

JAPAN

After the World Cup, an assessment of gains and loses

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MANY in Japan these days are suffering from a strange feeling of emptiness. Its not that they are particularly missing something that was essential in their daily life, but the end of the World Cup somehow created a situation when they suddenly realized that the charm of football they just started to enjoy has come to an abrupt end. The World Cup in fact established a new sense of understanding that had no match in the country before. In a country where football never enjoyed that much popularity to be considered a national passion, co-hosting the 2002 Korea-Japan World Cup Football finals somehow did lift the image of the game to that high at least for a brief period of time, when even hard core baseball fans were also seen taking keen interest about the tournament. As that month-long enthusiasm surrounding the World Cup is now gradually cooling down, the time has arrived for Japan to assess the overall impact of the show on the country and its ailing economy.

A number of economy related Japanese think tanks earlier predicted healthy fallout of organizing the World Cup on country's economic situation. The Dai-ichi Life Research Institute, for example, estimated the ripple effects of the World Cup on economy around the sum of 370 billion yen or equivalent to 0.1 percent of nominal GDP in fiscal 2002. A number of other pre-tournament assessments also had been optimistic in nature. Most of those conclusions were drawn by taking into account the estimated number of visitors who were supposed to travel to Japan in connection with the World Cup. The ministry of land, infrastructure and transport estimated earlier that approximately 400,000 foreigners would be

visiting Japan during the tournament. The total number of foreign visitors being much less than that estimate, the figures for the economic impact is also now being readjusted to fit in to this reality. Only fragmented pictures in different sectors of economy have so far emerged and it might take a little longer before any overall assessment figure is to be officially released.

The World Cup proved to be a disappointment for Japan's transport sector. The East Japan Railway Company, one of country's leading railway operators, recently released its passenger figure for June, which shows a fall of 2.2 percent from a year earlier. Revenues on company's mid and long-distance railways, excluding those from regular passengers' rail passes, showed a particularly notable fall of 5.4 percent. It should be noted that in long and medium distance routes the company was expecting increasing number of passengers as most of the earlier assessments suggested that World Cup tourists were to take such routes to travel between different venues of the games. The East Japan Railway even increased the number of bullet train operations on days when games were played in different locations of Japan.

All Nippon Airways Company (ANA), Japan's second largest air carrier, also said last week that the World Cup hurt, not helped, domestic flight demand. The number of passengers on ANA's domestic routes in June fell 6.1 percent from a year earlier, while international flights showed a 5.2 percent year-on-year decline. Japan's largest three airlines, the Japan Airlines (JAL), ANA and Japan Air System (JAS), all had earlier cancelled their extended chartered flight operation services between Tokyo's Haneda airport and a number of destinations in South Korea due to lack of pas-

sengers. Earlier expectation that World Cup tourists would frequently shuttle between Japan and Korea had proved to be grossly exaggerated and as a result the airlines are now counting the losses they had to incur due to such faulty prediction.

But the picture is not obviously that bleak in each and every sector. Its true hotel and restaurant industries failed to realize their expectation anywhere near to the fulfillment. But consumer spending remained healthy throughout the period and it's not the World Cup tourists, but the Japanese purchasers who somehow salvaged the situation to a large extent.

The performance of Japan's national squad helped increase sales of football related consumer items. Garment and apparel industry producing shirts and other items used by national team members did a booming business throughout the period. Business related to the World Cup did in fact give a boost to many regions of the country. A number of companies enjoyed brisk sales of FIFA-licensed products.

Even a Sake brewery in Japan's Kanagawa prefecture came out with the unique idea of producing and marketing soccer-ball-shaped bottles throughout the period of the tournament. Although it has not yet been known how much profit the company did make with its football related sake, different estimates do suggest that the sale figure was quite impressive.

On the other hand, Japanese media's focus on the World Cup players and their private lives lured an unexpected group of soccer fans: women, many of who didn't hesitate to spend some extra money to purchase items related to their newly found idols. Magazines and television programs are still fanning the popularity of footballers among women. Women were also heavier spenders during the World Cup. A

survey carried out in late June by Tokyo FM radio station did come up with some surprising results. It revealed the fact that Japanese women spent 14,536 yen on average on football wear, towels and magazines, while the figure for men stood at 11,911 yen. Although around 40 percent of those surveyed said that they didn't spend anything on the World Cup, those who did were in fact big spenders.

One radio listener, for example, spent about 300,000 yen on tickets, accommodation and transportation, while another purchased a large screen plasma-display television set for the game spending several hundred thousand yen. Other incidental economic benefits include greater spending by women on food, such as ordering pizza or other home delivery food items while watching World Cup games.

Meanwhile, the government of Japan has upgraded its monthly assessment of country's economy for the first time in two months. In its monthly economic report for July released last week, the cabinet office indicated that movements of an incipient recovery could be seen despite the fact that economy continued to be in difficult situation. In its May assessment, the cabinet office declared that the economy bottomed out and left the assessment unchanged in June. The latest assessment reflected a recent surge in exports and signs of recovery in industrial production. As the report doesn't mention much about the impact of the World Cup on the process of economic recovery, it becomes obvious that the real impact, if there is any, is supposed to be only fractional compared to the other stimulating factors like a surge in Japan's export or country's increasing industrial production.

US-DPRK

Prerequisites for progress

RALPH A. COSSA

WILL the U.S. and North Korea ever sit down and talk? In all probability, yes! But the odds remain strong that the dialogue, when and if it happens, will largely remain a dialogue of the deaf.

The June 29 North-South Korea naval engagement off the Korean west coast, which resulted in 5 ROK and an unknown number of North Korean sailors (estimates range to 30) dead or missing rightfully delayed the beginning of U.S.-DPRK dialogue that had tentatively been scheduled for July 10. But it is important to note that the naval clash was not the only, or even the primary, reason given for the postponement.

The July 2 U.S. State Department announcement rescinding Washington's offer to send Assistant Secretary of State for East Asia James Kelly to Pyongyang cited the lack of a timely response to its offer as well as the "unacceptable atmosphere" created by the North-South naval engagement. This sent two clear signals. First, North Korea's behavior toward the South affects U.S.-DPRK talks. Second, Washington is not going to tolerate the unprofessional diplomatic behavior that has long characterized interaction between Pyongyang and Seoul.

Pyongyang frequently makes Seoul wait until the last minute (or beyond) before responding to ROK initiatives, as Seoul seemingly pleads for a response and continues to adjust to the North's inconsiderate whims. Washington, it appears, will not play this game. The next time Washington offers to send a high-level emissary, Pyongyang needs to respond promptly and directly, in accordance with standard diplomatic protocol.

The next U.S. offer may (or may not) come later this month when the region's Foreign Ministers meeting in Brunei on 31 July for the annual ASEAN Regional Forum Meeting. U.S. Secretary of State Colin Powell is scheduled to attend, as is ROK Foreign Minister Choi Sung-hong and (presumably) DPRK Foreign Minister Paek Nam-sun as well. Of course, whether Minister Paek will show up remains anyone's guess; he inexplicably skipped last year's meeting in Hanoi, avoiding what would otherwise have been the first direct high-level DPRK contact with a senior Bush administration official. His absence again this year will, in and of itself, speak volumes about Pyongyang's willingness to engage in serious dialogue, not only with Washington and Seoul, but with its other Asian neighbors as well.

Even if the two sides agree

eventually to sit down and talk — Washington's "any time, any place, without preconditions" offer to talk reportedly remains on the table — the negotiations appear destined to be unpleasant. In a little noticed speech on America's East Asia policy in early June, Secretary of State Colin Powell laid some specific prerequisites for progress that may further reduce Pyongyang's incentive to begin a dialogue with the Bush administration. While none of Powell's prerequisites were particularly surprising and all have been mentioned before, his 10 June speech to the Asia Society in New York seems to cast them in stone.

Powell stated explicitly that "progress between us will depend on Pyongyang's behavior on a number of key issues." More specifically (to paraphrase), Powell insists that the North:

! Must get out of the proliferation business and eliminate long-range missiles that threaten others;

! Must make a much more serious effort to provide for its suffering citizens (to include greatly improved monitoring and access to insure the food provided by Washington and others gets into hungry mouths);

! Needs to move toward a less

threatening conventional military posture (by living up to its past pledges to implement basic confidence building measures with the South); and

! Must come into full compliance with International Atomic Energy Agency safeguards (as called for in the Geneva Agreed Framework, which Washington remains committed to following, according to Powell).

This appears to represent yet another hardening of Washington's position; at a minimum, it certainly places "without preconditions" in a new context. Powell's remarks should leave few illusions about Washington's determination to hold a "comprehensive" dialogue that addresses all of its Peninsula security concerns. On the positive side, at least it does not draw any further links between North Korea and Washington's war on terrorism, President Bush's earlier "axis of evil" comments notwithstanding.

Of course, Pyongyang is no stranger to prerequisites; it has a number of its own, to include a withdrawal of all U.S. forces from the Peninsula, and has traditionally been quite unyielding when it comes to dialogue either with Washington or Seoul on this point.

Earlier this month, it added an interesting new demand, insisting that Seoul tear down the statue of General Douglas MacArthur that proudly commemorates his landing in Inchon, which Pyongyang claims represents an "insult" to the Korean people. Pyongyang also seems more comfortable blaming Washington for everything that happens than it does discussing ways to avoid crises and misunderstandings ??it claims Washington "orchestrated" the naval incident and has demanded an apology for U.S. "backstage manipulation" of the incident.

Unless both sides are prepared to move beyond their seemingly unyielding positions, the prospects of meaningful future dialogue appears slim. All eyes will be on Bandar Seri Begawan, first to see if Minister Paek indeed shows up and then to see if the two ministers can set a more positive tone for future dialogue than the one that currently exists.

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WEST TIMOR

The forgotten territory

ELCID LI

IN Kupang in the 1980s I sometimes heard a salvo fired at the Heroes Cemetery about a kilometre from my home. The next morning I would see a new grave. Another soldier or police officer had died in battle in East Timor. When I returned to Kupang at the end of 2001 I saw the body of a little girl. She had died of hunger in the Noelbaki refugee camp near the city. Her grave was dug among other little graves on the land belonging to a local resident.

In the past it was like a myth - I heard from an uncle about the road running with blood at the Santa Cruz cemetery in Dili. Now I feel that what happened in East Timor could also happen in West Timor, as if death had moved from one place to the other. West Timor today is like the dark side of the moon, where the sun never shines. Perhaps only some dramatic massacre will open the eyes of the world.

Antonius Seran Wilik, a retired teacher in Belu district near the border with East Timor, will not easily forget the date 4 September 1999. On that day he took 42 East Timorese refugees into his home. The Raihat refugee camp would be built there later. But it was not the first time the Raihat sub-district, which borders directly with Bobonaro district in East Timor, had seen refugees. The first time was 1946, just after the Second World War. The second was 1975, when East Timor was in upheaval and Indonesia came in and took over. There were even still stories of refugees from a war in Manufahi in the 1880s.

If in 1975 the refugees numbered about 4,000, in 1999 there were about 24,000 - for a population in Raihat of only 7,000. As a respected local leader, Antonius Seran Wilik ordered six square kilometres of traditional land to be set aside for

the refugees. They were also allowed to live in the gardens and backyards of the locals. Antonius said the refugees came from an area that had traditionally supplied brides for his people. Belu district has the same language and culture as East Timor. The 1999 refugees were on the whole greeted as if they were relatives.

At first the world took a lot of notice of the refugees. But when three staff members of the United Nations High Commissioner for Refugees were murdered on 6 September 2000, nearly all international agencies helping the refugees pulled out of West Timor. Reduced assistance for refugees placed an increasing burden on the locals. Theft increased in the town of Atambua near the border. Forests in South Belu were chopped down and turned into agricultural land. No locals had ever dared to cut down those trees for fear of being fined. But the refugees just said 'we are defending the red-and-white (flag)', and after that the law was powerless. The locals knew this was illogical, and they worried about droughts and flooding for generations to come. But the refugees were hungry, and they were relatives. The province of East Nusa Tenggara of which West Timor is a part is the poorest in Indonesia.

Military

The slow rate at which refugees were returning proved that the militias retained a strong influence in the West Timor camps. They used guerrilla tactics to avoid handing over their weapons to the military. Anyway, many of them had been soldiers, or trained by them. It is common knowledge that the weapons are still there, even if they are not openly visible.

The area near the border has become heavily militarised. In January 2002 there were an estimated five battalions. Although

some welcomed the increased military presence because it would control the militias dangerously frustrated with the new Jakarta policy, many feared that West Timor could be turned into a military operations area as in Aceh or Papua.

As in East Timor Bishop Belo became a symbol of the people's resistance, so in West Timor the Catholic Church speaks out through the priests. In Kefamenanu, priests rejected the establishment of a base by Infantry Battalion 744, formerly from East Timor. The commander of the Udayana military area, based in Bali, said to them in a meeting: 'Who will look after the priests' safety if not the soldiers?' There have been instances of intimidation against the church. A homemade bomb was found at the bishop's palace in Atambua.

Refugees

No one knows how many refugees there are - numbers are a political commodity for all those involved, both the government in East Timor and Untas, the refugee umbrella organisation. Untas, who said it was too early to ask them to make up their minds, sabotaged a survey of refugees in 2001 that wanted to ask their intentions. The survey resulted in numbers that were quite incredible.

Official assistance for the refugees ended on 1 January 2002. This is a risky way to force them to make up their minds whether to go home or stay. Some are already using the word 'new residents' rather than 'refugees' to describe them. They had enough food stored to last them until May, but after that things could get tense. Hunger can drive people to desperate acts. The Udayana commander has threatened to shoot rioters on sight. They have been living in these basic camps for nearly three years now.

They feel like hostages against the possibility of international sanc-

tions against those military officers who committed crimes against humanity in East Timor. Once again, the little people have become the victims. Moreover, many West Timorese feel that political turmoil in Jakarta has resulted in scant attention being paid to peripheral areas such as their own. One local politician has called for UN intervention. However, this remains a sensitive issue.

While the new country of East Timor obtains a lot of international help, West Timor gets none. Not surprisingly, many farmers near the border have turned to small trade across the border. The trade profits the soldiers and police guarding the crossings too. They take Rp 5,000 (one Australian dollar) in 'safety money' for every box that passes by. A young Brimob policeman told me he earned Rp 300,000 a day that way.

The situation in West Timor is like a boil waiting to burst. First, unless the refugee problem is solved, it will lead to conflict with the locals, especially over land. Second, the continued presence of the militias, although now more or less clandestine, has introduced a volatile element. In a stressful situation these people create fear. They feel they are at war and the law does not apply to them. Third, the excessive number of soldiers to guard the borders is becoming a burden on the local population.

I now place my hope in Xanana Gusmao and his offer of reconciliation. His visit to Atambua on 4 April 2002 did much to counter the negative campaign in the camps that there would be a revenge attack into East Timor once the United Nations was gone. May President Xanana bring peace to us all.

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