paltan, Dhaka by 12.00 Hours of 15-05-2001. The tenders received will be opened on the same day at 12.10 hours in presence (if any) of the tenderers. The authority reserves the right to accept/reject any tender or reject all tenders and decrease/increase quantity of goods without assigning any reason. DFP-10362-19/4 G-752 General Manager (MCD)

BFCB Biman Flight Catering Centre ZIA INTERNATIONAL AIRPORT, KURMITOLA, DHAKA, BANGLADESH. PHONES: 8914700-4. CABLE: AIRBANGLA. TLX: 642649 DARG BJ. FAX: 880-02-8913006. E-mail: bfc@bfc.com.bd Rel: BFCB/HS/TENDER/44/2001/198 Date: 15-4-2001 Tender/Re-Tender Notice No 19/2001 Biman Flight Catering Centre (BFCB) invites sealed tender from the experienced contractor/ supplier/ manufacturer for the supply of the following items: SL NO NAME OF ITEM DATE FOR SALE OF TENDER SKD EARNST MONEY (TAKA) REFUNDABLE COST OF SCHEDULE (NON-REFUNDABLE) TIME & DATE OF DROPPING TENDER SKD TIME & DATE OF OPENING TENDER 1. Supply of Mango/ Olive/ Lemon/ Mixed Hot Pickles/ Container/Sachet (Individual) (Re-Tender) From 22-4-2001 to 13-5-2001 1,00,000/- 1,000/- From 10:00 hrs to 12:00 hrs on 14-5-2001 At 14:30 hrs on 14-5-2001 2. Supply of Tea (Tender) -Do- 40,000/= 200/- -Do- -Do- 3. Supply of Disposable Paper Cap (Tender) -Do- 5,000/- 100/- -Do- -Do- 4. Supply of Soyabean Oil (Tender) -Do- 60,000/= 400/- -Do- -Do- Tender boxes will be placed at BFCB premises, Security Gate of Biman Head Office (Balaka Bhaban), Security Gate, Biman Admin Building at Zia International Airport, Biman Poultry Sales & Distribution Centre located at Biman Medical Centre Building, Farmgate, Dhaka and in the Office of the Additional Commissioner (General), Room No 205, Segunbagicha, Dhaka. Bidders may drop their tender in any of those boxes. Schedule of tender alongwith other terms and conditions may be obtained on request in the official letter head pad from the Office of the Manager Finance, BFCB, Zia International Airport, Kurmitola, Dhaka and from the Office of the Additional Commissioner (General), Room No 205, Segunbagicha, Dhaka during office hours on payment of cost of schedule. Any eligible bidder may participate in the tender. BFCB Management reserves the right to accept/reject any or all tender/tenders and also to change the opening date of the tender without assigning any reason whatsoever. If tender opening day happens to be holiday, the tender will be opened on the next working day at the same schedule time. DFP-10534-22/4 G-756 Dy General Manager, BFCB