

HA-16 27/12

# Pluses and minuses

R-ACN ASEAN

**I**T WAS a polite no. The Fourth ASEAN Informal Summit in Singapore decided that India did not merit inclusion in an expanded "ASEAN+4" process and that it was "too early" for a separate ASEAN+India meeting. This gentle, polite rejection from the suave Prime Minister of Singapore, Mr. Goh Chok Tong, should have hardly come as a surprise. At a time when ASEAN is preoccupied with itself, India could have hardly expected a "Look-West" posture from the regional grouping. According to sources, India asked Singapore to push its case to become part of the ASEAN+3 (the three are China, Japan and South Korea) when the External Affairs Minister, Mr. Jaswant Singh, visited Singapore earlier this year.

The inclusion of India in the "plus three" process or a separate summit is hardly a priority area for the ASEAN. Though there have been several high-level contacts with ASEAN countries and a visit by the Prime Minister, Mr. A.B. Vajpayee, is expected in January, India remains on the fringes of the regional grouping. The country's strength as an information technology (IT) powerhouse is beginning to sink in; but India is still to catch the imagination of the ASEAN. Singapore, however, is forging links with India and these are no longer restricted to the thousands of expatriates who have come to work in the island nation in the IT field. Countries such as Vietnam, Laos and Cambodia, of course, have a different equation with India.

For India, its request came at a bad time. The ASEAN, as a whole, seems to have lost its "tiger" image. While Singapore, Malaysia and Brunei continue to perform well, the attractiveness of the region to the rest of the world has dimmed. Some in the ASEAN feel that the inclusion of Vietnam, Laos, Myanmar and Cambodia in the regional organisation has not helped; now the "first tier" must carry the burden of the other less-developed nations.



The leaders of Japan, South Korea and China, Mr. Yoshiro Mori, Mr. Kim Dae-jung and Mr. Zhu Rongji, in Singapore for the ASEAN+3 meeting... neighbours joining hands.

**The ASEAN appears to be pulling in different directions as national concerns in the regional grouping come to occupy centre stage.**  
**AMIT BARUAH on its recent meetings.**

Even the ASEAN+3 is a new process and needs time to stabilise. There are no immediate plans for a grand East Asian summit and at the summit meeting it was agreed that officials would discuss the issue of an East Asia Study Group further. As chairman of the Fourth Informal Summit, the Singapore Prime Minister stressed the importance of the

United States, which is out of this loop.

It also appeared that countries such as China and Japan were cautious in moving ahead with plans for a more formal East Asian grouping. The Chinese view is clear. The linkages have to be established gradually. Beijing is in no hurry to announce any grand East Asian forum while remaining focussed on promoting economic cooperation.

Interestingly, the Chinese, Japanese and South Korean leaders, who met over breakfast on the sidelines of the ASEAN+3 summit, decided to hold "regular" annual meetings without giving it any formal title or designation.

A day after the summit ended, the Indonesian President, Mr. Abdurrahman Wahid's bitter attack on Singapore's Senior Minister, Mr. Lee Kuan Yew, was reported by both *The Jakarta Post* and *The Straits Times*. According to the transcript of his remarks published in *The*

*Straits Times*, Mr. Wahid said: "Lee Kuan Yew thinks I will be stepping down soon. I don't want to blame him because many people in Indonesia also think like that. Let's just wait and see."

A statement by the Singapore Foreign Ministry said on the issue: "Senior Minister Lee Kuan Yew has not publicly criticised the Indonesian elite. Nor has he said that the days of President Abdurrahman Wahid's Government are numbered. Senior Minister Lee had no reason to say or suggest this to President Abdurrahman Wahid."

The Indonesian President, in his remarks, went as far as to suggest: "When I met (the Malaysian) Prime Minister (Dr.) Mahathir (Mohamad)...I asked him why he did not control the water supply to Singapore..."

Indonesia, which has been described by some as the "engine room" of ASEAN, is clearly in a bad way. The images from Indonesia are not investment-friendly as the giant archipelago battles with separatism, ethnic and religious tension, and tries to come to terms with KKN (the Indonesian term for corruption, collusion and nepotism). If the "engine room" is unhappy or irritated, the prospects for the ASEAN ship are not terribly exciting. That having been said, there is little doubt that Mr. Wahid's "suggestion" to turn off Singapore's water supply is very damaging and does not serve the much-touted cause of ASEAN solidarity.

Another major problem for the ASEAN is Myanmar. At a time when the ASEAN is tomming the miracle of IT, a fax machine requires a licence in Myanmar.

The ASEAN appears to be pulling in different directions as national concerns in the regional grouping come to occupy centre stage. The linkage with a more attractive East Asia appears promising but the ASEAN needs to get its act together for economic linkages with China, Japan and South Korea to become more meaningful.

# ASEAN report wants enhanced role for U.N.

By Amit Baruah

SINGAPORE, DEC. 4. The ASEAN Eminent Persons Group (EPG) has said there was a need to revamp and enhance the role of the United Nations to make it a global coordinator for the establishment of international institutions and help less-developed countries prepare for globalisation.

In a report submitted to ASEAN leaders recently, the 10-member EPG said the U.N. and its specialised agencies "appeared relatively weak, both in terms of resources and authority". "What is more important is they (the U.N. and the specialised agencies) may lack the credibility and trust from its member States, especially the major world powers," the report said.

It, however, suggested to ASEAN Heads of Government that the grouping should invite the U.N. Secretary-General to have consultations at the ASEAN Post-Ministerial Conference process as well as the ASEAN Regional Forum (ARF).

The ARF, the EPG said, should be focussing on the restructuring of the U.N. system and ASEAN, as the driving force of ARF, may be faced with the task of making the Forum more effective.

"Recognising that the ARF is a

forum for political and security dialogue and whilst resolving issues and conflicts is a long way off, there may be certain expectations for it to be more responsive in addressing particular issues. For example, contributing to existing efforts to further promote peace and stability in the Korean peninsula, addressing the impact of globalisation on security, or forging a common stance on disarmament issues," the report stated.

The ARF, the EPG suggested, should also develop a consultative session where representatives from a specific country or countries or organisations or civil society groups can be invited to participate in the session on specific issues.

"To ensure the effectiveness of discussions in the ARF, better preparations for meeting are needed. We would like to propose a briefing by the Secretary-General of U.N. or his representative on the status of international security issues of interest for ASEAN, such as peace-keeping and disarmament," the report stated.

Interestingly, the EPG has suggested that ASEAN Heads of Government "get more involved" in the ASEAN process to underline

that the grouping was acting in concert.

Referring to the large number of ASEAN meetings, the EPG said there was a sense that the proliferation of meetings and discussions some how do not permeate to the peoples of ASEAN and to outsiders that ASEAN was acting in concert.

"Indeed, we strongly feel that the Heads of Government should take full ownership of the ASEAN programme — that is, ASEAN matters should be dealt with in general at that level. The EPG feels that ASEAN Heads of Government should work towards making this goal a reality. The ASEAN mission as it were should not be seen to be primarily moved by the respective Ministries, but rather by the Heads of Government acting in concert," the report said.

"Last, but not least, more frequent dialogue among the Heads of Government would increase their personal understanding of one another, and promote general goodwill to a far greater degree..." the EPG added.

On economic issues, it said as ASEAN economies are developing at a different pace, economic measures should at least be two-track. "The objective is to reduce the gap among the economies,

whilst not impeding the more developed economies to plug in fully to the new knowledge-based economy."

It suggested that ASEAN take a leading role in building a regional financial architecture, particularly in exchange rate management. According to the report, ASEAN economies should also work closely in the IMF, World Bank and the Asian Development Bank.

"We make no firm recommendation on the further implementation of AFTA (ASEAN Free Trade Area) except to reiterate that member States should view implementation as a matter of priority to stimulate trade and growth in the region. It must be said that the vision to create a new economic environment in ASEAN has already been taking place, although it is likely to be delayed due to the economic crisis, and the problems faced by transition economies. The accelerated implementation of AFTA measures is seen as a bold step, but it should be taken with courage," the report said.

It said there was also a case to promote the ASEAN Investment Area, not just in the region, but abroad.

THE HINDU

5 DEC 2000

E.U. / TALKS ON WITH 14 NATIONS FOR MEMBERSHIP

# Massive protests mar Nice Summit

By Vaiju Naravane

**NICE (FRANCE), DEC. 7.** The European Union's 15 Heads of State and Government began their summit meeting in the southern French resort town of Nice on Thursday as demonstrators clashed violently with the police, resulting in injuries and massive material damage. Nice is covered in a blanket of fine drizzle and tight security with hundreds of sharpshooters taking positions on roofs.

The demonstrators, who had gathered in Nice from different parts of the world, burnt cars and broke several shop windows and set

fire to a bank as they attacked the heavily armed riot police.

The President, Mr. Jacques Chirac, the Prime Minister, Mr. Lionel Jospin, and the European Union's President, Mr. Romano Prodi, in a joint press conference, condemned the violence. "There have been serious incidents. Policemen have been attacked, shops broken and the demonstrators have tried to hamper the proceedings of the summit. Such acts go against the principles which the demonstrators are trying to defend", Mr. Chirac said.

The 15 E.U. leaders held a meeting in the morning with representatives of 14 countries

which are candidates for membership of the European Union. Mr. Chirac said the talks had been extremely positive.

Mr. Prodi said the summit was taking place at a critical stage for Europe. Reform, he said, was absolutely essential. He also said that Europe was determined to proceed as quickly and as transparently as possible with a great sense of responsibility towards its enlargement. "We have political obligations but also a moral one to ensure that this summit meeting is a success".

The demonstrators, who flooded the streets of Nice, are demanding greater guarantees in terms of wages, job security, health care, pensions and similar benefits known as the social chapter. However, it is not evident that an agreement will be reached easily and the summit is likely to be marked by tensions.

Big countries such as France, Germany and Britain appoint two of the 20 European Commissioners (Ministers). A new system will be required to cope with the enlargement which will go upto 27 states. Smaller countries such as Ireland or Austria insist that they would like to retain the Commissioners they already have. Twenty per cent of the decisions still require unanimous approval and the summit is expected to allow decisions by a system known as Qualified Majority Voting (QMV). However, Britain and Luxembourg want to retain a veto on issues of national interest. None of the 15 can agree on the issue whether the veto should be retained.

Mr. Prodi sounded a cautious note and said that an agreement would have to be reached with everybody making compromises. He would, however, not pronounce himself on an absolutely positive outcome. The summit officially ends on Saturday, but is likely to carry on upto Sunday night or even to the early hours of Monday so that a final document can emerge.

THE HINDU

8 DEC 2000

# Protesters join EU summit

CHARLES BREMNER  
THE TIMES, LONDON

NICE, Dec. 7. — The glamour of the Cote d'Azur was swamped by a sea of proletarian protest yesterday as the city of Nice raised the curtain on a European summit.

The Nicois almost deserted the town centre as a demonstration by 60,000 people vented their wrath against Capitalism. Their target was the EU's new Charter of Fundamental Rights, to be adopted this week, which many see as worthless.

The EU institutions designed in 1957 for six countries have to be re-tooled to work for 27, adds AFP. It is a complex issue requiring the 15 current members — all intent on expanding the EU into the former Soviet Bloc and the Mediterranean — to sacrifice some of their national sovereignty to make it succeed.

Many are reticent, and a few are saying "no". A group of experts known as the "Inter-



Demonstrators with a banner of Che Guevara reading "Hey, big chiefs, how's Europe doing?" march through the streets of Nice on Wednesday. — AP/PTI

Governmental Conference" has been wrestling with reform for nearly a year without success.

Riot police shielded EU leaders from the protesters as they left the airport last night for hotels around the Promenade des Anglais seafront.

The demonstrators, many from Anti-globalisation International, arrived from around Europe seeking to turn Nice into a happening comparable with the 'counter-summit' of protest at last December's Seattle world trade gathering.

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Two forces blended in the march, which skirted the ugly 'Acropolis' municipal conference centre — the venue for the negotiations. First came the traditional trade union Left, dominated by the snappy banners of the French, Italians and Spanish and a sprinkling of Britons. Their demand was more social rights and the enforcement of the new charter by law.

Marching with her Unison Public Service Union, Ms Candy Udwin, a London official, said it was time to force Brussels to stop pushing the free market and to start helping people. Other Britons told French radio that the Continent had only to look at England to see the disaster of privatised public services.

More spectacular was the second demonstration, a noisy march by the Leftists, environmentalists, Anarchists, neo-hippies and others who make up the anti-globalisation movement that first emerged as a force in Seattle.

THE STATESMAN

8 DEC 2000

49-16  
E.U. SUMMIT / DEMONSTRATIONS CONTINUE

# Aspirant nations sign rights charter

By Vaiju Naravane

9/12  
NICE (FRANCE), DEC. 8. European Union leaders today began serious discussions about ways to bring about an agreement that will usher in substantive reform so that the community could be enlarged eastwards.

Some 14 countries are on the list for E.U. membership, most of them former Soviet bloc satellite states but also Turkey, Cyprus and Malta. On Thursday, they signed the Charter of Fundamental Rights, which could remain a dead letter, since it will not be binding.

Over a working dinner on Thursday night, discussions were reportedly frank and sometimes brutal. The E.U. spokesman, Mr. Jonathan Foll, today suggested that a consensus appeared to be emerging over the thorny question of reforming the E.U.'s outmoded institutions. Informed sources say the compromise would consist of deferring the question of reducing the number of E.U. Commissioners until January 2003 when enlargement physically begins to take place.

At present, each member nation has at least one Commissioner and small countries such as Austria, Denmark, Holland or Luxembourg have tenaciously held on to this privilege. Large countries such as France and Germany are in favour of a rotating system which would reduce the total number of Commissioners.

The most bitter debates are expected to centre around the curbing of the use of veto powers. At the moment, over 20 per cent of the E.U.'s decisions, evidently on the most key issues, has to be done by consensus.

The European Commissioner Mr. Mi-



European leaders stand at rear during the signing of the European Charter of Fundamental Rights by representatives of the nations aspiring to join the E.U. at the Nice Summit on Thursday. — Reuters

chel Barnier, described the Summit as "the toughest we have ever witnessed. Every leader has his national interests at heart and there will have to be a genuine give and take if we are to get somewhere."

The British Prime Minister, Mr. Tony Blair, has said he will accept Qualified Majority Vote (QMV) in 17 of the 52 areas under discussion. He says he will not give up his veto on taxation, defence, social security, border controls or changes to the E.U. treaty.

Germany wants to retain its veto on immigration and asylum policies. Greece on

the question of transport in order to protect its shipping interests.

The Luxembourg Prime Minister, Mr. Jean-Claude Juncker, said: "We cannot afford to fail."

While there was agreement on the creation of a European Health Authority, the 15 leaders failed to extend the temporary six-month ban placed on the use of meat and bone meal for animal feed. Despite the apparent determination by the leaders to put up a unified front, the first dissensions began emerging on the opening day of the Summit itself.

The French President, Mr. Jacques Chirac's remarks that the newly-created European Rapid Deployment Force would coordinate with the NATO but remain independent of the latter in planning and implementation, drew an immediate reaction Mr. Blair and his Foreign Secretary, Mr. Robin Cook.

Mr Blair said there was no question of Britain agreeing to an independent planning capability for the force. Echoing Mr. Blair's remarks, Mr. Cook said: "The E.U. attaches importance to the guaranteed permanent access to NATO's planning capacity; and that is the basis on which we will be developing any E.U.-led operation. Europe will only carry out operations where the NATO is not engaged. If NATO wants to be engaged, it has first call."

After the violent clashes which marred the opening of the Summit — both Mr Chirac and the Prime Minister, Mr. Lionel Jospin, received a whiff of the tear gas shells police were exploding just outside the mammoth Acropolis building where the Summit is being held — an uneasy calm has returned to Nice with demonstrations being staged against the arrest of protesters yesterday.

Trade unions and anti-globalisation demonstrators who were trying to hold a counter summit were repulsed with force by police in this Riviera city where the extreme right is strong.

A local official made no effort to disguise his distaste for the demonstrators whom he described as being "no friends of mine". Twenty policemen were injured, one of them seriously, while over 60 persons were arrested.

THE HINDU

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40-12 X E.U. SUMMIT / INSTITUTIONAL REFORMS TURN CONTENTIOUS 10/12 tk

# Members reject French proposals

By Vaiju Naravane

**NICE (FRANCE), DEC. 9.** No one except the French seems to have found much to commend in the compromise document proposed by France at the European Summit underway here. France, which holds the rotating European presidency, has managed to raise the hackles of practically everyone, including Germany, its closest E.U. ally.

Using what has been dubbed "the confessional method", the French President, Mr. Jacques Chirac, and the Prime Minister, Mr. Lionel Jospin, held long, closed-door sessions throughout Friday evening and night, with all the E.U. leaders turn by turn. On Saturday morning, they came out with a compromise proposal which had the singular quality of displeasing everyone. Under the compromise plan which attempts to tackle the four pressing areas of E.U. institutional reform, namely: weighted voting, the size of the Commission, the ceding of veto powers in certain key areas in favour of Qualified Majority Voting (QMV) and budgetary flexibility, the French have proposed the following:

That the present vote parity between the big four — France, Germany, Italy and Britain be retained. Each of these countries currently has 10 votes. France suggests these be multiplied by three to total 30 votes each. Spain would

then have 28 votes while the tiny Duchy of Luxembourg would retain its present three votes. Under the French formula, the large countries' votes will be multiplied by three, those of medium sized countries by two and a half, while small countries will see their votes doubled.

But these proposals have brought out the ire of medium sized nations such as the Netherlands which refuses to accept that a country like Poland, because of its larger population, will end up with more votes.

In exchange for this reduction in votes, France has proposed that the big four nations will lose one of the two Commissioners they have at present when the next reshuffle of posts takes place in 2005. Under the compromise formula, all the countries will retain at least one Commissioner until this date. But once the E.U. has been enlarged to 27 members or by 2010, the number of Commissioners will be limited to 20, the posts being attributed through rotation. France has also given to the German request for an examination of ways and means to simplify the European Treaty.

The small countries are likely to reject this proposal because they appear determined to retain their Commissioners at all costs.

Several officials today described the situation as being "extremely tense" and said there was generalised resentment over Mr. Chirac's

"blatant attempts to bully" them into accepting greater budgetary flexibility. His efforts to allocate more to the farm sector in order to defray the costs created by the crashing beef and animal feed markets were stonewalled by his European partners and the French President had to give in on this point.

On the question of QMV and the ceding of veto powers in key areas too, there was no agreement. The British Prime Minister, Mr. Tony Blair, flatly refused to give up his power of veto over anything concerning fiscal policy, defence or immigration and the British press had a field day carrying reports on the friction which reportedly marked the dealings between the two men.

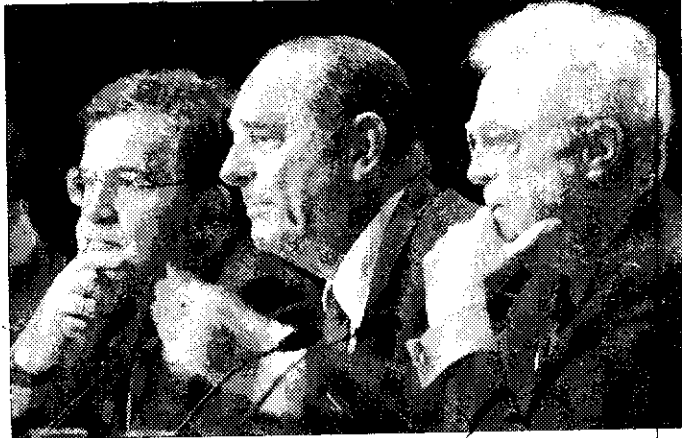
The German Chancellor, Mr. Gerhard Schroeder, too made it plain that he would not go along with French proposals for budgetary flexibility or give up his veto on the question of immigration and asylum. As expected, national rather than European interests continue to dominate the Summit.

France's "arrogant" handling of the negotiations has also come in for severe criticism, especially from the smaller countries such as Austria, Finland, Ireland and the Netherlands. Commission officials say that the Commission President, Mr. Romano Prodi, is likely to step in to break the impasse.

THE HINDU

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# Marathon EU summit ends with reforms pact



French President Jacques Chirac (centre) addresses the summit - Reuters

## RUETERS

NICE, FRANCE, DEC 11

THE longest summit in European Union history ended in hard-fought compromise on Monday, approving reforms to streamline the EU's decision-making before it expands to embrace formerly communist Eastern Europe.

A late-night stand by Belgium, the last to resist what the smaller states saw as a power grab by the EU's 'big boys', threatened to scuttle the complex deal to reshuffle the votes of member states on the policy-making Council of Ministers. But the Belgians finally accepted France's third proposal, ending a gruelling battle to redraw power lines in the bloc before the EU takes in up to 12 new members, mostly from east of the former Iron Curtain - a process expected to start in 2004.

"This summit of Nice will go down in European history as a summit that shaped the Union," President Jacques Chirac, who hosted the meet in this Riviera resort that crowned France's much-criticised EU presidency, said.

Echoing the criticism, European Commission President Romano Prodi said: "I cannot hide from you a certain regret that we did not manage to go further."

While smaller states reluctantly accepted the deal, Chancellor Gerhard Schroeder voiced satisfaction that Germany's influence had grown though it did not win more Council votes to reflect its larger size since reunification.

"Without us highlighting it, Germany's weight has grown," he said. Insisting on more Council votes "would not have helped Europe (and) would have hurt French-German ties in a way."

INDIAN EXPRESS

12 DEC 2000

# Nice summit fails to give EU unified direction

BY JOHN VINOCUR  
*International Herald Tribune*

**Nice, Dec. 12:** In opening the way for the European Union's enlargement into eastern Europe, its leaders have come up with a treaty that re-jiggers details of its organisation but fails one more time to bring the EU a sense of unified power or direction.

Perversely, the pre-dawn agreement on EU reforms at a summit meeting on the French Riviera assures instead the perpetuation of a picture of a complicated, contradictory Europe too self-absorbed to create itself as a more coherent whole before it takes in applicants from the old Soviet orbit over the next five years.

Under the circumstances, this passed for progress here. The European Commission, or executive body, got bigger rather than smaller in the interests of streamlining. Decision-making and power-sharing became more complex with the creation of three levels of voting procedures. Veto rights disappeared where they didn't matter much but were reaffirmed in the areas that continue to reflect the EU's 15 nationalisms and its lack of conceptual and political unity. All this was at the heart of a treaty *originally supposed to have the look of history*, a European redistribution of power for the year 2000 that might echo back to the Congress of Vienna that aligned Europe in 1817 for almost half a century. As it turned out,

this historical spaceholder will last less than three years, because the participants wound up scheduling another intergovernmental conference in 2004. That meeting's specific brief is laying out the lines of competence between central and regional authorities, but in practical terms its existence signifies that everything is

## NEWS ANALYSIS

open for discussion again just a little bit down the road. In fact, the inch-by-inch misery of five days of dispute among 15 member states trying to rationalise the EU's functioning produced only a single long-term certainty: that a European Union with an eventual 27 members

means an increasing focus on a Europe that could subdivide into a system of hard-core task forces created among countries wanting to move ahead in defined areas like the common currency.

The treaty dealt partially with this idea by making it easier for such groups to form. But this runs into the concern that so-called "reinforced co-operation" could eventually serve as a cover for the formation of a political directorate that would group the EU's strongest members and control power.

At the least, this approach conjures up the still-taboo notion of a Europe of many classes and speeds, far from the ideals of an integrated whole. From top to bottom, it was not a happy mix.

The Finnish Prime Minister, Mr Paavo Lipponen, said, "We're going to have to redo this treaty." With considerable elegance, Jean-Claude Juncker, Prime Minister of Luxembourg, the EU member with the smallest population, admitted, "It's rare that I've had such a strong feeling that Europe is a fragile enterprise."

The fragility was in the enormity of detail and in the overriding need of member countries to hold onto prerogatives of prestige and national obsession. Since no country would give up representation on the commission, its size for the middle-term was increased to 27 to accommodate the full slate of potential applicants. This was the opposite of a recipe for greater efficiency.

THE ASIAN AGE

13 DEC 2000



NO, the next occupant of the Oval Office will not be a "lame duck" President of the United States. He will just be the next President. No, he is not being chosen by a handful of judges against the votes of millions of Americans. He is being chosen by millions of Americans in a contest validated by a handful of judges. No, the process is not a shambles. It is the triumph of dignity over shambles.

For a real constitutional shambles turn rather to the "united states" of Europe. This week, Europe showed itself incapable of resolving a federal dispute in a remotely dignified manner. At Nice, the self interests of states swept aside any half-formed political framework in a squabble worthy of the Goths and Vandals.

America's dispute has been conducted amid the courtesies of a public courtroom. Europe's arguments, some pettily bureaucratic, some vitally important, were half-resolved by backstairs intrigue, horse trading, secrecy and spin. Never can the democratic superiority of the American Revolution have been so publicly demonstrated.

Self-governing peoples, so historians claim, never go to war with each another. Nor should they criticise each other's constitutions. All are uniquely imperfect. America's rules for adjudicating close-call elections are different from Europe's. They were designed in contradistinction to the corrupt autocracies of 18th-century Europe. They vested ultimate discretion not in a monarch or state president but in a meticulous process monitored by judges.

No process in politics is pure. Even judges must be appointed by someone. But the institution of the Supreme Court is trusted by a nation schooled in civic law. Even when the court's political integrity is sorely tested, its decisions are respected and do not instigate riot or rebellion. The court embodies the Constitution, as the President embodies the State and the Congress the Union. Britons have been having much fun at America's expense. They have ridiculed Florida's pregnant chads and voting machines. They derided the practice of electing public officials and deplored the legal knights errant who sue with the abandon of medieval champions at a tournament. How much better is Britain, where it needs only Jack Falstaff and Justice Shallow to prick names on a list and the people burst out with the national anthem.

America is passing through the most dangerous crisis known to political history, a dead-heat in a contest for power. Its federal Constitution is on parade, notably its protection of the rights of states. These rights are designed to reflect internal diversity and offer a bulwark against central authority. The electoral college and the



House of Representatives' members of the Florida electoral college being selected in Tallahassee on Tuesday. Delegates at the EU summit in Nice last Thursday.— AP/PTI



## Time-tested, value added

composition of the Senate is thus skewed in favour of smaller states, to guard regional minorities against majority dictatorship.

The current Supreme Court process has seen this federalism tested close to destruction. As a "subsidiarist", I would support Florida's right to decide for itself whom to send to the electoral college. If it sent 25 chimpanzees chosen out of a hat, that would be its own business and no business of Washington judges. True, the partisan nature of the state judiciary has been painfully exposed with each challenge to the validity of individual votes. But that is the system. Leave it to Florida, said the federal Supreme Court last week. Such is the fascination of this argument, that I changed my mind. If the "spoiled" ballots were irregular, then Florida's decision to count them was unfair not only to George W Bush but to thousands of spoiled and uncounted ballots elsewhere in the state.

Now to count only some previously rejected votes, and thus to reverse Florida's already declared result (for Mr Bush), would pollute the entire election. Fair procedure in Florida was thus a federal concern. It was right for the highest court, the "reluctant constitutional fire brigade", to intervene at the weekend. The Supreme Court appears to be as evenly split as the Florida court, as Florida's voters and as the entire American electorate. So what? Such are the centripetal forces of modern democracy that every contest is balanced. Every strategist seeks

There is need for a federal framework in ordering Europe's collective affairs. Given the clash between national and continent-wide interests, such federalism requires a constitution and enforcement. The present EU offers only a creeping authoritarianism. That the federal debate is alive and well is evident this week in Washington, writes SIMON JENKINS

to render any difference invisible or cosmetic.

We are left with flips of coins, nuances of argument, penalty shoot-outs. In this circumstance, all democratic leadership becomes a form

of coalition. If it is sometimes wounded and bleeds, the scar soon heals. Bill Clinton's second term was supposedly wrecked by the Lewinsky affair. He now seems a presidential giant. The system is bigger than the man. That is the virtue of a sound Constitution. Britain, too, has a "presidential" electoral college, called the House of Commons. It too may not reflect the popular vote. In 1951, there were 250,000 more Labour voters than Conservative ones. Yet Churchill had a Commons majority of 26 and became Prime Minister. In 1997, Tony Blair won just 43 per cent of the votes cast. Yet his was declared a stunning "landslide" and he proceeded to form the most centralised government in peacetime. A Florida voting machine is a precision tool against the democratic vagaries of Britain's constitution.

When Britain last had a close call in its electoral college, chaos ensued. As the Callaghan government of 1976 moved into minority, it twisted and schemed and declared itself "prostrate" before its union backers. The Liberals walked in and out of secret cabals. The half-dead were dragged from hospital to vote. The Scots were left over-represented and the Northern Irish bribed with five extra seats, all to keep Labour in power.

As for granting "states' rights" to subsidiary components of the United Kingdom, Downing Street does not know the meaning of the term. Soon after it established devolved assemblies for Scotland, Wales and London, it sought to gerrymander them back under its control. Sub-

national democracy in Britain enjoys no constitutional safeguard. No court defends local government. The head of state is a front for the Prime Minister, the legislature his shop window.

The Blair Cabinet will this week decide how many new houses, to the nearest unit, it will allow on every square mile of every county in England. Not even Lenin assumed such ubiquitous potency. The whim of Downing Street has taken to itself the same untrammelled power as had the Georgian courtiers. It was against just such power that the American colonies rebelled and against which the American Constitution is a standing protest. And the rest of Europe? The European Union has been trying to define its own "states' rights", whether as federalism or a Europe *des patries*, for almost 50 years. It has plenty of experience: Germany, Italy and Spain are all federations. It has plenty of motive, to avert war, promote trade, increase taxes and protect markets. Yet the institutions of European co-operation, essentially French in character, have proved unsuited to proper federation.

They are not truly constitutional, but rather self-aggrandising, secretive and corrupt. The Nice summit was their nadir. The essence of a stable federalism is the entrenchment of the rights of subordinate states and provinces. Their peoples must have security in the scope of their autonomy. They must know where they stand. The twice-yearly battle, conducted amid some extravagant junket, gradually to strip them of power and impose on them more taxes and bureaucracy is the antithesis of federalism. It is more akin to imperialism. For 20 years, the European Union has promised a list of constitutional safeguards, a charter of subsidiarity. That promise is as empty as the pledge to reform farm policy. All that the Brussels Commission seems able to deliver on demand is personal and institutional greed. For it to deride as "anti-European" those who challenge its ambitions shows how corrupted is a once-noble ideal.

Even as a sceptic towards "deeper union", I recognise the need for some federal framework in ordering Europe's collective affairs. Given the inevitable clash between national and continent-wide interests, such federalism requires a constitution and enforcement. These boons the present European Union is plainly incapable of delivering. It offers only a creeping authoritarianism.

That the federal debate is alive and well is evident this week in Washington. It was absent in Europe. America won the democratic argument in 1776. It is winning still.

-- The Times, London.

# An accord of unequals

**T**HE DAY after the conclusion of the marathon European Summit meeting last Monday in Nice, the French President, Mr. Jacques Chirac, who holds the rotating E.U. Presidency until the end of the year, went to Strasbourg, seat of the European Parliament. His attempts to brush off the hostility that characterised the summit and his description of the Nice treaty as a "good agreement" met with a cold reception.

Aware that he would face harsh criticism of France's stewardship of the summit at the hands of Euro MPs, Mr. Chirac, pleading fatigue after the marathon five-day discussions at Nice, took no chances. He spent exactly 30 minutes in the European Parliament, taking no questions from the House and, contrary to tradition, refusing to meet the presidents of differ-

ent parliamentary groups. Later that evening he relented. But the damage had been done.

Mr. Hans-Gert Pottering of Germany, who heads the European Popular Party (PPE) parliamentary group (right wing), fired the first salvo. "You call this summit 'historic', well we just don't agree," he told Mr. Chirac.

He said the meeting had widened the gap separating small and big countries within Europe and furthered disunity rather than harmony in the Union.

But the sharpest criticism of Mr. Chirac came from his own countrymen. The former French Education Minister, Mr. Francois Bayrou, a prominent member of the PPE, said "the results of the summit give cause for despair".

**The treaty signed at the E.U.'s Nice summit has further strengthened the powers of the Big Four and cut the clout of the smaller states, writes VAIJU NARAVANE.**

Mr. Alain Madelin, a Minister under Mr. Chirac when he headed the French Government, said: "Yes, the Nice agreement does open the way for enlarged membership of the Union. But we will be advancing in a thick fog, with a foot on the brake and with the certitude that the

European vehicle will not reach its destination".

Europe's 15 leaders had come to Nice for a summit meeting which was as ambitious as it was crucial. The 15 have agreed to open up membership of their exclusive club eastwards from January 2003 and there are some 13 countries clamouring to be let in. They include former Soviet Baltic states, former Warsaw Pact nations, the Balkan states, Turkey, Malta and Cyprus.

Everyone agreed that unless the E.U.'s present voting and decision-making systems were overhauled, a Europe with 28 members would become ungovernable. At present, each of the 15 member-countries has at least one Commis-

sioner in the Council of Ministers, while the four big players, Britain, Italy, France and Germany, have always had two. However, every country has the power of veto over at least 20 per cent of the E.U.'s most important and sensitive areas of action such as taxation, fiscal policy, defence, transportation, budgetary changes or treaty amendments.

Four major issues were involved at the Nice Summit which the accord did not fully address but merely put off. They are: weighted voting within the Council of Ministers, an extension of the system of qualified majority voting (QMV) to more areas with an accompanying trimming of individual veto powers, the size and composition of the European Parliament, and a re-hauling of the mechanism for increased cooperation or integration for those countries economically and politically in a position to do so — in effect a two-speed Europe.

The Nice treaty has further strengthened the powers of the Big Four and cut the clout of the smaller states. This has angered countries such as Belgium, Portugal, Luxembourg and Austria. While more decisions will now be taken by majority voting, certain key areas such as taxation, immigration or social security will continue to require a unanimous vote. The number of votes allocated to each country have also been re-weighted in favour of the Big Four. But 73 per cent instead of 71 per cent of the votes are now required to win a majority. In addition, there is a double "population clause" which means that the majority should be composed of at least 50 per cent of member-nations and the combined votes should add up to at least 62 per cent of the total population of member-states. This gives Germany an added advantage for its population alone accounts for 17 per cent of the E.U.'s inhabitants. This has also had the rather perverse effect of making the decision-making process even more difficult. Each nation will retain its European Commissioner until 2005. Then the large countries will lose their second Commissioners.

What caused a tremendous amount of distress to the French was Germany's insistence that its superior population be reflected in the Council of Ministers. Germany with its population of 82 million is Europe's giant, both in terms of economic power and population.

The number of seats in the European Parliament will progressively go up as of 2003, when new members begin to join, from the current 626 to a top tally of 728. Germany will retain the 99 seats it now has. France, Italy and Britain will lose 15 seats each and end up with 72 Euro MPs instead of their present 87 each. The other nations will have parliamentary seats in direct relation to their population. Poland and the Netherlands will have 50 seats each. Spain will end up with 50 instead of the 64 seats it now holds.

In the Commission, on the other hand, the Big Four will retain their dominant position with 29 votes each instead of the present 10. Spain will jump from 8 to 27 votes while Holland will have 13, and Greece, Hungary, Portugal, Belgium will have 12 votes each. Germany has been the winner all the way.

THE HINDU

7 30 2003

# Annual East Asia summit proposed

THE STRAITS TIMES  
ASIA NEWS NETWORK

55-12  
26/11  
SINGAPORE, Nov. 25. — An East Asia Free Trade Zone to parallel the Free Trade Area of the Americas? The idea is in the offing, and so is another one which proposes to bring South-east Asian and North-east Asian countries together in an annual 'East Asia Summit'.

Prime Minister Goh Chok Tong told reporters that these were the 'two big ideas' thrown up at an 'Asean Plus 3' meeting between leaders of Asean countries and those from China, Japan and South Korea yesterday afternoon.

A study group would be set up to study the two ideas, he said, and a report should be ready by

the next Asean summit in Brunei next year.

The idea for an East Asia Summit harks back to the East Asia Economic Caucus proposal Malaysia made in the late 1980s, which failed to take off.

The Asia-Pacific Economic Cooperation forum was born instead in the early 1990s, linking 18 founding members on both sides of the Pacific.

Mr Goh said yesterday: "The EAEC had always been a good idea but, at that time, several countries, including Singapore, were not in favour.

"We wanted to get Apec going, because we were fearful that without Apec, we would not be able to bridge the trade blocs on both sides of the Pacific. Now that Apec is firmly established,

we are confident that the East Asia grouping can go ahead."

The Singapore Prime Minister stressed, however, that the idea to bring East Asia together economically and politically was "not an attempt to shut out Washington", as Asean believed firmly in the important balancing role USA played in this part of the world.

"Open regionalism is the key idea," Mr Goh said. He did not rule out the possibility that an East Asia summit might include Hongkong or any other country not currently part of the 'Asean Plus 3' process, but pointed out that these issues would have to be studied further.

He said the suggestions thrown up yesterday reflected a growing East Asian identity,

and would also enhance peace and stability in the region.

Addressing concerns that North-east Asian countries might be a threat to South-east Asia, he said the former's economic growth should be seen as an opportunity.

"The more they grow, the more the investment potential for South-east Asia. They also have a huge market: they'll buy from us," he said.

A framework agreement linking Asean's 10 member-countries was signed yesterday, giving effect to Mr Goh's initiative last year for Asean countries to link up in cyberspace. The summit continues today with three rounds of talks, between Asean and each of the North-east Asian partners in turn.

THE STATESMAN

26 NOV 2000

ASEAN / BID TO REMOVE DISPARITIES

# Initiative for integration on

By Amit Baruah

SINGAPORE, NOV. 25. The ASEAN-10 today announced the launch of the Initiative for ASEAN Integration (IAI) in a bid to remove intra-region disparities in a bid to strengthen the grouping as a whole.

Announcing the launch of this Initiative, the Singapore Prime Minister, Mr. Goh Chok Tong, as the Chairman of the Fourth Informal Summit, said it "provides a framework for regional cooperation through which the more developed ASEAN members could help those member countries that most need it."

The IAI, Mr. Goh stressed, would focus on education, skill development and worker training. These will be key factors in the new economy. "To catalyse IAI, ASEAN members will contribute what they can."

To kick off the programme, Singapore offered, under a five-year technical assistance programme, several training institutes in Cambodia, Laos, Myanmar and Vietnam, to provide IT "train-the-trainers" course and training attachments in its educational institutions.

In his statement, Mr. Goh said ASEAN leaders agreed that to be competitive and achieve regional integration, ASEAN countries must adopt a holistic approach and view the regional as a single economy.

"They agreed that ASEAN should identify gaps in its present

level of cooperation, particularly sectors that are critical to ASEAN's competitiveness in the new economy. These include telecommunications and air, sea, road, rail and river transportation," the statement said.

"The leaders reaffirmed the fundamental importance of political unity within ASEAN and acknowledged the importance of all 10 ASEAN countries participating together in APEC and ASEM. They agreed that Cambodia, Laos and Myanmar should be involved in APEC working groups, with a view to eventual membership," it added.

According to the statement, the leaders of ASEAN, China, Japan and South Korea emphasised the importance of closer cooperation among East Asian countries. "They supported the proposal by South Korean President Kim Dae-jung for an East Asia Study Group. They also supported the proposal by Chinese Premier Zhu Rongji to set up an expert group to study how economic cooperation and free trade relations between ASEAN and China can be deepened."

Talking to mediapersons, Mr. Goh stated that an East Asian summit was not going to happen immediately. Such a process he said would take some time and, meanwhile, ASEAN+3 was the best way forward. About the formation of the East Asia Study Group, Mr. Goh said details of its constitution would be worked out

by South Korea and the ASEAN Secretariat.

To a question whether ASEAN would not get eclipsed by a possible East Asian grouping, the Prime Minister said deep study of the issue would be called for by ASEAN itself. There was a need, he said, to stress on ASEAN solidarity.

Mr. Goh said there was strong sense among ASEAN countries that alone they were weak, but together and integrated, they were strong.

Turning to specific areas, the Prime Minister said there was a need to build road in the northern part of ASEAN. While a drive was even today possible from Kunming (China) to Singapore, there was a need to facilitate normal vehicular traffic.

On aviation, he said, it had been suggested to Mr. Zhu that China should allow ASEAN airlines to fly directly to western parts of China. Singapore airlines, too, could be permitted to fly to ASEAN countries and then to the western parts of China.

These ideas, Mr. Goh revealed, had been accepted by Mr. Zhu.

On the upcoming E.U.-ASEAN Foreign Ministers meeting in Laos, the Prime Minister said there was some discussion on the issue among ASEAN leaders. "If E.U. wants to exclude Myanmar, then let it (the dialogue) be called off," he remarked.

THE HINDU

26 NOV 2000

# E.U. to give \$4 b. in aid to Balkans

By Batauk Gathani

BRUSSELS, NOV. 25. The decade of nineties in recent European history was marked by the collapse of the Communist rule and a bloody civil war in the Balkans, in the wake of the collapse of the Yugoslavian Federation.

After the Dayton Peace Accord in the mid-1990's, a settlement of sorts in the Balkans was structured under the umbrella of the U.S. and NATO. The European Union had then taken prime responsibility for the economic reconstruction and political stability in the region. Five years after the accord, nothing much has been achieved in the region, with the then President, Mr. Slobodan Milosevic, holding power in what was left of the Yugoslavian Federation. With the collapse of the Milosevic regime in October, the prospects of a permanent settlement backed by major economic reforms programme brightened.

The idea of Friday's summit meeting of the regional leaders of the Balkan countries in Zagreb, the capital of Croatia, was initiated by the President of France, Mr. Jacques Chirac, before the fall of Mr. Milosevic. The task of the E.U. has been made easier today with the participation of the President of Yugoslavia, Mr. Vojislav Kostounica. His presence among other leaders of what once was Marshal Tito's realm, may have a significant impact.

The E.U. is offering an aid package of nearly \$ 4 billions to help develop market activity and promote regional trade in the Balkans which comprises Macedonia, Croatia, Bosnia, Yugoslavia and Albania.

How will the new economic aid programme be administered amid raging nationalistic and ethnic rivalries between various groups remains to be seen. The Catholic Croats, Muslim Bosnians and Albanians and the Orthodox Christian Serbs are

often at odds with one another.

European Commission officials had originally wanted to give an aid package of euro 5,500 millions but the European Parliament did not sanction this amount and settled on giving euro 4,650 millions.

Earlier this month, the E.U. lifted nearly all customs duties for products from the Balkans in an effort to stimulate economic growth. On the more optimistic side, the Balkan region is seen as a future gateway of trade and services to the southern E.U. European officials are also aware of the deep ethnic and religious tensions within the Balkan communities and hence most analysts are cautious about forecasting the economic future.

The prospects of a multi-ethnic Bosnia emerging from the ashes of four-year-old ethnic wars still remain elusive. Croatia and Serbia would have preferred to cut Bosnia into two, with Croatia keeping the western

sector and Serbia the eastern part. The Western leaders never had a consensus approach to the development in region after the collapse of the Yugoslavian Federation and the Soviet Union in 1989. More than a decade later, it is argued that it was Germany's pressure in forcing the E.U. countries to recognise Croatia's declaration of independence in 1991 launched the beginning of the end of political stability and ethnic co-existence in the region.

The German parliamentarians were carried away by the Croatian factor for two reasons. One is that there are many Croatian Catholic priests all over Germany and they have good influence over local Germans. Secondly, Croatia has been a traditional ally of Germany. One of the reasons why Croats and Serbs hate one another is that Croats collaborated with the Nazis in World War II to exterminate other ethnic minorities in the Balkans.

THE HINDU

26 NOV 2000

# China, S. Korea, Japan formalise annual meet

By Amit Baruah <sup>Asia HP-16</sup>

SINGAPORE, NOV. 24. China, South Korea and Japan today decided to hold a "regular" meeting on the sidelines of their annual "ASEAN+3" meeting, officials said.

The decision to hold regular meetings, which has not been given a formal title, came during a breakfast meeting by the Chinese Premier, Mr. Zhu Rongji, the Japanese Prime Minister, Mr. Yoshito Mori, and the South Korean President, Mr. Kim Dae-jung, on Friday morning.

The "ASEAN+3" meeting too is likely to be formalised and an "East Asian grouping" may emerge though countries like Japan appear to be treading cautiously in this direction.

While ASEAN leaders declared that the ASEAN+3 meeting this afternoon had agreed to set up an East Asian study group, Japanese officials said the issue had been discussed, but stressed that no final decision had been taken.

Clearly, this new engagement between ASEAN and East Asia is being seen as an effort to reinvigorate the ASEAN grouping as the economies of China, South Korea and Japan are much bigger and performing better than their South-East Asian counterparts.

The officials also stated that it was no longer necessary that an "ASEAN+3" meeting need take place in an ASEAN country; several ASEAN leaders said they were prepared to

travel to one of the three "guest" nations. This indicates the drift in East Asian cooperation and the possibilities that lie ahead.

One concrete decision emerging from today's meetings is a bilateral currency swap arrangement and repurchase arrangement among the ASEAN+3 Finance Ministers.

The basic framework and principles for the agreement have been worked out, in line with the Chiang Mai initiative taken earlier this year.

"Bilateral negotiations will be based on the agreed framework and principles. It is expected that several bilateral arrangements will be concluded by the next ASEAN+3 Finance Ministers meeting in Honolulu in May 2001", a press advisory put out by the Japanese stated.

This, the officials said, was distinct from the ASEAN Swap Arrangement (ASA), which was already in place. The participants of the ASA now included all 10 ASEAN members and the amount available under the agreement was \$1 billion.

ASEAN countries are already seeking assistance from their richer North-East Asian neighbours in the Trans-Asian railway project, feasibility studies for which are to begin soon.

Cooperation in the areas of anti-piracy, information technology and the development of the Mekong sub-region is also likely to see greater cooperation between ASEAN member States and North-East Asia.

The issue of Indonesia too came up at the "ASEAN+3" meeting with some leaders expressing support for its integrity and sovereignty. However, there appeared to have been few specifics on how "ASEAN+3" could help Indonesia in its hour of crisis.

Earlier today, the ASEAN heads of State/Government signed an "e-ASEAN Framework Agreement" with the objective of promoting cooperation to "develop, strengthen and enhance" the competitiveness of the information-communication technology sector in ASEAN.

The other objectives of the agreement are to reduce the digital divide within ASEAN member States and promote the liberalisation of IT products, services and investments.

Addressing a press conference, Mr. Robert Romulo, who headed the e-task force which was set up last year, said the objective of the agreement was not to merge different national infrastructures in the region, but make them operable together.

While this agreement has been signed, there is also the consciousness that countries like Myanmar, Laos and Cambodia lag far behind other ASEAN countries in the use and promotion of information technology.

The Singapore Prime Minister, Mr. Goh Chok Tong, stressed the need for all ASEAN nations to promote the knowledge and use of English — key to the development of IT.

THE HINDU

THE HINDU

25 NOV 2000

HD-1

# ASEAN 'no' to summit with India

25/11 By Amit Baruah P. P. P. V.

SINGAPORE, NOV. 24. The 10-member Association of South-East Asian Nations today decided it was "too early" to have a separate summit meeting with India or enlarge the ASEAN+3 summit into a "plus four" arrangement with New Delhi's participation.

Talking to reporters after the fourth informal summit here of the ASEAN leaders, the Singapore Prime Minister, Mr. Goh Chok Tong, said the matter of having a summit with India was discussed this morning.

Mr. Goh told a group of Indian reporters earlier this month during the visit of the President, Mr. K. R. Narayanan, that he would raise the issue of inviting India to the informal summit. "The ASEAN+3 is more an East Asian gettogether," he said today.

After today's polite 'no', India will be watching a process of more intensive engagement among the "ASEAN+3" — comprising China, Japan and South Korea.

Mr. Goh said the view at the meeting was that "it will be difficult to have an ASEAN+4" arrangement. The leaders also considered ASEAN+India a separate forum — the view was that it

was a "bit too early to consider this request".

According to an AFP report filed yesterday, Mr. Narayanan made such a request to Singapore during his visit.

If India did make a formal request for being associated at the summit level with the ASEAN in a "plus-four format", its rejection is a serious matter for New Delhi.

The AFP report also said that while Mr. Goh would raise India's request at the meeting, Brunei, Malaysia, the Philippines and Thailand were likely to reject it.

Mr. Goh said the view taken at the summit was that since "ASEAN+3" itself was a new process, the forum should concentrate on strengthening the new bonding.

As far as India is concerned, rather than being seen as making requests or applying for a seat at the so-called high table, New Delhi's purpose would be better served by engaging more intensively on the existing forums.

India is a dialogue partner of the ASEAN and member of the its regional forum (ARF). Both these forums present India with sufficient opportunity to interact with the regional grouping.

THE HINDU

25 NOV 2000

# Sense of 'impatience' in ASEAN

24/11

HD 16

By Amit Baruah

SINGAPORE, NOV. 23. What was marginal in Bangkok has become mainstream in Singapore. As the heads of State/Government gather in Singapore for tomorrow's ASEAN Informal Summit and the ASEAN+3 meetings, everyone is suddenly talking about the need to breathe new life into the 10-member regional grouping.

During the Foreign Ministers meeting in July, the Singapore Foreign Minister, Prof. S. Jaykumar, was alone in referring to the perception among some observers that ASEAN was a "sunset organisation".

On the eve of the Informal ASEAN summit, pressure is being mounted on the ASEAN leaders to place the regional grouping on a firmer footing. The reform question, it would appear, is likely to dominate the Informal Summit.

Among the more advanced ASEAN members, there is a sense of impatience that newer entrants are holding up progress in areas of free trade and generally holding up economic union.

Following a meeting of ASEAN Foreign Ministers last night, Prof. Jaykumar once again underlined: "But we did take note that this was a very important meeting for the ASEAN leaders because ASEAN is going through very important challenges, when questions have been raised about the future of ASEAN. And the Foreign Ministers noted that the leaders will have a wide-open agenda."

The pressures seem to be mounting because the "ASEAN troika" agreement reached in Bangkok in July is a controversial one. Barring a few exceptions, most ASEAN countries have extreme domestic sensitivities and have insisted that there should be no deviation from the principle of non-interference in internal affairs.

Interestingly, Prof. Jaykumar also revealed that the Foreign Ministers had also discussed the proposal for a "retreat"; separate from their annual meeting held in July of each year. "And it was felt that mid-year, maybe April, we should have a retreat and Myanmar has offered the venue for such a retreat."

At a public symposium on "A New ASEAN in a New Millennium" today, speaker after speaker referred to the need to reinvigorate ASEAN.

Representatives from leading think-tanks were present and giv-

en the fact that many of these think-tanks have links with Government, the views expressed need to be taken seriously.

Mr. Simon Tay from the Singapore Institute of International Affairs was of the view that ASEAN institutions were clearly insufficient and that it must simply not make promises, but take effective steps to implement plans.

Mr. Tay was of the view that while ASEAN must not become a European Union it could move beyond the "troika" and even have a new "council of leaders" to tackle urgent issues.

Mr. Jusuf Wanandi, representing the Centre for Strategic and International Studies, Jakarta, said ASEAN was facing the problem of the new entrants — a reference to Vietnam, Laos, Myanmar and Cambodia.

According to him, a "two-tier type" of ASEAN was emerging. Calling for a return to the crawling board, Mr. Wanandi took the view that the era of an ASEAN based on personal relationships between leaders was over.

One analyst told this correspondent that the failure of ASEAN was nowhere more apparent than in the inability of the grouping to address the problem of the haze, caused by forest fires. As ASEAN watched, forests in Indonesia continued to go up in smoke.

ASEAN's decision to forge greater links with South Korea, China and Japan is also reflective of the limitations of the regional grouping. These three big economies, ASEAN has come to realise, can play a crucial role in the regional economy.

The leaders, who go into their conclave tomorrow, will also be conscious of the problems plaguing countries like Indonesia, Philippines and, to a lesser extent, Thailand.

Indonesia's future preoccupies many in ASEAN given the fact that its economy is the biggest in the region — its annual GDP of \$ 232 billions is more than twice that of Malaysia.

If the crisis in Indonesia deepens, the whole region is bound to suffer more. While the economic crisis of 1997-98 is over and even the Indonesian economy is showing a positive trend, political issues in the nation of islands are no closer to resolution.

THE HINDU

24 NOV 2000



## Malaysia cautions ASEAN on trade pacts

239 "By Amit Baruah 10-17"

**SINGAPORE, NOV. 22.** Malaysia has said that ASEAN members should think twice before entering into Free Trade Agreements (FTAs) with countries outside the region lest they undermine the 10-member organisation.

These comments by the Malaysian Foreign Minister, Syed Hamid Albar, comes two days before an informal summit of ASEAN leaders begins here on Thursday. Chinese, Japanese and South Korean leaders will also be present in Singapore for the ASEAN Plus 3 Summit at the same time.

Mr. Albar's statement was in response to recent FTAs signed by Singapore and New Zealand and talks on FTAs with Australia, Mexico, Japan and Canada.

Mr. Albar was quoted as saying that such moves could weaken the implementation of the ASEAN Free Trade Area (AFTA).

"But there have been a lot of attempts to undermine it (ASEAN). We have to address those things, otherwise ASEAN will have problems in the future," he said.

The Foreign Minister told

mediapersons that when countries "do something outside the ASEAN context which could weaken the organisation, we must think twice".

In a related development, the Malaysian Trade Minister, Ms. Rafidah Aziz, has said that the FTAs concluded recently comply with WTO regulations. However, she stated that other ASEAN members need not follow Singapore's example, as they had their "own ASEAN FTA".

Separately, reports from Beijing stated that China was keen on pushing ahead with the idea of an Asian Monetary Fund,

which would allow China, South Korea and Japan to participate in an ASEAN currency exchange mechanism.

The idea has been under discussion in ASEAN forums. It has faced resistance from the United States but has received strong support from China.

The reports also stated that the Chinese Premier, Mr. Zhu Rongji, the Japanese Prime Minister, Mr. Yoshiro Mori, and the South Korean President, Mr. Kim Dae-jung, would have a separate meeting on the sidelines of the ASEAN Plus 3 meeting.

"China, Japan and South Korea are very important countries in Asia and make up some 80 per cent of the GDP of the total region, so it's a good idea at these multilateral meetings to have a meeting between us," a Chinese Foreign Ministry official was quoted as saying in Beijing today.

"China supports the informal trilateral meeting and we have some suggestions about institutionalising the meeting that will be on the agenda when the officials meet and which we believe will elicit a positive response," the official stated.

THE HINDU

23 NOV 2000

# ASEAN in turmoil

By V. Jayanth

WHEN SOUTHEAST Asian leaders hold their annual, informal summit later this month in Singapore, they will have an array of problems to discuss. Though the region's economic recovery was supposed to be "well on course", there are no signs of the political upheaval abating. The ASEAN, as the regional forum is known, deals basically with economic and diplomatic issues. But at the bottom of it all lies the bedrock of political cooperation and preventive diplomacy. During the last summit, Indonesia remained the major concern. It appeared as though the President, Mr. Abdurrahman Wahid, would overcome the problems and put the archipelago on the road to political stability and economic recovery. Being the largest economy and most populated country of Southeast Asia, developments in Indonesia will have a major impact on the whole region and unless the republic holds together and sorts out the economic mess, there can be no real stability or recovery in the ASEAN.

Officials in the ASEAN are more worried about Indonesia today than they were a few months ago. Mr. Wahid has not been able to surmount the problems effectively and his survival still seems to be a major concern. As such, he may not be able to solve the other crippling issues including the turmoil in Aceh, military atrocities in Timor and the trial of the former President, Mr. Subarto, leave alone the economic and political administration. His neighbours are worried that if Mr. Wahid is unable to stem the rot forthwith, a new alliance headed by his Vice-President, Ms. Megawati Sukarnoputri, could assume leadership, sparking a fresh wave of uncertainty.

The latest worry for Southeast Asia comes from the Philippines. The tussle between Manila and the Islamic militia on the southern Mindanao island shows no sign of abating. Also an economic crisis seems to be enveloping the Philippines, with its President, Mr. Joseph Estrada, facing impeachment charges. He may be able to overcome the trial by manipulating support, but regional and foreign investors may have lost their confidence in the economy. The scandal over the gambling mafia

and the alleged payoffs to the President have shaken the confidence of investors and the markets. Given the regional linkages, there could be a spillover effect on other economies and markets if the problem is not sorted out quickly.

Thailand, which was well on the road to economic recovery, may also be in for a spell of uncertainty. Parliament has been dissolved and fresh elections are slated for early January 2001. Till then, the Chuan Leekpai Government has to manage not only the economy but curb corruption and

tions in Cambodia, Laos and Myanmar hardly need any elaboration. Though Mr. Hun Sen has firmly established control in Phnom Penh, he has done very little to inspire confidence in Cambodia's economy. Floods have played havoc, adding to Indochina's woes. A land locked Laos has been waiting for the benefits of joining the ASEAN, but the Government there must have realised that a lot of sacrifices have to be made before a member-state starts reaping the profits. In Myanmar, the problems remain as they were, when the mil-

At a third level of the ASEAN are Thailand and the Philippines, which are now facing political hiccups. They have to go through the upheaval and return to their original levels of growth. The Indochina countries and Myanmar could be grouped at the fourth stage, with Vietnam towering above the rest. And at the bottom of the pile remains Indonesia — itself in deep trouble and threatening to pull the region down with it.

The ASEAN leaders will have to review all these problems and still provide a direction to their Ministers to maintain the momentum of economic cooperation and integration. They need to revive confidence in the region so that Southeast Asia could be heard as a voice of economic power on global platforms — as it was heard till 1997, because of its economic clout. The Governments found it easier to deal with the challenges of economic liberalisation and reforms in the 1980s and early 1990s, but they have not been able to fully measure up to the expectations of their people when it came to democratisation and giving more political space to a new generation which has seen the world and wants to breathe more freely. That will be the real challenge to Southeast Asia and there are many lessons to be learnt from the cathartic process that is still under way in Indonesia. If the ASEAN wants to recapture its glory and help the less developed economies in the region realise their potential and integrate with their neighbours, it will have to address these challenges squarely. Otherwise, it will run the risk of losing its voice on international fora, gained through hard-work.

**If the ASEAN wants to recapture its glory, it will have to address the challenges of democratisation and giving more political space to a new generation which wants to breathe more easily.**

itary junta was invited to join the forum in the hope that "constructive engagement" would lead to a change of heart and national reconciliation. Instead, the Generals in Yangon have strengthened their hold and tried to acquire credibility and legitimacy, at least at a regional level. There has been no progress on the basic political issue of returning to some form of democratic rule or even a limited dialogue with the Opposition led by the Nobel laureate, Ms. Aung San Suu Kyi.

Though the basic fears about a two-tier economy concerned Indochina and Myanmar, the ASEAN has now in effect become a multi-layer of economies at different levels of growth and recovery. Singapore remains on top, making all adjustments and changes as the region recovers. It is perhaps the only economy to be relatively unscathed by the economic crisis, though the City State also witnessed zero growth during the plunge in 1998. But it has bounced back. Malaysia, which could have sunk into a deep recession, managed to hold out and thanks to a series of controls and regulations, averted a major crisis. On the face of it, Kuala Lumpur may have recovered from the economic turmoil but analysts are convinced that much of the gains are "window dressing". Unless the Government imple-

ment itself is a problem, the conditionally

HD-16

## E.U. army takes a definite shape 21/11

By Batuk Gathani

**BRUSSELS, NOV. 20.** The 15 Defence Ministers of the European Union member-States began pledging manpower and weapons on Monday for a new rapid reaction corps — some one-lakh troops, including 60,000 combat troops and back-up personnel of around 40,000. The force will also have 400 military aircraft and several hundred naval vessels to deploy troops and equipment in crises regions in or near Europe.

High-tech military hardware will be deployed ostensibly to contain military challenges posed to the E.U. The proposed E.U. force may also handle emergencies which could affect European security. In the post-war decades, the E.U. countries minus France, operated under the military umbrella of NATO. For some time now, politicians in Europe have considered the creation of an independent European force. Europeans also feel that a Republican administration in the U.S. may not be too enthusiastic about committing human, material and financial resources for any European crises.

Military analysts today deliberated on a detailed report, which highlighted gaps in the high-tech equipment and logistics that plagued conventional armies in the E.U. Germany is already in the process of major reforms to modernise its army. Britain is likely to pledge between 12,000 and 18,000

troops to the E.U. defence force, backed by 18 warships and 72 military aircraft. The creation of an independent European defence force will obviously entail more defence spending by the member countries who have so far relied heavily on the NATO and the U.S. to contain security crises in the region.

Any military mission undertaken by the new force will need to be sanctioned by all the member-States. It will be under the operation command of a senior officer drawn from a E.U. member-State. Some shadow political boxing among E.U. allies is expected as major European military powers will promote their candidates for senior command posts in the proposed army. In Britain, the Opposition has already accused the Prime Minister, Mr. Tony Blair's Government of "overstretching" the British armed forces by committing troops to the European force. The British Government has reiterated that the force will be used for peacekeeping more than fighting.

The British Defence Minister said: "We will not be fighting under a European flag. The reality is that we will be organised in a way wholly consistent with the way a NATO multinational force or a United Nations multinational force is organised." British officials are adamant that British troops will not be deployed under the E.U. flag but Europeans interpret this as an attempt by British

Government leaders to placate hostile public opinion towards the prospects of creating an independent European force.

In theory, the proposed force will be ready for action within 12 months. According to European officials, Germany will pledge the largest force followed by France and Britain. This will be followed by Italy (6,000), Spain (6,000), Holland (5,000), Greece (3,000), Finland and Sweden (2,000 each) and Belgium, Ireland and Portugal will contribute 1,000 troops each. Denmark has opted out and Austria wants more time to consider its role and contribution. Each of the 15 E.U. countries have pledged not just armour and infantry but

air force and naval units. The European common defence and foreign policy department is headed by Mr. Javier Solana.

Observers wonder how the new force will work in the eventuality of major military and security crises. For example, Turkey is the founder-member of NATO but so far, has not been made a member of the European Union. Turkey also maintains the largest conventional army in the European and West Asian region of NATO. The proposed E.U. military force may borrow NATO resources — mainly U.S. intelligence and transport. This procedure has been challenged by Turkey which has nothing to do with the E.U. force.

THE HINDU

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19/11

# A long haul ahead

THE BIENNIAL summits of the 15 European Union member-states are normally routine and placid events, with some rhetoric about European unity, consolidation and future expansion of the E.U. and a quest to fulfill the aspirations of the 370 million citizens. But, the emphasis at next month's E.U. summit at Nice in France will be on what European bureaucrats fondly refer to as the "decision-making process" in the future. For, in the next two decades, some ten more nations from the former communist eastern and central Europe will have joined as full members. By 2002, European coins and currency notes will also be in circulation. The euro is currently used as a trading currency. In an expanded E.U., the role of the European Central Bank (ECB) is vital to monitor and regulate fiscal and economic stability.



The Russian and French leaders, Mr. Vladimir Putin and Mr. Jacques Chirac, with the European Commission President, Mr. Romano Prodi (extreme right)... a grouping in flux.

It is argued that for countries joining the E.U., the gap between the rhetoric and the reality of enlargement is now widening. In the November "position report" which assesses the "entry preparations" of 12 applicant countries, senior European Commission bureaucrats expressed satisfaction with the progress. Only Romania is an exception. Hence, European Government leaders have declared their aim to be "ready to welcome" the first wave of new members by the end of 2002. It is a certainty that on January 1, 2003, Poland, Hungary and the Czech Republic will be "full members" of the E.U. All aspiring applicants have been negotiating for 30 months. Turkey has been in talks for several years with dim prospects of joining, at least in the near future.

Mr. Romano Prodi, President of the European Commission, warns that member-states were now "backtracking" in their willingness to see more majority decision-making in the E.U. Mr. Prodi said that moving to more 'qualified majority voting' (QMV) was the "main challenge" for the inter-governmental conference on the E.U.'s institutional reforms. This conference is to be concluded at the E.U.'s Nice summit. There is also mounting opposition to the five major E.U. member-states' national right to veto. Mr. Prodi describes it as "a manacle". This could be replaced by a QMV process particularly in five key areas — trade, social policy, asylum and immigration, taxation, and regional funding. Later, this may also be extended to trade in services and intellectual property rights.

Currently a wave of resentment is building up against Mr. Prodi's call for increasing the powers of the Brussels-based bureaucracy of some 17,000 eurocrats or civil servants, who — in the perception of the average European — are deemed to be

*The future of the European Union depends to a great deal on the ability of its politicians and institutions to initiate reforms. BATUK GATHANI takes a look at the state of the grouping ahead of its summit next month.*

grossly overpaid and underworked. The decline of the euro highlights the inadequate functioning of the ECB which has attracted much criticism in the European media. Obviously, many European citizens are uneasy about giving up more sovereignty to eurocrats. Even bureaucrats at the European Commission and politicians at the European Parliament are often rated as mediocre, if the standard of their debate is any criteria.

The European parliamentarians are in a quandary with the recent advent of far-right parties in Austria, Flanders (Belgium), Germany and France. There is a lurch toward xenophobia and overt displays of "hatred for foreigners" are common. The German Government recently banned extreme-right political parties for promoting racism and ethnic hatred in the country.

The E.U.'s future depends to a great deal on the ability of its politicians and institutions to initiate reforms and pursue novel ways to create wealth. Critics have argued that the E.U. is moving in the direction of becoming a community of "inadequate leadership and atomised

goals". The power of the European bureaucrats seems to be increasing along with growing inefficiency as European politicians operate at new levels of self-interest. Mr. Prodi also attracts much criticism, as a healthy dialogue between European bureaucrats, the media and the public seems lacking, despite much official posturing to the contrary. What kind of E.U. will eventually emerge within two or three decades remains to be seen.

Minus the influential lobby of eurosceptics, particularly in Britain and parts of Scandinavia, few Europeans worry about the "mythical danger of a European super-state." Germany's Foreign Minister, Mr. Joscha Fischer, whose call for a Federal Europe alarmed many Eurosceptics, said this week that the E.U. would never become a federal state like the U.S. because it will never have a homogeneous national population. He said the E.U. was heading for a much closer political integration and that for the sake of democracy and transparency, this required a radical review of the way its institutions work. This is the main agenda at the Nice summit.

The bottomline is that the European bureaucracy has yet to inspire much confidence. An editorial writer of *Financial Times* concludes: "The Nice summit will be a success if it paves the way for early enlargement. That means keeping the E.U. decision-making process as simple and effective as possible. Some more majority voting will be required but not in areas still seen as national prerogatives, of which taxation is the most obvious. It also means reweighing the votes of member-states, to ensure that those with the largest population cannot be easily outvoted when membership is extended."

## Mekong-Ganga confluence

THE CONSTRUCTION of a mere connecting link may not normally warrant the presence of six ministers representing as many countries of the region. But the proposed Mekong-Ganga connection is clearly no ordinary project. So it was that the Vientiane Declaration issued at its launching in the Laotian capital last Friday drew pointed attention to several spin-offs from this multi-nation enterprise. Extending all the way from India to Vietnam through Myanmar, Laos, Cambodia and Thailand, the proposed highway will set up import linkages with Kuala Lumpur and Dhaka as well. This East-West corridor is expected to provide an unprecedented impetus to the promotion of trade, tourism and communications between the countries which it will connect.

Without in any way belittling the role which the project is expected to play in promoting physical contacts between the six countries of the South and South East Asian region, the symbolic meaning of connecting the two great river basins can hardly be missed. There is little doubt that this trans-Asian link will help revive the kind of social, economic and cultural contacts which existed between India and the people of the 'Indo-China' region several centuries ago. In the more immediate context, it may not be unreasonable to hope that the expansion of these contacts will provide an impetus to the SAARC, which has been beset with a persisting impasse that refuses to transcend the differences between its two largest members. In any case, Bhutan and Nepal, apart from Bangladesh, will be the other immediate beneficiaries of this novel endeavour.

The Mekong-Ganga project must be seen as yet another offshoot of the policy of increasingly looking towards the East which New Delhi has pursued since the early Nineties. President K.R. Narayanan's current visit to Singapore and Prime Minister Vajpayee's forthcoming visit to Vietnam form a part of the same policy initiative. Analysts have at times tried to figure out how China will see the project. Several participating countries, including India and Laos, have made it clear that it is not directed against 'anyone'. The mere fact of developing a network of linkages involving so many countries should itself prove to be an important factor in promoting peace and stability in the region, which should be an additional reason for welcoming it.

THE HINDUSTAN TIMES

13 NOV 2000

# Mekong-Ganga project signed, boost to Asean economic ties

Shishir Gupta

Vientiane (Laos), November 10

THE ASIAN highway project today crossed a major hurdle with the ministers of five ASEAN countries and India agreeing to develop east-west transportation corridor under the umbrella of the newly launched Mekong-Ganga Cooperation grouping.

The ministers of India, Vietnam, Myanmar, Cambodia, Thailand and Lao PDR signed the Vientiane Declaration, which outlines the basic theme of Cooperation and charts the future course for rapid economic development of the Mekong region countries.

It is learnt that the name of initiative was changed from Ganga-Mekong Swarnabhoomi project to Mekong-Ganga Cooperation at the last moment following discussion between ministers of the participating countries.

With this India has extended its footprints into the ASEAN region under the geo-strategic backdrop. By exploiting the historically driven natural connectivity, India has added powerful cultural dimension to its economic diplomacy by encouraging business contacts between the people residing on the banks of Mekong and Ganga.

This particular track using cultural, education and communication

ties to set an agenda for economic and political cooperation is expected to be India's effort to achieve the same but at its own leisurely pace.

The Vientiane Declaration calls for efforts to promote new linkages in knowledge-based sectors as well as in old economy areas like transport corridors and infrastructure development. The linkages between India and these countries of Indo-China region over land will also give New Delhi an opportunity to speed up economic development of its North-East region.

When completed the Asian highway project is expected to link up Singapore with New Delhi in South Asia via Kuala Lumpur, Ho Chi Minh city, Phon Penh, Bangkok, Vientiane, Chiang Mai, Yangon, Mandalay, Kalemmyo, Tamu, Dhaka and Calcutta. India has already taken the first step in this direction and is involved in building the road linking Tamu (Manipur) to Kalemmyo, a key communication junction in the centre of Myanmar.

Tourism Minister of Myanmar, Major General Saw Lwin told the inaugural meeting this afternoon that his country was "prepared to pave our way as a strategic gateway to Indian subcontinent." He said: "Myanmar was also aware of its ideal strategic location linking

India and Mekong river basin areas, particularly along the over-land route."

Indian Foreign Minister Jaswant Singh told the ministerial group that the Ganga-Mekong cooperation could reap "tangible economic and social gains motivated by profits and benefits."

However, Vietnamese Foreign Minister Nguyen Nin pointed out that a majority of population living in the Ganga-Mekong region survived with income of less than two US dollars a day and that the Indo-China region was one of the poorest regions of South-East Asia.

Acknowledging the hurdles ahead for this fledgling grouping, the ministerial group has set no time frame for project implementation for the present. However, the GMC group has appointed a committee of Laos, Myanmar and senior officials of remaining member countries to chart a roadmap or action plan for the future.

Host country Laos will be heading the GMC group with the six ministers deciding to rotate the chairmanship alphabetically. According to Lao Foreign Minister Somsavat Lengsavad, the ministerial group will meet annually and after the ASEAN Ministerial Meeting/ Post Ministerial Conference. The six ministers are expected to meet in Hanoi in July 2001.

11 Nov 2001

# Turkey's 'initiation' into E.U. begins today

By Batuk Gathani

BRUSSELS, NOV. 7. In principle at least, the so-called 'europeanisation' of Turkey will begin tomorrow when the European Commission will guide it how to take concrete steps to prepare for full membership of the European Union.

The E.U. will present a list of proposed reforms to the Turkish Deputy Prime Minister, Mr. Masut Yelmez, who is in charge of Turkey's efforts to join the E.U. Mr. Yelmez, in his early forties, is an ardent advocate of E.U. membership and has warm personal contacts with senior European leaders.

He is also a fluent speaker in German and English. Mr. Yelmez personifies the aspirations of middle class Turks to join the E.U. and believes that Turkey's economic and political future lies within the framework of an expanded E.U.

The E.U., which presently consists of 15 member-States may have 10 to 12 more members within a decade or so. Turkey with a population of nearly 80 million would be the second largest member after Germany. Hence, for many traditional and Christian Europeans, its membership evokes controversy if not outright racism.

Turkey is essentially a Muslim country, albeit with strong secular traditions, but social and ethical challenges posed by Islamic fundamentalists are constantly lurking in the background. In fact, Turkey's strong and progressive military rates itself as the sole custodian of its Kamalist secular traditions, established by the founder of modern Turkey, Kamal Ataturk, over seven decades ago. It is often argued that its membership is still 'an intellectual utopia' for a vast majority of Europeans.

The E.U., Russia and the East European countries are also passing through a demographic revolution with declining population due to low birth rates and increasing longevity of average citizens.

Many E.U. countries may have more pensioners than tax paying wage earners within

two or three decades if current demographic trends are any criterion.

The E.U., for example, needs a steady flow of some half a million immigrants a year to sustain the current balance between pensioners and tax payers. Turkey has a large portion of younger population and maintains a healthy population growth. The very fact that Turkey is large and demographically vibrant, with a strong Muslim identity makes it the least popular candidate for the membership.

According to the E.U. agenda, Turkey — to start with — has to drastically improve its human rights record in the background of secessionist activities of Kurdish rebels, a raging guerilla war and political and social havoc triggered by the activities of Islamic fundamentalists. How it can cope with the challenges of human rights values remains to be seen.

In many ways, Turkey is still a deeply conservative society and the vast rural population depends on traditional agriculture. In recent years, it also has made impressive strides in industrialisation with its urban population increasing almost chaotically. This is evident in vast areas of slums and deprived areas of major metropolitan centres.

The E.U. officials regret that the Turkish authorities have so far done little to initiate political, economic and social reforms to consolidate democracy, rule of law, human rights and protection of ethnic minorities. The Turks have argued that though one fifth of the population is Kurdish, only a tiny minority is seen fighting for a separate Kurdish state and identity.

Prominent Turkish politicians feel that its E.U. membership can materialise in 'reasonable time' if the E.U. processes the application in a "realistic and sincere way." This is a moot point as many Turkish politicians also feel convinced that despite the so-called full membership, it will continue to remain E.U.'s 'odd man out'. It is also the founder-member of NATO and maintains the largest conventional army in NATO-Europe.

The European Commission will tomorrow

present a document which will outline the proposed reforms and recommendations for short and medium term reforms. Turkey is seen going through a process of major social, psycho-political transformation. In January, this was highlighted by Ankara's decision to postpone the execution of the jailed Kurdish rebel leader, Mr. Abdullah Ocalan.

The Prime Minister, Mr. Bulent Ecevit's government then agreed that the death sentence passed last year against Mr. Ocalan should be suspended, while his appeal to the European Court of Human Rights is heard. Mr. Ecevit said the Government would respect an injunction from the court to delay his execution. In his recent statements, Mr. Ocalan has pleaded for national unity and reconciliation.

There are many imponderables on the Turkish horizon as the country tries to cope with modernisation and the proposed E.U. membership. Its fast growing and prosperous middle class is essentially secular and European-oriented in its lifestyle and thinking. At the same time, the social and political challenge posed by Islamic fundamentalists cannot be under-estimated.

The Turkish military has consistently warned religious fundamentalists that it rates itself as the sole "protectors and custodians of Turkey's secular and Kamalist heritage" and would ruthlessly curb any lurch towards religious fundamentalism. Turkey has strong cultural and economic links with the post-Soviet countries of central Asia.

The debate in the E.U. is whether the west can still count on Turkey to contain the spectre of Islamic fundamentalism in the Central and West Asian region. But the progressive pro-E.U. Turkish establishment in Ankara has been hurt by the E.U.'s 'grudging acceptance' of Turkey in Europe.

Turkey's size (one third the size of India), location and economic potential would also suggest that its isolation from the west could have a dramatic consequence for the balance of power in Central and West Asia, the Balkans and the Caspian basin.

THE HINDU

NOV 2 1991

# Blair puts off Moscow visit

By Hasan Suroor

**LONDON, Nov. 1.** The British Prime Minister, Mr. Tony Blair has put off what was billed as a high-profile visit to Moscow later this week in order to attend to his growing difficulties at home.

The most pressing challenge before Mr. Blair, as he fights on several fronts, including the new roadblocks to the peace process in Northern Ireland, is the threat by fuel protesters to resume their campaign for a cut in fuel tax. And this time, they say, it would be even more crippling than the September agitation which brought much of Britain to a halt.

What the Prime Minister is really worried about is its political fallout in the run-up to next year's general elections, particularly in view of the Tories' promise to reduce the fuel tax by two pence a litre if they were voted to power even as the Government continues to justify the high tax.

The Labour Party's popularity had posited as a result of the widespread disruption in September with the Tories gaining a lead over it in opinion polls. It is only in the last two weeks that Labour has shown signs of recovery but a fresh round of "hostilities" on an issue which has considerable public support could cause a relapse.

The protesters' deadline is two weeks away and the only way to avert a replay of the September "phics" is for the Chancellor, Mr. Gordon Brown to make some sort

of a gesture in his pie-Budget proposals to be announced in a few days. The Prime Minister, it is officially stated, has postponed his Moscow visit so that he can sit down with Mr. Brown and work out a package that could satisfy the protesters. For the record, however, Mr. Blair continues to put up a brave face saying the Government would not give in to pressure.

In a newspaper interview this morning, he was going to point out that government decisions were not made under threat of blockades. Any government that allowed itself to be dictated at gunpoint ran the risk of taking the low road to "ruin".

The Government, meanwhile, has announced that it is fully prepared this time to meet the protesters' challenge. Contingency plans are said to be in place to ensure that fuel supplies are not disrupted, and unlike last time the Government and oil supply companies are expected to work together to make sure that the show goes on.

In September, the Government had drawn flak for having been caught napping despite early warning signals. There are, however, fears that an excessive show of force or aggressive rhetoric might provoke a backlash. Protestors have threatened to lay siege to London on November 14, with thousands of vehicles from all parts of the country converging in the capital in a slow moving convoy disrupting traffic all along the route.

# E.U., Russia find common ground

By Batuk Gathani



The Russian President, Mr. Vladimir Putin, waves from the top of his plane's steps at the Orly airport, south of Paris, on Wednesday, as he returns to Russia after a four-day visit to France.

**BRUSSELS, Nov. 1.** The current debate in the European Union is how to contain Russia on the economic and political fronts. Russia is rated as a "maturing democracy" and on the economic front, despite European fears about the Russian economy, a more optimistic perception is that Russia may soon emerge as a formidable economic power.

The Russian President, Mr. Vladimir Putin's recent visit to European Union countries is widely rated as a "qualified success" by European Commission officials. The profile of European investment in Russia may improve with Germany, Italy and France leading the way. Russian dependence on European credits and technological know-how in the high-tech sector and production of consumer goods remains significant. Russia may not aspire to become a member of the E.U. — it is too high with vast human and natural resources of its own — but as Mr. Putin put it, Russia will always be a part of "Greater Europe".

The tone of the current Euro-Russian dialogue would suggest that the E.U. would like to fully participate in the Russian economic development. On the security front, Russia could also be involved in future E.U. led crises management operations. The E.U. and Russia also share concern about the rising spectre of Islamic fundamentalism and the "export of terrorism" by more extremist Islamic countries. The sixth Euro-Russian summit paved the way for a more healthy and realistic dialogue without the shadow of the crisis in Chechnya. For the first time, both sides resolved to find a "political solution" in Chechnya without compromising the territorial integrity of Russia.

Russia is considered a vast reservoir of energy supplies and a new "energy dialogue" between Russia and the E.U. is now in the offing. High-level officials on both sides will implement the European quest to increase import of Russian energy supplies. This will be done by first consolidating existing energy supply

has been sorely neglected due to inefficiency and lack of political will. Mr. Putin's Government is "more than determined" to set this right and match the profile of the Russian energy sector with its European counterparts.

Last month, as oil prices nudged towards \$33 a barrel, the European Commission called on the E.U. member-states to use their "political muscle" to alleviate the impact of rising oil prices with disastrous impact on inflationary pressures and dire consequences for domestic economies. The current oil prices still remain at a 10 year high despite a modest drop. The E.U. is determined to reduce its dependence on OPEC for oil supplies. Russia is seen as an obvious alternative.

European observers predict a greater transparency to the Russian Government as the country moves towards single digit inflation and a stronger currency. The emerging perception is that Russia has made progress on the road to viable democracy and to a private enterprise economy, responsive to market forces. According to the Union Bank of Switzerland, formidable obstacles may still inhibit the untolding of Russia's vast potential.

In more pessimistic European quarters, it is argued that the current structure of the Russian economy reflects the requirements of the former Soviet Union. Large monopoly enterprises still find it difficult to produce quality goods for domestic markets and exports, the Russian kopeck parity is also inhibited by a chronic housing shortage. In a recent survey, the Union Bank of Switzerland concluded that it would take Russia nearly 15 years to regain average Eastern European income levels. Hence, Russia may have a market economy characterised by protected monopolies, a high degree of regulation and glaring inefficiencies.

Russia, it appears, will enter the next century with living standards well behind its European counterparts. The silver lining is that the Putin administration has the political will and resolve to initiate major economic reforms. This is the message Mr. Putin brought to the sixth Euro-Russian summit.

THE HINDU  
2 NOV 2000



## Extinction awaits gibbons in Vietnam

HANOI, Oct. 22. — Wildlife experts are warning that Vietnam's gibbon population is teetering on the verge of extinction and could be wiped out within 10 years.

Scientists say that hunting pressure, habitat destruction and the increasing human population are the main reasons for the gibbon's plight in particular and of all primates in general.

There are four species of gibbon in the country — the eastern and western black-crested gibbons, which reside in northern parts, the white-cheeked crested gibbon found in isolated central forests, and the yellow-cheeked crested gibbon, found in lower regions of the country. Other critically endangered primates include the tonkin snub-nosed monkey, the golden-headed langur and delacour's langur. — ANN

## EU keen on trade ties with Malaysia

THE STAR  
ASIA NEWS NETWORK

SEOUL, Oct. 22. — The European Union is keen to become Malaysia's biggest trading partner.

This was disclosed to Prime Minister Mr Mahathir Mohammad at a bilateral meeting with European Commission president Mr Romano Prodi here.

The European Union is currently Malaysia's third largest trading partner.

During the meeting, held at the sidelines of Asem, the EC president expressed the view that ties between the two sides could be further enhanced.

The European Union also wanted to set up an office in Kuala Lumpur but was facing some budget constraints, Mr Mahathir said.

The Prime Minister also met his Luxembourg counterpart, Mr Jean-Claude Juncker, who sought Malaysia's views on the situation in South East Asia.

Regarding the World Trade Organisation (WTO) trade facilitation conference that Kuala Lumpur will organise for Asem, Mr Mahathir said Malaysia had not yet formulated any proposals for discussion at the meeting.

"But, generally, we want the WTO to be fair to all sides and not just listen to one", he said.

THE STATESMAN

23 OCT 2000

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# Peace on Earth

## Why the European Union Cannot Make It

By RASHMEE Z AHMED

LONDON: The European Union (EU) is a wannabe superpower, paying some of the bills run up in pursuit of the new world order, but reduced always to playing a crass supporting role in the final solution. By a cruel coincidence, the millennial big idea out of Europe this summer — the British prime minister's policy soundbyte urging the continent to become a superpower but not a superstate — was prematurely rushed into a road-test and found to be crashingly trite even before press coverage of the event had dried up.

The storm breaking over West Asia's eternal conflict zone in late September merely illustrated the EU's impotence in influencing developments, with the EU foreign policy chief Javier Solana, British and French foreign ministers Robin Cook and Hubert Vedrine shuttling ceaselessly between Arab capitals with little to show for their pains. It is worth noting that no one, including the Palestinians who have most cause to suspect America's credentials as an "honest broker", has ever seriously suggested the Europeans as a worthy or even likely long-term replacement. This, despite the EU's massive cash infusions to the Palestinian authority.

So, if the trio from Euroland mattered at all, it was as bit brokers trailing their own network leads and touting their own foreign policy favourites, for instance, French pro-Arabism. But they hardly constituted a choreographed performance on behalf of that shadowy creature supposed to be rising swiftly and surely from the deep, a European superpower spanning the continent and soon, tortured Balkan south-east into a mighty counterpoint to American market-driven dominance.

Instead, amazingly for a project, which began nearly 50 years ago as the dull economic mating of countries overwhelmingly interested in coal and steel, the EU is developing its own brand of vibrant politics a la the superstate. The politics of protest has its own compelling logic, namely putting the screws on big government, but it is no less significant for that. At the very least, it is interesting that nearly two years after the birth of the rather sickly single currency, the euro, disparate peoples across the continent were united for one 'week of rage' in September, against the easy orthodoxy of late 20th century western economics, high fuel taxes.

But, if the pan-European week of rage was a self-serving form of

political unity in diversity, it did at least teach the young Turks among British farmers, Belgian and Dutch road hauliers and German lorry drivers the tactical benefits of sheer Gallic gall and the escargot-style (snail) technique of demonstration.

Indeed, the EU's slow morphing into a primitive political organism has been helped by its convention on human rights, now legally enforceable in each of its 15 member-countries. Unfortunately for the grand European project, it is the language of rights (available to its citizens), rather than responsibilities (to the European superstate), which is increasingly seen as the EU's *raison d'être*. It is an interesting sidelight of the push for greater economic and political union, that the real bonds being forged are emotional instead, with the European Court of Human Rights in Strasbourg seemingly offering hope to all of Europe's dispossessed, dis-

EU is unable to make its constituent parts bail in tandem howsoever choppy the political waters in foreign parts.

As it stands, EU foreign policy is an unreconstructed 'push-me-pull-you' creature, abruptly changing sides with each six-month rotating presidency from among the member-states. The prognosis too is poor, with the planned enlargement of the Union to include the poor eastern fringes of a continent that has only just rid itself of 55 years of communism with the departure of Slobodan Milosevic. Enlargement is increasingly seen as one of the 10 commandments of corporate-style Bismarck expansionism, albeit via mergers rather than mortars. But the planned inclusion of Bulgaria, Romania, Latvia, Lithuania, Slovakia and Malta, alongside Hungary, Poland, Estonia, Slovenia, Cyprus and the Czech Republic, would only convert the EU into a gigantic and multi-speed construct, challenging Brussels' gospel, 'one has to be big to be successful'.

Indeed, Mr Milosevic's dramatic downfall and the eager reception given by the EU to his successor, Vojislav Kostunica, has opened up a can of worms. Like other recipients of EU largesse, Mr Kostunica has signalled his enthusiasm for aid but stifled expectations that he will play the honourable European gentleman and hand Mr Milosevic over to the International Criminal Court at the Hague.

The international tribunal, of course, is the point at which Brussels shoulders the white man's burden and completes the Kiplingesque Anglo-Saxon mission of civilising the world. The EU sees itself as the significant half of that "international community" so beloved of White House spokesmen and western agencies when pointing out the right way forward for errant countries.

Unfortunately, the EU cannot enforce the moral logic of its modern crusade with the smart sword or smart bomb. A common European defence force remains just a gleam in the eye of the British and French, with budget-balancing governments unwilling to reverse years of declining defence expenditure. At present, Europe cannot afford even to keep the peace let alone make it, in its own Balkan backyard in Bosnia and Kosovo. For that it needs the US and the price to pay is humble acceptance of a walk-on part in the political passion plays which threaten the new world order.

### IN BRIEF

- The EU has not really been effective in its diplomacy in West Asia
- The EU's real rallying point appears to be based on human rights for all of Europe's dispossessed
- Tomorrow's good European citizen is likely to be from among the continent's ethnic minorities
- Europe today cannot afford to keep the peace, let alone make it

inherited and dispirited.

Hardly surprisingly then that tomorrow's good European citizen is far more likely to be from among the continent's ethnic minorities — the British Hindu who used the Human Rights Act to make the case for legalising temple weddings; the Muslim who argued that polygamy is an enforceable right available under European law and the German Turk claiming compensation for racial discrimination from a state, which sees him as "auslandisch" or foreign despite a lifetime in Germany.

So, the substructure of the superstate is taking shape, but the superpower still remains a fantastic Delphic vision given to the European peoples by wild-eyed political messiahs speaking in tongues. Foreign policy and its enforcement is the point at which the vision collides most brutally with reality, for the

THE TIMES OF INDIA

25 OCT 2000

25 OCT 2000

# Leaders for toning up E.U. structures

X10-16

20/10

By Batuk Gathani

**BRUSSELS, Oct. 29.** The common perception that the European Union's institutions lack efficiency, transparency and democratic accountability is shared not only by Belgium's Prime Minister, Mr Guy Verhofstadt, but also by Germany's Foreign Minister, Mr. Fischer and the French President, Mr Jacques Chirac. This is poignantly highlighted by the embarrassing decline of the euro, in the background of the seeming inability of the European Central Bank to contain the crisis.

Despite the euro hitting a record low value against the dollar, the ECB continues to ponder over the prospects of direct intervention to salvage the fallen currency. The pessimistic view in the financial markets is that the euro may decline to 80 cents before it recovers. However, the more optimistic perception — outlined by the French Finance Minister, Mr. Laurent Fabius — is that euro has the potential to appreciate by 20 per cent. Mr. Fabius said, "On the whole, Europe is in a positive position but we are not managing to get that across."

By now, the euro has declined by 29 to 30 per cent against the dollar since it was launched in January 1999. The euro is beginning to cause consternation in financial markets as it reduces confidence in the common European currency and increases the prospects of inflation by making imports more expensive. On the other hand, the biggest beneficiary of the devalued euro is Germany, which has dramatically boosted its exports, to increase its share of global trade from 10 to 11 per cent. Germany continues to function as the "locomotive" economy of Europe. The recent boost in European exports because of the weak euro has enabled the German Government to raise its estimates of this year's growth in the German GDP to three per cent from 2.75 per cent.

This may be the only silver lining on the otherwise gloomy euro horizon, as analysts worry about the creeping inflation. The weak euro drastically affects the price of European oil imports, which is paid for in dollars. Many European airlines are proposing to increase domestic fares by four to five per cent in November because of higher oil prices. Mr. Wim Duesenberg,

the beleaguered President of the ECB, addressing the German chapter of the International Chamber of Commerce in Berlin, called on the 11 euro-zone Governments to maintain tight control on public spending, which so far has created greater economic stability.

Mr. Duisenberg also praised steps taken by the Governments towards major tax reforms and broader liberalisation of labour and consumer markets. Mr Duisenberg called for further deregulation to eliminate European "structural rigidities" to contain inflationary wage rises, now stoked by the increase in European energy costs, which is attributed to the weak euro and strong dollar.

It is in this background that some Europeans have expressed serious reservations about the functioning of the ECB and other institutions of the E.U., such as the European Commission, Parliament and the Council of Ministers.

The Belgian Prime Minister proposes to create a European Commission that is "dramatically changed" with a President who is elected directly and given more power over his colleagues in the Commis-

sion. He certainly has an ambitious agenda, but this may be implemented only when Belgium assumes the six-monthly rotating presidency of the E.U. in the second half of next year.

The Europeans often moan about the lack of unity among the 15-member states because the E.U. has no common foreign or defence policies. The E.U. has a so-called foreign and defence policy "supremo" in Mr Javier Solana, the former secretary general of NATO but he has yet to evolve common parameters of the "common European foreign or defence policy."

The European Governments take their own initiatives based on self-interest in foreign and defence policy matters. For example, the other day, Germany and Britain recognised North Korea without informing France, which is currently holding the presidency of the E.U. The member states also differ widely on major international issues.

Nearly a third of India's external trade is with the E.U. countries and wide swings in the value of the euro has significant implications for Indian exporters and importers.

THE HINDU

30 OCT 2000

# E.U.-Russia summit to focus on security issue

PARIS, OCT. 30. The Russian President, Mr. Vladimir Putin, met European Union leaders today for a summit with the focus on Russia's shaky economy and E.U. plans to expand eastwards and create a new security force.

Mr. Putin was welcomed to the Elysee Palace by the French President, Mr. Jacques Chirac, whose country holds the E.U.'s rotating presidency. The European Commission chief, Mr. Romano Prodi, and foreign policy supremo, Mr. Javier Solana, were also at the talks. Mr. Putin and Mr. Chirac, who were scheduled to hold bilateral talks, exchanged a formal handshake on the steps of the Elysee when the Russian leader arrived accompanied by a large official delegation.

The E.U.-Russia summit, the sixth of its kind, gives Mr. Putin an opportunity to mend ties with Paris and boost Russian-European involvement in international security issues where Russia wants to make its voice heard.

Mr. Putin was due to brief his hosts on his efforts to speed up market reforms and to attract badly needed foreign investment. He will also seek information on E.U. plans to set up a 60,000-strong rapid reaction force aimed at helping to prevent or defuse conflicts around the world.

"The Russians have indicated they want a big discussion on the E.U.'s new common security and defence policy," Mr. Solana's spokeswoman, Ms Christina Gallach, said. "For their part, the E.U. leaders are very keen to share with the Russians information about their plans," she said.

Mr. Prodi was expected to spell out his proposal for a sharp increase in E.U. energy imports from Russia over the next 20 years. Energy cooperation has become especially topical amid

the recent protests in western Europe over rising fuel prices.

The E.U. wants Moscow to ratify a 1994 energy charter which would provide a legal framework for investments in the potentially highly lucrative sector by Western firms. The chief executive of Russia's gas monopoly Gazprom, Mr. Rem Vyakhruev, was attending the summit, though no deals were expected to be signed at the talks.

E.U. officials say they have been heartened by the liberal economic stance of Mr. Putin's economic team, noting that Russia is on course for annual growth in gross domestic product this year of seven per cent after 3.2 per cent in 1999. They have also pointed to Russia's big trade surplus amounting to some \$ 25 billions with the E.U., though this is thanks largely to high world crude prices.

E.U. leaders will repeat assurances to Mr. Putin that the Union's plans to admit new members from former Communist Central and Eastern Europe in the next few years are a great trade opportunity, not a threat to Russia. "E.U. tariffs for Russian goods are already lower than those imposed by many of the applicant countries. E.U. membership will spread prosperity in the region and Russia can only gain from that," one official said in Brussels recently.

Mr. Putin and the E.U. leaders were due to hold a joint news conference and then discuss international issues including West Asia and the Balkans over lunch. Mr. Putin was expected to brief the E.U. team on his talks last Friday in Moscow with Yugoslavia's new Democratic leader, Mr. Vojislav Kostounica. — Reuters



The Russian President, Mr. Vladimir Putin (left), the French President, Mr. Jacques Chirac (centre) and the European Union President, Mr. Romano Prodi, arriving for a joint press conference at the Elysee Palace in Paris on Monday. — AP

THE HINDU

31 OCT 2000

# 15 15 E.U. invites Kostounica to summit

**BIARRITZ (FRANCE), OCT. 14.** The European Union turned its attention today from West Asia where it is a marginal player in regional diplomacy, to the reformed Yugoslavia it wants to bring into the community of continental democracies.

An informal E.U. summit called to survey the bloc's own reforms will host the newly-elected Yugoslav President, Mr. Vojislav Kostounica, for lunch and review how the E.U. can help stabilise democracy after a decade under Mr. Slobodan Milosevic.

The 15 E.U. heads of state and Government agreed on Friday on their welcoming gesture - about 200 million euros in emergency aid to help Serbs get through the winter.

Meanwhile, in the medieval centre of the neighbouring town of Bayonne, radical Basque youths demanding an independent homeland in the French-Spanish border region battled riot police with home-made petrol bombs and rocks in clashes that lasted late into the night.

Mr. Kostounica's hastily-arranged visit will be a diplomatic tightrope walk for the self-proclaimed Serbian nationalist whose first trip abroad brings him to lunch with leaders whose countries were bombing Belgrade during the Kosovo crisis in 1999.

His hosts also want Mr. Milosevic handed over to a U.N. War Crimes Tribunal in The Hague, something Mr. Kostounica has ruled out and E.U. leaders have played down since his disputed victory last month led to an uprising that ousted Mr. Milosevic.

"There are some open questions for the future," France's European Affairs Minister, Mr. Pierre Moscovici, acknowledged, citing Mr. Milosevic, the status of U.N.-administered Kosovo and the future of Montenegro, Serbia's junior partner in the Yugoslav Federation.

"But today, the most urgent thing is to consolidate this (democratic) revolution." - Reuters



The French President, Mr. Jacques Chirac (right), the Prime Minister, Mr. Lionel Jospin (left), gesture as they pose with the new Yugoslav President, Mr. Vojislav Kostounica (centre), at the Casino in the French resort of Biarritz during the informal E.U. summit on Saturday. — Reuters

100 votes to 114 for Norway and 94 for Italy, which last served on the council as recently as 1995-96.

## Israel ready to give peace a chance

REUTERS

JERUSALEM, Oct. 10. — The Israeli Prime Minister, Mr Ehud Barak, today said he was willing to give international mediators more time to try to end the cycle of Israeli-Palestinian violence and revive peacemaking in West Asia.

After a five-hour Cabinet meeting that ended before dawn, Mr Barak said he was prepared to attend a summit with the Palestinian President, Mr Yasser Arafat, provided it would ensure an end to nearly two weeks of bloodshed.

"I we find ourselves in a long, painful, difficult confrontation of many long months, there'll be no importance to our having held on for another 72 or 96 hours," Mr Barak told Israel's army radio, extending a previous 48-hour deadline.

His office said in a statement that appeals by world leaders had prompted the government to allow more time to end the violence "with the feeling that this is the last chance." "If there is a summit, it should try and stop the violence," he said

■ Editorial: Mideast peace, page 6

# Give up Milosevic to tribunal, EU tells new regime

MARTIN FLETCHER  
THE TIMES, LONDON

LUXEMBOURG, Oct. 10. — The European Union not only embraced the new Serbia with manifest warmth yesterday, but also made clear its determination that Mr Vojislav Kostunica's government should eventually surrender Mr Slobodan Milosevic to the International War Crimes Tribunal at Hague.

EU foreign ministers, meeting in Luxembourg three days after Mr Milosevic's downfall, agreed to lift almost all sanctions including the oil embargo and the flights ban against Serbia. They promised emergency humanitarian assistance and substantial longer-term aid to rebuild Serbia after years of misrule and the destruction caused by last year's Nato bombing.

But while the EU ministers emphasised that there were no formal conditions attached to that aid, they would 'in the fullness of time' expect Serbia to fulfill its international obligations by cooperating with the tribunal. The tribunal indicted Mr Milosevic for crimes against humanity during last year's Kosovo war, but President Kostunica has

## KOSTUNICA THRILLED

BELGRADE, Oct. 10. — Mr Kostunica received the news that sanctions had been lifted with undisguised joy yesterday. "This is a great day. If I had done nothing else as President, this would have been worth it," he said.

He said the psychological impact would be more important than the economic one. "The end to sanctions is like being liberated from prison," he said.

"And the image of Serbs has begun to change. Before if you had a Yugoslav passport, people looked at you as if you had the plague. Already I am hearing from friends travelling abroad that this is changing."

— The Times, London

said he will not hand over his predecessor.

Mr Robin Cook, the British foreign secretary, said: "...Mr Milosevic must be held accountable for his crimes and there is no doubt that that must be something we will be looking for from the new leadership in Serbia and the Serb people."

Mr Joschka Fischer, Germany's foreign minister, added: "Without justice, there can be no reconciliation in Yugoslavia and without reconciliation there can be no peace. But Milosevic is not our first priority. First they (Yugoslavs) have to consolidate democracy, but justice will prevail, I have no doubt."

Mr Bernard Kouchner, UN administrator for Kosovo, told the ministers that the lifting of sanctions should be linked to the symbolic release by Mr Kostunica of the first of hundreds of Kosovan Albanians held prisoner since last year.

Mr Hubert Vedrine, the French foreign minister, was to fly to Belgrade today to deliver EU's message of support to Mr Kostunica, to invite him to the Biarritz summit and ask him about his plans.

European Commission officials will visit Belgrade this week to assess Serbia's needs, and hope to be able to report back in time for the EU's heads of government at their Biarritz conference beginning on Friday.

The EU wants to start clearing the Danube, still blocked by the debris of last year's bombing, and rebuilding its bridges.

THE STATESMAN

11 OCT 2000

27 OCT 2000

## EU to test Pak waters

Islamabad, Oct. 1 (PTI): A three-member European Union mission, comprising senior diplomats from France and Sweden, present and future presidents of the union, will visit Pakistan in November for exploratory talks with the military government, the media reported today.

The plan to send the mission was formulated after several EU member countries objected to a proposal for the resumption of regular dialogue between the EU and Pakistan.

"Many member countries were not prepared to allow the EU to engage in direct formal dialogue with the military junta," a diplomatic source said, on condition of anonymity.

Foreign office sources said the visit of the mission is being made at the initiative of a key EU member country, which is urging Pakistan to abandon its "outdated tri-polar foreign policy", a reference to Islamabad's tradition of focusing on relations with Washington, Beijing and New Delhi.

The senior Pakistani diplomats, who asked not to be named, pointed out a shift in the European stance on military rule in Pakistan.

After the October 12 take-over, the EU immediately demanded restoration of democracy.

The EU has since reworded its stance to call for the restoration of civilian rule, which is one reason that prompted the General Pervez Musharraf government to consider installing an interim civilian government or restoring the suspended assemblies.

THE TELEGRAPH

2 OCT 2000

40-16

# E.U. lifts sanctions on Austria

11/9

BRUSSELS, SEPT. 13. European Union (E.U.) leaders were on Tuesday forced into an embarrassing climbdown by agreeing to an unconditional lifting of diplomatic sanctions against Austria.

The E.U.'s reversal marks the end of a seven-month campaign, led by France and Germany, to break up Austria's conservative coalition Government and drive Mr. Joerg Haider's far-Right Freedom Party from office. "The measures put in place by the 14 [States] were useful. They can now be lifted," said a joint statement released in Paris by the French Government, the current holders of the E.U. presidency.

The statement said the continued presence of the Freedom Party in the Austrian Government remained cause for "serious concern" and it was necessary to maintain "especial vigilance", but there will be no formal mechanism for monitoring civil rights performance. The result is a significant victory for Vienna, which refused to bow to intense E.U. pressure throughout the sanctions period and said it would not accept anything less than an "unconditional" end to sanctions. France had pushed for a probationary "suspension" of sanctions on less favourable terms, but was overruled by the majority of E.U. States.

Austria's Vice-Chancellor, Ms. Susanne Riess-Passer of the Freedom Party, described the decision



**Austria's Vice-Chancellor, Ms. Susanne Riess-Passer, from the right-wing Freedom Party, and the Chancellor, Mr. Wolfgang Schuessel, from the conservative People's Party shake hands in Vienna on Tuesday, after the European Union members lifted diplomatic sanctions on the country. — AP**

to lift sanctions as "a triumph of common sense". It was imperative that all States remained vigilant as there were "dangerous developments in Europe". She added: "It was high time for the end of the sanctions after 223 days — it is exactly what was required — an end without ifs and buts."

Mr. Wolfgang Schuessel, the Chancellor, said it was "a great success for Austria". He added that the "people and the press" would be the true monitors of Austria's democratic system, rather

than the E.U. Mr. Haider kept a low profile in his mountain bastion of Carinthia, refraining from his usual outbursts of triumphalism. At the weekend, he demanded an apology from Austria's E.U. partners and said Mr. Gerhard Schroeder, the German Chancellor, "believed that by throwing dirt at Austria he could distract attention from Germany's historic burden".

Mr. Joschka Fischer, the German Foreign Minister, accepted yesterday that it was imperative to

lift the sanctions "immediately" in the light of a "Wise Men's" report released on Friday warning that it would be "counter-productive" to isolate Austria. But he said he was "damned" if he was going to apologise for having taken a stand against a party that fomented racism and xenophobia.

The independent panel of three "Wise Men" was appointed last July at E.U. request to examine the conduct of the Austrian Government and assess the "political character" of the Freedom Party. The group found no evidence that the Austrian Government had strayed from "Europe's common values". Instead, it found that Austria's treatment of minorities was "superior to that found in many other E.U. member-States", and the level of violence against foreigners was less than in other E.U. States. It concluded that the sanctions had served a useful purpose in some respects, "heightening sensibility" about civil rights, both in Austria and in the rest of the E.U. But the policy had also caused Austrians to feel that their institutions were under attack, and had fuelled a nationalist backlash. The report was highly critical of the Freedom Party, which it accused of "trivialising the history" of Austria's Nazi experience, and threatening press freedom by using libel threats "systematically" to "silence criticism". — ©Telegraph Group Limited, London, 2000.

THE HINDU

14 SEP 2001



# Russia may urge India to attend Shanghai 5

Fred Weir  
Moscow, August 11

RUSSIA MAY urge India to attend the Shanghai Five in order to intensify regional efforts to combat terrorism after powerful blasts in both countries which killed dozens of people and underlined the urgency of the problem, experts say.

"India and Russia have been talking for a while about co-ordinating work in the struggle against terrorism, but so far it is all at the level of declaration," said Alexander Chudodayev, foreign policy expert with the

daily Segodnya.

"But the Shanghai Five has a full-scale programme, developed at its July summit meeting in Dushanbe," he reiterated.

The Shanghai Five is a central Asian security organisation which includes Russia and China, but not India. "Russia will make it a priority to draw India into this group. It's a very logical step", Mr. Chudodayev added.

On Tuesday a bomb planted in an underpass at downtown Moscow's busy Pushkin Square exploded, killing 8 and wounding nearly 100 people.

Authorities have blamed the blast on separatist rebels from

Chechnya, who it is said receive aid from countries like Afghanistan and Pakistan.

During the same week in India a bomb burst in Srinagar on Thursday killing 11 people and injuring 25. "It is coincidence that these events happened in separate countries in the same week, but it underlines a common problem that must be jointly dealt with," said Mr. Chudodayev.

Indian foreign minister Jaswant Singh held talks with President Vladimir Putin and Security Council chief Sergei Ivanov during the June visit to Moscow, at which the subject of combating international and cross-border terrorism

topped the agenda.

But apart from regular exchanges of information, the two countries have yet to create functioning mechanisms to further this goal. President Putin is stated to visit India in early October this year, where he will sign a declaration of 'strategic partnership' between the two countries.

In a letter to Vladimir Putin expressing condolences for the victims of the Pushkin Square blast, Indian Prime Minister Atal Bihari Vajpayee said that incidents "should make us resolve to fight the menace of international terrorism jointly and with added determination".

THE HINDUSTAN TIMES

12 AUG 2000

# E.U. economies turning around

By Batuk Gathani

110-17  
8/8  
BRUSSELS, AUG. 7. If the current economic indicators coupled with rising business confidence are any criterion, the European Union economies are slowly but surely turning around.

The perception is that after a decade of depressed investment front, a new European economic miracle could be in the offing as investors come to the conclusion that long-term trends favour stock investment. It is argued that while the U.S. market has risen only 11 per cent during the last 12 months, most European shares display vigour and continue to thrive. This observation received a new boost when Moodys — the U.S. credit rating agency — said yesterday that it had upgraded the credit rating of 179 non-U.S. companies during the first six months of the year and only 79 were downgraded. Moodys offers further evidence of recovery in the global economy. "Improved earnings, continued recovery in trade and increasing confidence that the worst of the global economic crises is over has contributed positively to credit worth outside the U.S. in 2000", said Moodys' chief economist.

Two years ago this time, the European and American stock markets had slid. This prompted financial analysts then to wonder if the Western world is in the bear market, amid the reality that the American stocks had fallen nine per cent

from their mid-July peak of 1998. The spillover effect on the Asian markets was traumatic and since 1997, East Asian currencies recorded fall in value between one-third and 50 per cent and the East Asian stock market fared no better.

All that now seems history with new confidence in the global economy and growing emphasis on European stock investments. Today, the German market is up 41 per cent and the French index is up 50 per cent over the past three years. Analysts point out that the European stocks have been rising at the average rate of 25 per cent for the last three years.

The latest economic indicators of the European Union countries suggest that Europe's economic climate is improving and European companies' prospects have brightened with over 20 per cent depreciation of the euro, which has made European exports very competitive. Major European economies led by Germany will soon institute major tax cuts and

reforms which could trigger rise in investment flows. The European companies are consolidating and many mergers are in the offing to improve productivity and competitive edge to match that of the U.S. and Japan.

As the European personal and corporate tax rates are reduced, there will be more surplus investment capital. Hence, according to analysts, much of European cash is moving from bond and money funds into stock funds. The net European investment inflows into stock funds now totals a record of \$ 131,000 millions which is about \$ 50,000 millions below U.S. inflows, although the European inflows equal that of the U.S. in 1996.

Moodys' analysts note that the current buoyancy in Europe is in sharp contrast to the deterioration seen in the U.S. where downgrades are more than double the upgrades despite record expansion in the economy during the first half of this year. Both the European and global investors are debating whether the Federal Reserve's monetary policy will give a boost to America's faltering share market.

American stocks are still rated as "highly overvalued" as blue chip shares trade at 40 to 50 times profit earning ratios.

THE HINDU

8 AUG 2001

**I**n the past week, many seemingly unrelated events -- two in Thailand, and one each in the Philippines and Indonesia -- suggest a complicated future for the Association of Southeast Asian Nations.

The group is struggling to accommodate its expanded membership, seeking to articulate a new modus operandi in a changing economic environment. Often, observers fail to draw the connections between foreign policy initiatives and the cut and thrust of domestic politics.

The first noteworthy event was the emergence of the Asean Troika, at the 33rd Asean Foreign Ministers' Meeting in Bangkok. The troika's existence testifies to Thailand's growing influence in Asean. It shows a combination of dynamism and diplomatic verve. While the troika is hemmed in with conditions and caveats, it offers hope to

No matter what the Thaksin Shinawatra and the Thai Rak Thai Party may say, they will not have the same regional influence or interest. Arguably, when Thailand holds its next election, voters will choose not only a government and a prime minister but also determine whether Asean can continue to inch towards greater political and economic engagement.

This means that voters in Bangkok, most of whom have no interest in regional affairs, may end up deciding Asean's fate. It is likely to provide Thailand a chance to lead the region -- with the relative failure of Philippines and Indonesia, the other two large

# Thais can prop up Asean

## The cut and thrust of Thailand's domestic politics may determine Asean's liberal direction, says KARIM RASLAN

down with the National Assembly last week. Indonesia has traditionally been the bulwark of Asean. The President's confrontation with the legislators reveals the extent of Jakarta's dis-traction. With Amien Rais, Akbar Tanjung and Megawati Sukarnoputri jockeying for domestic prominence, Asean becomes an irrelevance.

Indonesia is incapable of providing leadership at this juncture as it is just drifting.

as the rest of Asean shuddered to a halt after the economic crisis of 1997/1998. The nation's tarnished image could not be improved.

The celebration two weeks ago over the fall of Camp Abubakar -- a Moro Islamic Liberation Front stronghold -- showed Mr Estrada at his worst -- divisive, small-minded



5 AUG 2 1998

26/9

## A USEFUL EXERCISE

R. Au  
A. Au  
HD-12

THE LATEST DELIBERATIONS of the Association of South East Asian Nations' Regional Forum (ARF) may not have dramatically gripped the imagination of the wider international community despite the recent emergence of certain multilateral issues with serious security implications across the globe. This does not, however, diminish the value of the meeting held in Bangkok. Surely, the usefulness of an annual exchange of ideas within the elite entity, whose diverse members are bound by their acknowledged geopolitical association with Southeast Asia, has been proved in the past itself, and this year's exercise is no exception. The latest arrival of North Korea on the ARF scene, as a participant capable of evoking mixed feelings among the 22 others which welcomed it for its immense relevance to the regional debate on nuclear security and missile non-proliferation, is an event that has set right a conspicuous imbalance which prevailed on the forum. The sensible theory, bandied about for several years so far, is that the ARF, as the only organised security-related dialogue-house spanning the Asia-Pacific zone, must bring into its fold all the countries that fall within the geopolitical footprint of the ASEAN as a collective institution. By this reckoning, it was obvious all along that North Korea, despite its image in certain Western quarters as a dangerous and reclusive entity, was worthy of being admitted to the ARF without any litmus test of strategic importance.

Although the green signal for Pyongyang's ARF membership was decided upon over two months ago, the exact timing of its formal entry at this juncture has been remarkable. The congruence of circumstances is notable — last month's truly historic summit between the leaders of the divided countries of the Korean peninsula and the periodic gasps of international worries over Pyongyang's perceived preference for building a missile arsenal of its own and exporting the knowhow to others, besides

the latest move by the U.S. to accelerate the development of its own national missile defence (NMD) system by citing North Korea among others as 'states of concern' warranting the policy option. In the event, some key members of the ARF, such as China and Russia, have sought to raise the stakes for any NMD-development and deployment by the U.S. Given, however, the limiting scope of the ARF as an institution without the authority to issue or execute any specific mandate with political or security implications, the latest exchange of views on this forum on the NMD or any other issue will remain just that.

The ARF's nod for North Korea's admission is of greater practical importance in a purely qualitative sense, though. When the ASEAN first recognised the utility of engaging China in a dialogue over economic and security issues, the association's move was variously seen by major powers as a naive act designed to appease an ambitious country or perhaps a move with some imaginative possibilities of 'domesticating' a communist giant. The march of events on the ASEAN front has proved that the Southeast Asian states have not been the worse for that particular act of humouring China, while the continuing prevalence of disputes over the Spratlys cannot justifiably be blamed on the nexus between Beijing and this organisation. Viewed in this perspective, the ARF's gesture of accommodating North Korea may serve the international community well if it leads to a process of intense engagement with an entity that smarted until recently under a sense of alienation. Myanmar's admission to the ASEAN as also the ARF is another case. So, India, while heaving a sigh of relief that Pakistan has not been considered worthy of the ARF's colours so far, should look out for signs of a hard-sell of the idea that an act of the ASEAN engaging Islamabad can be a confidence-building measure in itself for stability over a wider area.

THE END

19 JUL 2000

HD-16  
2007

# At snail's pace R. ACW -

**T**HE SEVENTH ASEAN Regional Forum (ARF) meeting and the 33rd annual Foreign Ministers consultation, held in Bangkok this week, have emphasised once again that progress in these regional groupings can only be slow and steady. As the South-East Asian region grapples with the issues that will sustain its economic recovery, it has become clear that troubled Indonesia continues to dominate both the ASEAN and ARF horizon. Jakarta's problems, it is feared, could have ripple effects. Both the ASEAN, the ASEAN+3 and the ARF have come out with strong statements in support of Indonesian unity.

For India, the ARF and the post-Ministerial conferences represent an opportunity to project itself unencumbered by the baggage of Pakistan and Kashmir, which tends to dominate the diplomatic discourse for Indian in other fora. The gentle public references to South Asia, which went to the extent of being a trifle vague, only go to highlight that both the ARF and the ASEAN Foreign Ministers' meeting are very careful in their formulations.

During the ARF meeting on Thursday, the Forum's outgoing Chairman, the Thai Foreign Minister, Mr. Surin Pitsuwan, did flag the South Asian agenda at the beginning of the meeting, including a reference to the Lahore process, but there was no discussion on it. Neither did the External Affairs Minister, Mr. Jaswant Singh, raise the issue in his interventions. South Asian issues, it is clear, are very much on the ARF agenda. However, Pakistan itself is not likely to find itself entering the Forum any time soon though the same Forum in its wisdom decided to grant membership to North Korea.

Several ASEAN countries remain concerned about the pace of development in the ARF. The seven-year-old Forum, which is expected to move from confidence-building measures to preventive diplomacy and finally to conflict-resolution, remains confined to the CBM phase.

The Chairman, in his statement, said the 23 Foreign Ministers also "reaffirmed their intention to follow an evolutionary approach towards the development of the ARF process from confidence-building to preventive diplomacy to elaboration of approaches to conflict, and agreed that the ARF continue



Foreign Ministers of the ASEAN nations at their 33rd meeting in Bangkok... careful formulations.

to move at a pace comfortable to all ARF participants and on the basis of consensus, with ASEAN playing its role as driving force in the process".

Earlier, at the ASEAN Foreign Ministers' deliberations, several countries were not quite comfortable with the concept of an interventionist "troika" given the sensitivities in the region. The Thai proposal for the troika comprising the past, current and future chair of the ASEAN Standing Committee (ASC) was approved in a considerably watered-down version. Malaysia, for instance, is reported to have suggested that the concept paper for the troika be made public so as to make the role and scope of this new body transparent.

While agreeing that the troika could be constituted as an *ad hoc* body at the Ministerial level to "address in a timely manner urgent and important regional, political and security issues and situations of common concern likely to disturb regional peace and harmony", the Foreign Ministers made it clear that it was not a decision-making forum. "It is not intended to represent ASEAN beyond the issues assigned by the ASEAN Foreign Ministers. In carrying out its tasks, the ASEAN troika shall refrain from addressing issues that constitute the internal affairs of ASEAN member countries," the approved scope of the troika read. "Should an issue or situation arise which is likely to

*The Seventh ASEAN Regional Forum (ARF) meeting and the 33rd annual Foreign Ministers consultation have emphasised once again that progress in these regional groupings can only be slow and steady.*  
**AMT BARUAH reports.**

disturb regional peace and harmony and which has the potential to affect ASEAN in political or security terms and requires collective action by ASEAN, the ASEAN Foreign Ministers, upon the request of the ASC Chairman or any other ASEAN Foreign Minister, could, on the basis of consensus, establish an ASEAN troika and determine its mandate," the paper stated.

The compromise formulation is reflective of the concerns of several members of ASEAN, who do not favour an interventionist intra-regional approach. In the final analysis, ASEAN has taken a step forward in creating the troika, but time alone will reveal the efficacy of this new instrument.

The first-time presence of North Korea at the ARF and the sidelines meetings its Foreign Minister, Mr. Paek Nam-Sun, had with a large number of his counterparts, provided the press with some excitement. Clearly, the ARF showed great interest in the presence of the North Korean Foreign Minister, indicating that "engaging" and not "sanctioning" Pyongyang was the new approach of the Forum.

The American plans for a National Missile Defence (NMD) shield and the South China Sea question were also deliberated upon by the ARF. With not much support for the NMD, the U.S. was on the defensive, taking pains to emphasise that no decision had been taken on going ahead with it.

"With regard to the South China Sea, the Ministers encouraged the exercise of self-restraint by all countries concerned and the promotion of confidence-building measures in this area... the Ministers welcomed in particular the on-going efforts between ASEAN and China to develop and adopt the Regional Code of Conduct for the South China Sea," the ARF Chairman's statement said.

Feel-good statements notwithstanding, ASEAN, now having come out of the economic crisis, is aware that it has to move ahead with greater economic integration and push reform in new member-countries.

Globalisation is  
high on ASEAN's agenda

BANGKOK: Globalisation poses a great challenge to the South-East Asian region, which is just beginning to recover from a devastating crisis, ministers from Association of Southeast Asian Nations (ASEAN) and her major world partners stressed at their annual meeting in Bangkok on Friday. "In today's era of globalisation, many of the most compelling opportunities and dangers pay little heed to national boundaries," warned U.S. secretary of state Madeleine Albright, who arrived in Bangkok on Friday morning to attend the annual meeting with foreign ministers from the Association of Southeast Asian Nations (ASEAN).

Ms Albright warned the region, which is still recovering from the economic crisis of 1997-98, "We know that just as the nature of the world economy is changing dramatically, so must the regional economy here in Southeast Asia." She urged the region to strengthen the rule of law, curb official corruption and cronyism, noting: "The new world economy will be based on open markets, open books and open lines of communication."

Ms Albright is scheduled to meet with North Korean foreign minister Paek Nam Sun, who is attending the annual ASEAN meetings for the first time. She met briefly with Chinese foreign minister Tang Jiaxuan on Friday morning, before attending the ASEAN-Plus-Ten, post-ministerial meeting. Both ministers said the bilateral talks had been "very good."

But Tang's message indicated that the two giants were still far apart on many issues.

"At the age of globalisation, the cultural traditions, lifestyles, social systems and values of different countries should be respected and the principles of sovereign equality and non-interference in other countries' internal affairs maintained," said Tang.

He added, "This is how human civilisation and world democracy develop."

For host country Thailand, meeting with ASEAN's ten dialogue partners provided an opportunity to focus attention on the region's development needs. (AP)

THE TIMES OF INDIA

29 JUL 2000



# USA puts paid to Pakistan's ARF hopes

PRESS TRUST OF INDIA

BANGKOK, July 27. — The USA today opposed further expansion of the 23-member Asean Regional Forum, a key security body in the Asia Pacific region. It thus put paid to Pakistan's bid to become a full dialogue partner in the ARF.

"After the entry of North Korea into ARF, we support a period of consolidation...The current group of 23 members is considerable in size. Further expansion would render it unwieldy," the US deputy secretary of state, Mr Strobe Talbott, said at the day-long 7th ARF meeting here.

Pakistan had recently written to Thailand, the current Asean chairman, requesting for its inclusion as a full dialogue partner into ARF. Islamabad is a sectoral dialogue partner.

The meeting is being attended by foreign ministers of 10 member countries of Asean and their counterparts from 12 other countries including India, Japan, USA, Russia and China, and the EU.

Besides India and USA, other countries opposed to Pakistan being granted full dialogue partner status include Laos, Vietnam and Cambodia.

Mr Talbott said: "This is important because of subsequent missile tests and because of the differences that exist between India and Pakistan over Kashmir and the LoC... Every country represented here has an interest in non-proliferation and in preventing instability in South Asia.

"I hope we will unite in urging India and Pakistan to address their differences peacefully, to avoid provocative acts, to sign and observe the CTBT, to respect the LoC and to resume the promising dialogue begun at Lahore last year."

THE STATESMAN



U.S. defence plan comes under fire

By Amit Baruah

BANGKOK, JULY 27. China, Russia and Canada took the lead in criticising the American plans to forge ahead with a National Missile Defence (NMD) programme at the Seventh ASEAN Regional Forum (ARF) meeting today, arguing that such a move would undermine strategic stability and lead to a new arms race.

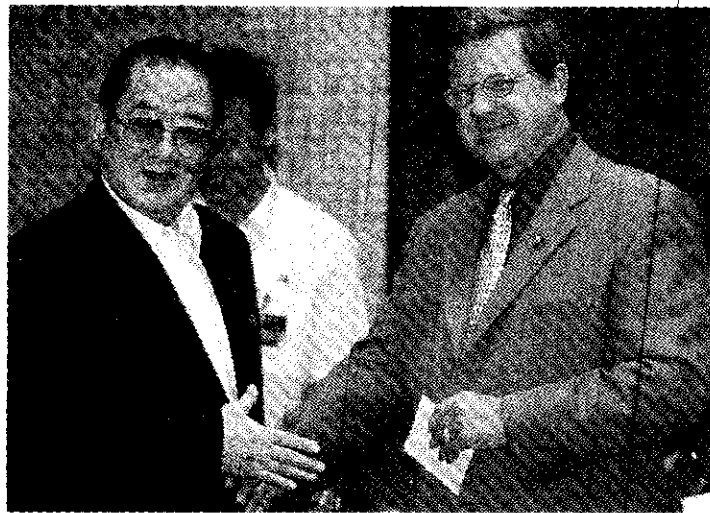
The Chinese were direct in raising their objections to the NMD while the Canadian Foreign Minister, Mr. Lloyd Axworthy, also called upon the U.S. to ratify the CTBT.

In response to these concerns, the U.S. Deputy Secretary of State, Mr. Strobe Talbot, said that while his President, Mr. Bill Clinton, would take a "narrow decision" its implications would be vast.

Mr. Talbot argued that there was need to avoid absolutism and over-simplifications while dealing with the issues of NMD and the Theatre Missile Defence (TMD). Referring to the potential of missile threats, the U.S. official said Mr. Clinton was taking into account a "complex" of issues while taking a decision on building the NMD. This, he said, would take into account the impact on weapons' control regimes.

On the Spratlys dispute in the South China Sea, the Chinese Foreign Minister, Mr. Tang Jiaxuan, said that Beijing was opposed to the internationalisation of the issue and maintained that the ARF should take a helpful position.

China, however, is working with



The Canadian Foreign Minister, Mr. Lloyd Axworthy (right), shakes hands with his counterpart from North Korea, Mr. Paek Nam-sun, during bilateral talks in Bangkok on Wednesday. — Reuters

the ASEAN in working out a 'code of conduct' in the South China Sea. Senior officials from ASEAN and China are expected to meet in Beijing to discuss the issue further.

The Chairman's statement, whose salient details were explained by the outgoing Chairman and Thai Foreign Minister, Mr. Surin Pitsuwan, reaffirmed that the ARF should develop at a pace comfortable to all participants, decisions be taken by consensus, and confidence-building remain key to the process.

The statement, which is the only public document issued at the end of the ARF meeting, reflected

the concerns expressed by Malaysia on the Forum's role in preventive diplomacy. Several ASEAN countries and dialogue partners have reservations in taking the ARF from the current CBM phase to preventive diplomacy and finally to conflict-resolution.

"The Ministers emphasised the importance of confidence-building measures (CBMs) to the overall ARF process and agreed that such efforts be intensified...they also reaffirmed their intention to follow an evolutionary approach towards the development of the ARF process from confidence-building to preventive diplomacy, and agreed that the ARF continue

to move at a pace comfortable to all ARF participants and on the basis of consensus, with ASEAN playing its role as driving force in the process."

It said that while the "security outlook for the Asia-Pacific region remained positive, there were uncertainties and challenges which would increasingly require the attention of the ARF, particularly those posed by globalisation".

According to the statement, the Ministers "took note of developments in the South Pacific in view of their implications for the overall security with the ARF geographical footprint. They welcomed the efforts of the Solomon Islands' Government to bring together the parties for discussions aimed at establishing a ceasefire....The Ministers also welcomed the recent release of hostages in Fiji, but noted the interest of ARF countries in an early return to democratic Government".

"The Ministers discussed both the positive effects and the repercussions brought about by globalisation, including greater economic interdependence among nations and multiplication of security issues. It was felt that in responding to globalisation, it was necessary for nations to strengthen their individual and collective capacities to meet the various challenges affecting their common security." Addressing presspersons, Mr. Surin Pitsuwan, claimed that after six years of existence the ARF had now taken off and was now "airborne".

RECEIVED

2001

# 'It is time ASEAN girded up its loins'

HO-17  
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By Amit Baruah

**BANGKOK, JULY 25.** Is the perception that ASEAN has become a 'sunset' organisation correct? In a frank address amid a series of feel-good speeches at the ASEAN annual meeting which began on Monday, Singapore's Foreign Minister, Prof. S. Jayakumar, raised pointed questions about the status of ASEAN and the public perceptions about it.

Quoting negative opinions expressed by academics, newspapers and journals, Prof. Jayakumar said: "We may not like these perceptions of ASEAN as an ineffective and a sunset organisation. We may question whether it is justified. But they are political facts. Perceptions can often define political reality. If we continue to be perceived as ineffective, we can be marginalised as our dialogue partners and international investors relegate us to the sidelines."

"The danger is real. It is not just a matter of the idiosyncratic opinions of a few newspaper commentators or academics. As of July 6, 2000, one internationally respected market investor index assigned weightages to only four ASEAN countries. The four countries collectively accounted for 23 per cent. The highest weightage given to any ASEAN country was 12

per cent. The others were just in single digits. In comparison, the index assigned 11 per cent to China; 17 per cent to Taiwan, 23 per cent to Hong Kong and 20 per cent to Korea."

Arguing that these weightages needed to be taken seriously and influenced investment decisions, Prof. Jayakumar quoted *The Far Eastern Economic Review* as saying that "most investors from outside the region would rather head for the stability of North Asia than risk further upheavals in ASEAN countries".

The Foreign Minister was of the view that China's entry into the WTO, while opening up many new opportunities for ASEAN, may also divert investors from the region.

Prof. Jayakumar made four suggestions to turn the situation around. "It has been axiomatic in ASEAN that regional resilience depends on national resilience. Confidence in ASEAN will not be restored until international investors and our dialogue partners are convinced that we are individually serious about adopting the best standards of government, transparency, corporate governance and the rule of law. I am not advocating one size fits all solutions. Nevertheless, our national standards must be comparable to international best practices. There must be no backsliding on structural reform."

THE HINDU

26 JUL 2000

ASEAN MEET / EMBARRASSING MOMENTS UNLIKELY

## Jaswant to hold separate talks

By Amit Baruah

**BANGKOK, JULY 25.** The External Affairs Minister, Mr. Jaswant Singh, arrives here tomorrow for the seventh ASEAN Regional Forum (ARF) meeting, which takes off with a working dinner on Wednesday evening while the formal session takes place on Thursday.

India, it is near-certain, will not face any embarrassing moments of the kind it encountered at the ARF meeting in Manila in 1998 when the nuclear tests were the focus of attention.

In fact, the ARF Chairman's statement, the only public document of the Forum meeting, is not expected to contain any direct references to the Indian or Pakistani nuclear tests of the kind made in 1999 in Singapore, though a general suggestion for universal adherence to the CTBT and NPT will remain.

In 1999, the ARF Chairman had "noted support for encouraging States that had tested nuclear weapons (neither India nor Pakistan were named) last year to exer-

cise restraint, including by adhering to the CTBT, and to revive the Lahore process." This time round such references have been restricted in draft form to a general call for adherence to the CTBT and NPT. The final form of the Chairman's statement will, of course, remain to be seen.

Mr. Jaswant Singh, during his stay, which will include a separate ASEAN-India dialogue on July 29, is expected to have bilateral meetings with the Foreign Ministers of New Zealand, Australia, Laos, Vietnam, Myanmar, Cambodia and, possibly, Indonesia.

The attendance of the U.S. Secretary of State, Ms. Madeleine Albright, who is busy with the West Asia peace process, at the ARF session remains in doubt. Mr. Singh could meet the U.S. Deputy Secretary of State, Mr. Strobe Talbott, who is to stand in for Ms. Albright, on the sidelines of the ARF meeting.

In case Ms. Albright fails to turn up, some of the gloss from the ARF meeting revolving around the first-time participation of North Korea in the Forum will go

missing. There have even been suggestions that Ms. Albright could meet with the Foreign Ministers of both the Koreas together. However, with her attendance in doubt, such initiatives may not come about.

There is little doubt that the 'sidelines' of the ARF and ASEAN post-Ministerial conferences will become less exciting in case the promised high-level interactions on the Korean issue does not take place.

That ASEAN members are excited about Pyongyang's participation is clear from their joint communique issued today.

"They (the 10 ASEAN Foreign Ministers) noted with satisfaction the efforts by DPRK (North Korea) to improve relations with its neighbours, as well as ASEAN member countries, and to enhance its interactions with the wider international community.

In this regard, they looked forward to the participation of the DPRK at the Seventh ARF in Bangkok on July 26-27 2000," the Ministers stated.

THE HINDU

26 JUL 2000

## 'Lack of consensus' keeps Pak. out of ARF

By Amit Baruah

HD-14

**BANGKOK, JULY 25.** Pakistan's application to become a member of the ASEAN Regional Forum (ARF) has fallen through on account of "lack of consensus" among the 10-member ASEAN grouping as the regional body called for "universal adherence" to the Comprehensive Test Ban Treaty and Non Proliferation Treaty at the end of the two-day annual meeting of Foreign Ministers.

Addressing a press conference today, the outgoing ASEAN chairman and Thai Foreign Minister, Mr. Surin Pitsuwan, said that Pakistan's application to join the ARF would be left to "some other time" as there was no consensus in ASEAN.

Apparently, the issue of the Pakistani membership was brought up at an informal meeting of the ASEAN Foreign Ministers meeting

on Sunday by Mr. Surin. The Philippines supported the proposal while some other ASEAN members did not say anything. According to available information, the Philippines may again raise the issue at the ARF informal dinner meeting which is to be held here tomorrow with the Indian External Affairs Minister, Mr. Jaswant Singh, in attendance.

On why Pakistan had been denied entry when North Korea had attained the ARF membership, Mr. Surin said that Pyongyang's case had been decided "before" a moratorium on inducting more ARF members had been taken.

The joint communique issued at the end of the ASEAN Foreign Ministers' meeting "welcomed" the convening of the NPT Review Conference in New York earlier this year and "hoped that it would create a momentum towards the implementation of concrete measures on nuclear disarmament by nuclear

weapon States." "In this regard, the Foreign Ministers affirmed the unanimous conclusion of the Advisory Opinion of the International Court of Justice of July 8, 1996, that there exists an obligation to pursue in good faith and bring to a conclusion, negotiations leading to nuclear disarmament in all its aspects under strict and effective international control."

Taking a forward step on dealing with regional issues, the Ministers approved the terms and conditions for the formation of an ASEAN "troika" comprising the past, current and future chairmen of the grouping. Reflecting the divergent positions on the role of the troika within ASEAN, the concept paper made it clear that the troika would not be a decision-making body and "shall refrain from addressing issues that constitute the internal affairs of ASEAN member countries."

# Asean forum slams door on Pak

FROM OUR SPECIAL CORRESPONDENT

**New Delhi, July 25:** Pakistan's appeal to the Asean Regional Forum for membership was today turned down. India is already a dialogue partner of the high-profile security group.

An informal dinner tomorrow evening will kick off the three-day ARF meeting at Bangkok, where foreign ministers of member nations will discuss matters concerning the Asia-Pacific region.

Asking to be let in, Pakistani foreign minister Abdus Sattar had written to his Thai counterpart Suri Pitsuwan, current ARF chairman. Projecting Pakistan as a "responsible and key country in the region", Sattar had requested Pitsuwan to raise the issue at the meet.

The forum has 20 members at present and

includes almost all the major world players — the United States, Russia, China, Japan, European Union, South Korea, Canada, Australia, New Zealand and India. The 10 Asean members are also part of the body.

The Bangkok meet will see North Korea being made the 21st member of the forum. Most ARF members agree that North Korea is a key factor for stability in the Asia-Pacific region.

Another letter, written by Myanmarese leader and Nobel laureate Aung San Sun Kyi, has been circulated among the ARF members, highlighting the plight of the people in her country under the military junta.

Sun Kyi has argued that the projected image of Myanmar, included in Asean a few years ago, was contrary to the reality. She has pointed out human rights violation by the military

and urged the ARF to pressure the junta.

The Indian contingent to Bangkok, led by foreign minister Jaswant Singh, was a little worried about the Pakistani letter. This is not the first time that Islamabad has tried to get into this high-profile body. Its efforts intensified after Delhi joined it four years ago.

On the face of it, ARF members agree that the "plate is now full" and there is no scope for more members. But North Korea's entry has made some nations apprehensive that the same criterion of regional stability might facilitate Pakistan's entry. Interestingly, many felt it is Thailand which has instigated Pakistan to renew its appeal. However, Singapore and Indonesia opposed the idea — they feel it would reduce the ARF to another platform for Pakistan to engage in a slanging match with India.

THE TELEGRAPH

26 JUL 2000

# Asean endorses new mechanism

DEUTSCHE PRESS AGENTUR

BANGKOK, July 25. — Foreign ministers of the Association of South-east Asian Nations today formally agreed to set up a troika mechanism aimed at making the grouping a more pro-active player in future regional crises, officials said.

The 10 foreign ministers, who are in Bangkok to attend the 33rd Asean ministerial meeting, have approved the setting up of a troika mechanism, similar to the EU model, to take a more pro-active role in solving regional emergencies in their joint communique approved today, Thai foreign ministry spokesman, Mr Don Pramudvinai, confirmed.

The troika, a Thai proposal aimed at enhancing Asean's image as a regional problem-solver, was altered slightly yesterday to give more ad-hoc power to the chairman of the association, which revolves on an annual basis. The troika will consist of the chairperson of the Asean standing committee along with the previous

chairperson and the future chairperson.

"We agreed that the chair should be given more room for his creativity in carrying out the mandate on behalf of the Asean ministers," the Thai foreign minister, Mr Surin Pitisuwan, said yesterday.

"He (the chair) could activate the troika or ask for a convening on an emergency basis of the Asean foreign ministers," said Mr Surin.

Many questions still remain about the effectiveness of such a body, since the Asean ministers continued to stick to their guns on maintaining the principle of non-interference in each other's internal affairs, a stance which begs the question of just when the troika would step in to help cool a hotspot.

Mr Pramudvinai said the important thing to emerge from this year's annual pow-wow was the acknowledgement that Asean's top leaders need to improve their relations on the personal level, and perhaps hold more informal meetings to enhance regional cooperation.

"We need to get Asean leaders closer together. If they want to go on with this Asean vessel, withstanding all the storms, they have to stick together and will need give and take," said Mr Pramudvinai.

He acknowledged that the grouping, plagued by deep differences in governmental systems and economic development, still had far to go before it achieved a level of close relations among leaders now witnessed in the European Union.

The troika proposal was part of a broader effort at this year's meeting to undermine a growing perception that Asean is being marginalised as a political and economic entity.

Coming in the wake of a regional economic crisis, Asean ministers hope to use the forum to convince the world community that South-east Asia is now on the road to a sustainable economic recovery.

Bangkok has broadened the scope of Asean's discussions at this annual session to include issues once deemed too sensitive for the regional forum

under the broad theme: towards a comprehensive development agenda.

The ministers have agreed to push up the deadline for turning Asean into a "drug-free" region to the year 2015, five years earlier than its former target of the year 2020.

Leaders of the soon-to-be newest south-east Asian nation, East Timor, attended this session as observers for the first time, and have vowed to enter the association by next year.

Another first will be the presence of North Korea at the Asean Regional Forum on Thursday and Friday. ARF comprises the 10 Asean states and their main dialogue partners Australia, Canada, China, the European Union, India, Japan, South Korea, New Zealand, Russia and the USA.

The US secretary of state, Ms Madeleine Albright, is expected to attend the ARF talks.

Tomorrow, the Asean ministers will hold talks with their main east Asian dialogue partners — China, Japan and South Korea.

THE STATESMAN

26 JUL 2000

Aiwi Abdurrahman Shahab of Indonesia.

## ASEAN calls for closer ties

By Amit Baruah

**BANGKOK, JULY 24.** The 33rd annual meeting of ASEAN Foreign Ministers opened today with the Thai Prime Minister, Mr. Chuan Leekpai, calling for greater economic integration among the 10-nation ASEAN grouping.

The need to redress the unequal development in the region figured prominently in the speeches made by ASEAN Foreign Ministers after Mr. Leekpai formally opened the annual meeting. "In moving towards closer regional interaction of the 10-member countries, there is a need for a suitable formula to balance regional with national interests.

In addition, we must consider how best to coordinate our many cooperative endeavours and promote a more comprehensive development agenda for the new century — one that will contribute towards the long-term dynamism of the region as a whole," the Prime Minister said.

On the challenge of economic integration, Mr. Leekpai said: "There is a compelling need to expedite infrastructure development and capacity-building programmes so as to ensure the region's economic integration.

The development of the Mekong sub-region is therefore an important initiative not only for the new members of ASEAN, but for ASEAN as an organisation. Indeed, only by closing the gap between old and new members will ASEAN be able to move ahead with the speed and direction expected of it."

On the ASEAN "troika" proposal, which faced some resistance from within the grouping, the Thai Prime Minister said he was "pleased to have learnt that the ASEAN Foreign Ministers will be adopting a framework for operations of the ASEAN troika, which

will, I believe provide our Association with a quick response and effective mechanism to deal with fast developing issues in the region.

"To keep up with the changing environment, intra-ASEAN relations need to be more dynamic, more engaged, and more cohesive. Flexibility and adaptability should be ensured to maintain ASEAN's pre-eminent role in the region," Mr. Leekpai told the open session of the annual meeting. In what appeared to be a bid to draw greater linkages with the East Asian countries of Japan, China and South Korea, the Prime Minister stated: "We must furthermore continue to explore the possibilities of closer linkages with other economic centres of the world."

Here, it may be recalled that a meeting of East Asian Foreign Ministers will take place in the midst of the annual Foreign Ministers consultation and the ASEAN Regional Forum (ARF) meeting. In his statement, the Malaysian Foreign Minister, Mr. Datuk Syed Hamid Albar, while expressing relief at the economic recovery of the region, warned against the perils of a return of the 1997 economic crisis. "Our gathering today takes place under considerably happier circumstances than at the 32nd ASEAN Ministerial meeting...although the effects of the financial crisis are still being felt in some parts, our region has staged a remarkable turnaround. Our recovery is due to the national measures that we have pursued, the regional initiatives undertaken as well as cooperation demonstrated at the international level."

In his speech, the Vietnamese Foreign Minister, Mr. Nguyen Dy Nien, pointed out that the benefits of globalisation depended greatly on the level of economic development and strategy of individual nations.

THE HINDU

25 JUL 2000

# United they stand

The Asean ministerial conference in Bangkok is billed as the first official meeting of the East Asian community. Related economic and political developments have propelled a regional sensibility that will be apparent in the can-do rhetoric, says KAVI CHONGKITTAVORN



Asean foreign ministers at the opening ceremony of the 33rd ministerial meeting in Bangkok on Monday. They are (from left) Somsavat Lengsavad of Laos, Sayed Hamid Jaafar of Malaysia, Win Aung of Myanmar, Domingo Siazon of the Philippines, S. Jayakumar of Singapore, Surin Pitsuwan of Thailand, Nguyen Dy Nien of Vietnam, Prince Mohammed Bolkiah of Brunei, Hor Namhong of Cambodia and Alwi Abdurrahman Shihab of Indonesia. — AP/PTI.

THE Association of South-east Asian Nations is shifting its external relations — traditionally focussed on Western countries — towards the Asian region. The new direction reflects the group's desire to strengthen its Asian roots through economic and security cooperation with China, Japan and the two Koreas.

The Asean ministerial meeting, which began in Bangkok on Monday, is no longer confined to Asean countries. It is billed as the first official meeting of the East Asian community. The can-do rhetoric that is expected to emerge in the next few days, and is to be wrapped up in the joint communique, will testify to this new confidence and a new East Asia.

The Asean leaders say that the coming together of East Asia is not a threat to anyone but rather an effort to help one another. The economic crisis over the past three years has brought not only the East Asian economies much closer but also their leaders. In the process, they have become more assertive and outspoken. Three related economic and political developments have propelled the new East Asian sensibility. First, the success of the inter-Korean summit in June has brought the prospect of peace and stability in the region within grasp.

Since the end of World War II, the Asia-Pacific region has witnessed conflict and tension. The North-South reconciliation will lessen the tension and enable the divided Asian region to take a common approach and think collectively.

North Korea's decision to join the region-wide security body, Asean Regional Forum, was a blessing after a six-year delay. Since the first ARF meeting in 1994, the volatile Korean peninsula has always been the single issue that concerned its leaders. Often, they expressed a sense of hopelessness because of

Pyongyang's absence and intransigence.

Second, Japan is showing an increased willingness to speak and act on behalf of developing countries, especially Asean members. This sentiment is significant as it will improve Japan's recalcitrant image in the eyes of broader Asia.

Tokyo has already provided generous assistance to aid the region's economic recovery and long-term human-resource development programmes. At the Bangkok meeting, Japan will pledge to further help developing countries to improve their information technology and bridge the "digital divide."

Along with Japan, South Korea under President Kim Dae-jung has succeeded in pushing for a common East Asian identity. Credit is due for his no-nonsense advocacy for this new regionalism. Finally, China has emerged as a key player which is more committed to the common good of the region.

Beijing has kept the value of the yuan stable, much to the satisfaction of Asean countries, especially Thailand and Indonesia. As a result, China's influence in the Asian scheme of things has improved. China has become more proactive and assertive in regional affairs. After years of being viewed with suspicion over disputed South China Sea claims, Beijing has skillfully managed and contained Asean's concerns over the disputed maritime territories.

It will surprise no one if eventually China agrees to support the regional code of conduct with some amendments. Such support will immediately alleviate China's strategic position within the region. It will also serve as a catalyst to broaden Beijing's influence in the region. China plans to attack the US missile-shield plan for North-east Asia at the ARF later this week. Levels of rhetoric will indicate Beijing's newly found confidence within the

ARF framework and regional embrace.

It is the first time that Beijing has made known its position ahead of the region-wide security meeting. But there is one caveat. While many Asian countries welcome China's high profile and a proactive Japan, they still view the US role as crucial to providing an anchor for stability.

Questions have been asked whether China will become a responsible regional and global player. If so, within the Asean context, is China willing to do more than be an observer? Will China become an active participant in regional affairs, including helping to resolve disputes and transnational issues like drug proliferation in the region?

This new orientation has found support from Asean foreign ministers, who are expected to approve recommendations by the Asean directors-general that the group's ties with new dialogue partners be placed under a moratorium.

For the time being, relations with potential dialogue partners and international organisations will be handled through a third-country committee, comprising Asean envoys. Dialogue partners used to be the traditional source of development and technical funds, which are harder to get.

The shift towards Asian powers is expected to strengthen the Asean position. There is also a de-linking process between dialogue-partner status and ARF membership. In the past, the former was the prerequisite for the latter. When Russia, China and India became full dialogue partners, they automatically became ARF members. When Mongolia joined ARF in 1999, it was not a dialogue partner. The de-linking will allow a degree of flexibility for possible ARF enlargement in future.

— Asia News Network.

(The author is Executive Editor of The Nation)

THE STATESMAN

25 JUL 2000



# The human aspect

5/9 25/7  
**THE Asian financial crisis that first occurred in Thailand about three years ago has crushed commercial empires in the region and obliterated the aspirations of many individuals and communities. At the push of a computer button, millions in the South-east Asian region slid back into a life of poverty and deprivation they thought they had left behind a few years ago.**

Social tensions, ethnic conflicts and political instability have cropped up in areas hitherto calm and prosperous. In some cases, clashes threatened to spill over to neighbouring areas, sending waves of refugees in search of safer environments.

As in the Asean community prepare for the annual ministerial meeting in Bangkok, it is appropriate that we deliberate on the plight of peoples affected by the misfortune from which they thought their leaders had delivered them.

After 32 years of evolution, expansion and integration, what is the fate of the common man and woman in the Asean region?

As host of the 33rd annual ministerial meeting, Thailand has proposed to its Asean partners that the theme for the gathering be "Towards a Comprehensive Development

Agenda". Crises have shown that our development strategies for the region have been lopsided and our economies fraught with structural defects. We have pursued the policy of growth to the point where we neglected the equitable distribution of our acquired wealth. Our capitals are full of high-rises and modern edifices. But large portions of our rural population are still denied the basic amenities.

Asean leaders must take a serious look at the human dimension of our regional development. If we want to avoid another economic crisis, we must redesign our socio-economic structure. Our people must be the focus of joint endeavours.

In the age of globalisation, expectancy will be fired by the achievements of those who enjoy, in the words of the Bangkok Declaration, "the blessings of peace, freedom and prosperity," in other continents. This "connectivity" will serve as a catalyst for change. They need no champions or provocateurs.

We only have two choices.

**Host Thailand will tell its partners to focus on the common people, writes SURIN PITSUWAN**

Either make adjustments, get connected and join the highway of the future, or close in, fold up and with-

draw into the cocoon of comfort. It will be a fateful decision whichever option we choose. Our people will inherit the consequences long into the future.

So "a comprehensive agenda" would entail more than the old way of doing things. We have concentrated on the interests of states and the security of governments for the past 30 years. In the new millennium, we must take into consideration in Asean's decision-making process, the welfare and the interests, health and safety, happiness and potential of all our people.

We have to open our doors to people's participation. Transparency and good governance are not only the key concepts for

political expediency, these have also become the rallying calls for the people in whose noble name we serve. That is why we have included for ministerial discussion this year transnational crime, drug-trafficking and flesh trade, environmental degradation, disease, the Mekong Agenda, human-resource development, social safety nets and a caring and compassionate Asean.

For the state and any other organisation to remain relevant, they have to serve as effective mechanisms for fostering the aspirations of their people. To impede the realisation of their potential would invite tensions and protests. Instability and insecurity would plague the region. Globalisation compels governments to reach out to basic units of our societies, the common man. Only then can we fulfill the Vision of Asean 2020: "Asean as a concert of South-east Asian nations — outward-looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies." It is imperative that Asean now focus on the human dimension. Once that is done, our region will be more secure, our development more stable and our prosperity more sustained.

— *The Nation / Asia News Network*

(The author is Foreign Minister of Thailand)



Human rights activists before the Asean meeting venue in Bangkok. — AP/PTI

# Need to forge ahead with a plan for a free trade area and establish an 'e-ASEAN', members told Act now or face marginalisation is new mantra

AGENCE FRANCE PRESSE  
BANGKOK, JULY 24

ASEAN must reverse the perception that it is a 'sunset organisation' or risk being marginalised by the global diplomatic and investment community, Singapore Foreign Minister S. Jayakumar said on Monday. Jayakumar also urged the 10-member group to learn to adapt to the advent of globalisation and information technology (IT) so that it would not become a 'hollow shell' with no place in the new millennium.

In a hard-hitting speech at the opening of a two-day ASEAN Foreign Ministers' meeting, Jayakumar said the region's recovery since the devastating 1997 crisis had not changed the percep-

tion that ASEAN was a dying institution. "If we continue to be perceived as ineffective, we can be marginalised as our dialogue partners and international investors relegate us to the sidelines. The danger is real," he warned. "The fact that negative perceptions of ASEAN persist is proof that what we have done is not enough. We must be more resolute to put our region back to where it was...the stakes are high."

He noted that ASEAN only accounts for 1.5 per cent of the world's gross domestic product (GDP), compared to the Asia-Pacific Economic Cooperation (APEC) forum which contributes 56 per cent and the European

Union with 30 per cent. Major institutions had also given ASEAN nations very poor weightings in their investment



East Timorese independence leaders (L) Jose Ramos Horta and Xanana Gusmao (C) share a light moment with Thai Foreign Minister Surin Pitsuwan at the 33rd ASEAN Ministerial meeting on Monday.—AFP

indices. "These weightages must be taken seriously. They reveal how international investors view Southeast Asia vis-a-vis other parts of Asia. They do influence investment decisions," he said. The increased competition that will flow from China's entry into the World Trade Organisation may also divert investors from ASEAN, he added.

Jayakumar said the Bank of International Settlements had reported that several ASEAN economies still had low resistance to a future banking crisis due to high non-performing loans and slow corporate debt restructuring. With foreign investors watching the region's 'quality' of recovery, he urged members to push on with reforms and

adopt the 'best standards of government, transparency, corporate governance and the rule of law'. "Our national standards must be comparable to international best practices. There must be no backsliding on structural reform," he added. Jayakumar said the group must also forge ahead with a plan for a free trade area and to establish an 'e-ASEAN' in the IT age.

"We can choose to opt out and allow these forces to flow around us but at the cost of becoming irrelevant... We can either learn to use them or be by-passed in which case we risk being sidelined. ASEAN will then be a hollow shell that cannot keep up with the fast growing new economies of Northeast Asia," he said. He urged the grouping to "redouble efforts to recapture the ground lost" since the 1997 economic crisis hit.

2000 EX-1001

# Pak. seeks ASEAN Regional Forum membership

110-13  
24/7  
By Amit Baruah R. Alu -

**BANGKOK, JULY 23** Pakistan has sought membership of the ASEAN Regional Forum (ARF), whose formal day-long meeting takes place here on Thursday.

In a letter to the Thai Foreign Minister, Mr. Surin Pitsuwan, the Pakistani Foreign Minister, Mr. Abdul Sattar, has sought to become a member of the influential multilateral forum dealing with security issues.

The letter seeking ARF membership has been circulated by Thailand, the current chairman of ASEAN, to all member States of the Forum, informed sources told *The Hindu* today. Pakistan, it may be recalled, has also been seeking to become a "full dialogue partner" of ASEAN by altering its present status of a "sectoral dialogue partner." Islamabad's bid to enter the ARF has apparently been strengthened by the admission of North Korea as a Forum member. It is for the first time that Pyongyang will be participating as an ARF member in Bangkok.

It is possible that Pakistan has cited the North Korean precedent to enter the ARF. However, the North Korean engagement with the ARF at this point is of a different and strategically important nature.

In response to questions, the ASEAN Secretary-General, Mr. Rodolfo C. Severino Jr., made it clear to presspersons today that the regional grouping had no plans to expand the dialogue system now. He said it was not just Pakistan which was seeking to become a full dialogue partner.

At present, ASEAN was engaged in trying to consolidate the dialogue system, he said, adding that it was, of course, possible for the Foreign Ministers to take a different view when they meet for informal and formal consultations. The formal ASEAN Ministerial Meeting (AMM) begins tomorrow.

In the ASEAN system, the nitty-gritty of decisions are usually worked out in advance. For that to happen, officials meet to work out concepts and details in advance of the Foreign Ministers' meeting.

According to a report in the Bangkok-based daily *The Nation*, Pakistan's request to become a full dialogue partner of ASEAN did figure at the meeting of senior officials, which concluded yesterday.

At his press conference this evening, the ASEAN Secretary-General also indicated that the issue of Theatre Missile Defence, specifically the current plans of the United Nations to deploy a missile shield would come for discussion at the ARF meeting.

The positions taken by Russia and China on the U.S. moves were "quite clear," he said. On the ASEAN position, Mr. Severino Jr. maintained that the regional grouping was against "any development that would destabilise the situation." In the same breath, the Secretary-General stated that he was not saying that the missile defence plans would necessarily "do that" (destabilise the situation).

The ASEAN official also stated that the situation in Indonesia and the question of the South

China Sea could come up for discussion at the meeting of the Foreign Ministers. Referring to the possibility of an ASEAN statement reiterating its commitment to the integrity of Indonesia, the Secretary-General said "there is no statement until a statement is issued."

Asked whether there could be a discussion on "Islamic extremism," with specific reference to the Al Maunah group in Malaysia and the Abu Sayyaf outfit in the Philippines, Mr. Severino Jr. said there were no limitations and he would not like to pre-empt anything.

On the issue of the P-5 nuclear powers associating themselves with the South-East Asia nuclear-free zone treaty, he said discussions were going on between ASEAN and P-5 officials on the issue. For the region to be truly a nuclear-free zone, there was need for the P-5 to associate themselves with the Treaty through a protocol.

In the meantime, *The Nation* has reported that a number of ASEAN diplomats have said that "Pakistan's membership of the ARF would complicate the security body because of its long-standing dispute with India over Kashmir."

Reflecting the remarks made by the ASEAN Secretary-General today, the paper added: "In a parallel meeting of the ASEAN Standing Committee, the grouping's directors-general agreed to extend the 1996 moratorium on expansion of the ASEAN dialogue partners indefinitely, saying the grouping's resources to deal with further expansion were limited."

THE HINDU

# ASEAN 'troika' to deal with regional issues

By Amit Baruah

**BANGKOK, JULY 22.** The presence of North Korea for the first time at the coming ASEAN Regional Forum (ARF) meeting and an agreement on the terms of reference of a proposed ASEAN "troika" today by senior officials to deal with regional issues have set the stage for the annual conference of the 10-nation ASEAN Foreign Ministers beginning on Monday.

Talking to reporters at the conclusion of the ASEAN senior officials meeting, Thailand's Foreign Minister, Mr. Surin Pitsuwan, said there could be a "breakthrough" on issues relating to the decades' old tension on the North Korean peninsula.

Apart from the ARF meeting itself, Mr. Surin said there would be a series of bilateral consultations between North Korean and ARF members. It is for the first time that North Korea has been invited to attend the ARF meeting.

The North Korean Foreign Minister, Mr. Paek Nam Sun, is expected to meet the Foreign Ministers of several leading Western nations apart from holding talks with his Russian and Chinese colleagues.

Mr. Surin said the difference between the ARF and other international forums was that all important global powers were represented in this Forum. "All issues, any concern will be up for discussion."

Turning to the creation of an ASEAN "troika" to deal with regional issues, Mr. Surin stressed the need for a more effective, cohesive instrument. He revealed that the officials' meeting, spread over two days, had finalised the terms of reference of the "troika".

The ASEAN Foreign Ministers will examine the "concept paper" at their meeting beginning on Monday, he said. There was no reason to believe that the formulation would not be accepted.

Reiterating that "non-interference" in regional affairs remained the cardinal principle of ASEAN interaction, Mr. Surin said that "some issues" themselves had to be "rede-

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fined". Specifically, he referred to issues that had the potential of spilling over. These issues, he said, would be examined step-by-step.

Giving examples of the kind of issues that could be dealt with by the proposed ASEAN "troika", Mr. Surin referred to the problem of drugs, smog and haze, trafficking in women and children, environmental concerns and the spread of diseases. These issues, he said, cannot be regarded as exclusively internal. He said when such issues "boiled over", it was expected that the ASEAN "troika" would spring into action.

Though it is expected that the past, present and future Chairmen of ASEAN would form the "troika", there are also indications that a country-specific issue could also involve that country as well. All decisions, however, are likely to be taken by consensus.

The "troika" idea was first suggested by the Thai Prime Minister, Mr. Chuan Leekpai, at the informal ASEAN summit in Singapore in November 1999. Some reports maintain that there had been resistance from some ASEAN members to more activist intervention by the "troika" and, hence, the stress on a consensual style of functioning.

In his more formal remarks at the end of the officials' meeting, where agenda items for the Foreign Ministers' talks are fine-tuned, the Thai Foreign Minister said the realisation of the ASEAN-10 was not an end in itself.

"In my view, ASEAN has evolved from individualism to regionalism. In my view, ASEAN has already progressed into a South-East Asian community with common interests and goals — the goals of regional security, economic advancement and strengthened cooperation in all fields. We look forward to building ASEAN into a true community of nations, characterised by equality, respect, flexibility and innovation."

With Thailand ceasing to be the Chairman of the ASEAN standing committee, the responsibility now passes on to Vietnam.

In his remarks, Mr. Vu Quang Diem, Direc-

tor-General of ASEAN- Vietnam, said the regional grouping moved forward opportunities and great challenges.

"It is, therefore, vital for ASEAN to state stronger commitment and greater determination to overcome all these difficulties and challenges, to strengthen our cohesion and unity in diversity on the basis of fundamental principles of ASEAN, and enhance our relations with the rest of the world, especially our dialogue partners...." F

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23 JUL 2000

23 JUL 2000

# Austria threatens E.U. enlargement

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VIENNA, JULY 5. The Austrian Government announced on Tuesday that it would seek a popular mandate to allow it to block the expansion of the European Union if sanctions against Vienna were not lifted soon.

In an escalation of the crisis that has set Austria against its 14 E.U. partners since February, Mr. Wolfgang Schussel, the Chancellor, said a referendum on the sanctions would be held on Oct. 29 or Nov. 26 if normal relations were not restored by then.

The announcement will cause alarm in E.U. capitals where the admission of new members from central and eastern Europe is regarded as the community's principal challenge.

The list of six questions to be put to the Austrian people would, if backed by a majority, give the coalition in Vienna the people's backing to carry out its recent threats to prevent enlargement.

It could do so by blocking reforms of E.U. institutions that are necessary before the community can admit new members. The reforms are due to be agreed at a summit in Nice in December at the end of France's E.U. presidency, but agreement can be vetoed by any one country.

The first question asks: "Should the Government, as part of the impending reform of the E.U. treaty, ensure with all suitable means that the sanctions unjustly imposed on Austria by the other member-states of the European Union are immediately lifted?"

Austria's 14 E.U. partners imposed sanctions — which amount to a ban on bilateral meetings with its Ministers — in February after Mr. Schussel's conservative People's Party formed a coalition with the Right-wing Freedom Party, led at the time by the populist, Mr. Joerg Haider.

The announcement of a refer-



Mr. Joerg Haider of the far-right Freedom Party gestures after leaving a meeting of Austria's coalition committee on Tuesday. — Reuters

endum is seen as a victory for Mr. Haider and proof that he and his party pull many of the strings in the Government. Mr. Schussel is said to have been very suspicious of the referendum plan, preferring a more gradual, diplomatic route to end sanctions. But he was pushed into it by the Freedom Party, which demanded a tough approach against the E.U.

After a meeting of coalition leaders yesterday, Mr. Schussel said he was frustrated that an E.U. plan to appoint "three wise men" to examine Austria's compliance with common European values was not accompanied by a timetable to end sanctions. He was also irritated that the incoming French presidency of the E.U. had suggested that there was no end in sight to sanctions.

While Mr. Schussel is strongly in favour of E.U. expansion, he has kept open the option of ap-

plying a veto on the enlargement process.

At the weekend he made his position clear during a trip to Germany. "The tensions within the European family have to be removed before an enlargement," he said.

On Tuesday he backed up the comments, saying: "There is, of course, the danger that if tensions within the family are not resolved soon, then certain technical or day-to-day work simply becomes more difficult."

Unlike most referendums, the result of this one would not be binding on government policy. Mr. Schussel said the vote would concern "the development of E.U. law to ensure equal rights and democratic rights of all E.U. member states and to guarantee basic rights and freedom in the E.U." — © Telegraph Group Limited, London, 2000.

THE HINDU

6 JUL 2000

6 JUL 2000

## Wide differences in E.U.

By Batuk Gathani 4/9-16

**BRUSSELS, JULY 4.** There are wildly differing perceptions in major European Union capitals about the emerging political and economic profile of an enlarged E.U., and such differing perceptions are reflected in the statements of major European political parties and personalities.

The European Commissioner for competition, Mr. Mario Monti, is now urging Italy to resist calls by France for creation of a so-called 'pioneering group' of E.U. states, who could be at odds with the 'outer core' group led by Britain, Denmark and Sweden, who have so far consistently rejected all 'federalist' overtures from Germany and France.

The British Prime Minister, Mr. Tony Blair, was in Berlin last week to 'iron out' differences with the German Chancellor, Mr. Gerhard Schroeder. Mr. Blair has argued in E.U. forums that Britain will join the European Monetary Union at 'its own pace and terms' on premise that current public opinion in Britain is basically hostile to the euro and the EMU.

At the same time, the British industry and commerce have warned the British Government about 'dire consequences' for the British economy if Britain 'spurns' euro.

A senior government advisor today sounded a warning of a 'meltdown' in British manufacturing, unless the Blair Cabinet starts arguing for the British entry into the EMU. Leading Japanese companies who have heavily invested in British manufacturing -- mainly autos and electronics -- have even threatened a slow-down in their investment programmes if Britain remains hostile to the EMU and the euro. According to a document prepared by Mr. Andrew Fraser, chief executive of the 'invest in Britain' bureau, tens of thousands of British jobs would be at risk unless Mr. Blair's Government declares that the British membership of the EMU and adoption of euro is 'indispensable.'

The British authorities have argued that one year after the 2001-2002 general elections, the British Government will hold a national referendum on the adoption of euro and abandoning pound sterling. For major European industrial countries, this is a process which is rated as 'too slow'. The more pessimistic eurozone observers describe all this as 'delaying tactics' on the part of the British Government.

Mr. Monti feels that Italy has a great deal 'to fear' from the current French strategy to establish the 'pioneering' group of countries to be created around Germany and France.

THE HINDU

## 'Shanghai Five' led by Russia take on US might

AGENCE FRANCE PRESSE  
DUSHANBE, JULY 5

RUSSIA, China and three Central Asian nations began a one-day regional summit here on Wednesday with Moscow pushing for a joint stance against terrorism and US domination in world affairs.

The so-called *Shanghai Five* group was set up originally to resolve border issues but has shifted its focus amid deepening fears for regional security due to the rise in Muslim extremism.

The ongoing civil war in Afghanistan between the Taliban and opponents of the fundamentalist militia is set to feature prominently during the talks, hosted by Tajikistan President Emomali Rakhmonov.

The one-day parley also marked the first meeting as head of state between Russian leader Vladimir Putin and China's Jiang Zemin, officials said.

Also attending were Kazakhstan President Nursultan Nazarbayev and Kyrgyzstan's Askar Akayev, while Uzbekistan's President Islam Karimov was taking part as an observer.

After opening remarks, the leaders began five-way talks after which they were to sign a joint declaration. China, Kyrgyzstan and Tajikistan were to sign a separate trilateral border agreement.

Speaking shortly before the summit's opening, Russian Foreign Minister Igor Ivanov said the five would sign a common statement on coordinating their efforts to beat international terrorism.

"International terrorism is not something that has been dreamed up but something real," he told reporters. "So the countries are coordinating how to act in case of some openly aggressive threats from extremist organisations," he said.

INDIAN EXPRESS

6 JUL 2000

## E.U. adopts anti-discrimination laws

By Batuk Gathani

BRUSSELS, JUNE 5. The European Union governments have agreed on a programme to launch epoch-making reforms backed by legislation, to ensure equal rights for women and improved protection against sexual harassment.

The E.U. Social Affairs Ministers yesterday adopted a directive calling for the equal treatment of persons irrespective of their racial or ethnic origin in areas like access to employment, working conditions and membership of employers' or workers organisations. The Directive also covered access to goods and services.

The European Commission estimates that 40 to 50 per cent of female employees in the E.U. have experienced unwanted sexual approaches from their male colleagues. The E.U.'s Social Affairs Commissioner (Minister), Ms. Anna Diamantopoulou, who hails from Greece, said the level of awareness about sexual harassment of women in the 15 E.U. member states was "very poor" and that she was determined to set that right by tightening the current laws.

Sexual harassment will soon be treated as discrimination and vic-

tims will have access to compensation and job moves. The E.U. has already made legislation for equal opportunities in employment but the law relating to discrimination and sexual harassment needs tightening, with a better system of such identification, according to European bureaucrats.

Observers note that the incorporation of 'sexual harassment' references into the legislation will have a greater impact in Greece and Portugal where at present there are no laws against gender discrimination and sexual harassment.

Britain, Germany, France and the more liberal countries in Scandinavia have already adopted 'tough laws' against such practices. Under the new definition of sexual harassment, it will be identified as discrimination. The new law proposes that when "an unwanted conduct related to sex takes place with the effect of affecting the dignity of a person and creating an intimidating, hostile and offensive or disturbing environment", the victims should have access to law and compensation for sexual harassment. Ms. Diamantopoulou describes this as "a very important and sensitive

issue such as sexual harassment" which cannot be ignored.

The E.U. has proposed to spend the equivalent of Rs 225 crores on a five-year programme to promote awareness about equality which will also include reviews of member Governments' tax systems to check any disincentives for women entering the labour force.

The outline of the legislation will appear at the summit meeting of E.U. Government leaders in December at Nice in France. France takes over the six-monthly rotating presidency of the E.U. from Portugal next month.

Not till 1945 in the aftermath of World War II had the West European countries achieved any distinct form of women emancipation programmes, although by then the women there had attained almost complete legal equality. But there were pockets of discriminatory regions like Switzerland where till then women did not have a right to vote. There are still discriminatory provisions in some countries. This continues despite the fact that women have entered many professions which were closed to them in the first half of this century.

Despite the post-War rhetoric about equal opportunities and pay, the principle of equal pay for equal work has not been accepted in practice in some European countries. Before the collapse of the Soviet Union in 1989, the situation in Eastern Europe was generally discriminatory towards women, albeit there was a great progress in job opportunities for them. For example, there were more women doctors than men physicians in the Soviet Union but no women rose to key positions in the Communist Party or state apparatus.

In the E.U. countries today, there is no discrimination against women. However, if media reports backed by vociferous campaign by women groups for equal opportunities and tales of sexual harassment in work places are any criteria, a great deal needs to be done to create an ideal environment. Although political and civil rights for all citizens are already enshrined in the European Conventions on Human Rights, laws need to be tightened to contain challenges posed by gender discrimination and sexual harassment and this is about to happen.

THE HINDU

- 8 JUN 2000



# Patten bid to consolidate E.U.'s policies

By Batuk Gathani

**BRUSSELS, JUNE 10.** According to the contents of a five-page policy paper, in the coming weeks, the European Commission's External Affairs Commissioner, Mr. Chris Patten, may endeavour to consolidate and articulate the E.U.'s security and foreign policies.

This will happen in the background of the proposed expansion of the E.U. and NATO, the Western military alliance. At present, the E.U. has 15 member-states and NATO has 16 members. These numbers could rise to 25 and 30 in a decade or two.

The strategy of E.U. and NATO expansion is currently masterminded by Mr. Javier Solana, NATO Secretary General, who has been travelling extensively to various European capitals to exchange ideas and evolve a strategy to consolidate the process of European solidarity.

In the European Commission — the administrative arm of the E.U. — Mr. Patten is launching a new initiative to assert the Commission's authority over the Union's foreign policy and is also proposing "reality checks" on various initiatives. Mr. Patten will make this appeal to his fellow Commissioners to ensure that the member states live up to their commitments.

Mr. Patten's proposed strategy may trigger some controversy as the member states are

also zealously guarding their prerogatives over foreign policy matters and are obviously reluctant to cede power to the Commission. The more cynical view of the E.U. is that it is still an utopia which is in the process of evolving as a quasi-federal institution, a concept which is anathema to the influential lobby of the so-called Euro-sceptics in major E.U. capitals.

The E.U. member states are also in a quandary about the creation of two high profile institutions to handle common European foreign and defence policy matters. Mr. Solana, who is widely admired and works by consensus, is increasingly regarded as the symbol of European idealism and an architect of the proposed European policies.

Mr. Patten, the last British Governor of Hong Kong and the nominee of Mr. Tony Blair's Labour Government to the E.U., is rated more as an executive rather than a policy-maker. Mr. Patten has argued that the E.U.'s foreign and defence policy strategy has been endorsed in the 1992 Maastricht Treaty but still "lacks the beef" and hence the Commission should take a lead in making it more "muscular".

Mr. Solana's more ardent admirers may not share this perception and feel convinced that true European policies can emerge only

out of more consensus and commonality of purpose and perceptions.

The Commission is led by its President, Mr. Romano Prodi, and his critics have asserted that the Commission has lost authority in its relationship with member states and the European Parliament. This has become a highly controversial and emotional issue, especially since an influential section of the German media recently published stories suggesting that the two British Commissioners in the Commission are at odds with Mr. Prodi and could challenge his leadership by staging a "palace coup".

The reports merely caused a minor sensation and everybody vehemently denied there was any truth in such presumptions or allegations. But, many Eurocrats and observers of European affairs are still inclined to suggest there is always fire where there is smoke.

Mr. Patten is of the opinion that the E.U. should concentrate on areas in which there is an identifiable value added to policy conducted at the European, rather than the national level. He is seen as an articulate task master who believes that the member states should look to the Commission for ideas and actions. Mr. Patten's submission is that such idealism should also be backed with hard cash.

THE HINDU

11 JUN 2000

## E.U. looks to unity in diversity

HD-18  
1676

By Batuk Gathani

**BRUSSELS, JUNE 15.** The 15-European Union (E.U.) Foreign Ministers, who met in Luxembourg, chalked out a new strategy of "Unity in diversity." Their decision could lead to the emergence of a diverse but vibrant and a more unified E.U. based on the commonality of values and governance. The E.U., with some 370 million citizens, is in the process of expanding and within a decade, may add another 90 million citizens.

The Ministers discussed the prospects of a "multi-speed" Europe and agreed on plans for closer co-operation between smaller group of E.U. countries, who may pursue different policies and priorities within the broad frame-

work of the E.U. This strategy has attracted its share of criticism, particularly from Britain, Spain and the Scandinavian countries who are wary of an inner and outer hardcore European Union which could be dominated by Germany, France and Italy. But the plan has received enthusiastic support from the Benelux countries comprising Belgium, Holland and Luxembourg. These countries see themselves as the heart of the E.U. with economic and fiscal muscle power provided by Germany and France.)

The Foreign Ministers also met the E.U. Defence Ministers to pave the way for establishing an independent European defence strategy. The E.U. countries are already in the process of evolving

common pan-European Foreign and Defence policies under a new department headed by Mr. Javier Solana, former NATO Secretary-General. Initially, the E.U. Governments will create a 5000-strong civilian police force for deployment in emergencies outside the E.U. area but which may threaten vital E.U. trading and strategic interests. This is one of the provisions of the Amsterdam Treaty which came into effect in 1999.

The European reformers harp on the theme of "Unity in diversity" on the contention that within a decade or two the E.U. could grow to have 25 or 30 members. There are 13 new applicants for membership of the E.U. Britain still continues to be the E.U.'s

"odd man out". On the financial front, the beleaguered euro today bounced back by seven per cent from its low point against the dollar three and half weeks ago after a half per cent hike in interest rate. There is concern about the future health of the dollar as the U.S. current account deficit is now heading towards a \$400,000 million mark a year. The U.S. authorities are desperately trying to contain inflation as the economy is slowly down enough to make further interest rate increases unnecessary. The Europeans feel confident that as the interest rate gap between the euro and dollar narrows, there will be renewed international investment interest in European currency and securities.

THE HINDU

16 JUN 2000

### 3 EU members reject Pakistani ambassadors

ISLAMABAD, June 19. —  
Three European Union mem-  
bers — Italy, Sweden and  
Belgium — have refused to  
accept retired military officers  
as Pakistan's ambassadors  
without citing any reason, the  
Friday Times reported today.

Pakistan had nominated  
Major-General (retd) Mustafa  
Anwar Hussain, Vice Admiral  
(retd) Shamoon Ali Khan and  
Air Marshal (retd) Mohammed  
Najeeb as ambassadors to  
these countries.

The rejection is a clear indi-  
cation that these govern-  
ments are unhappy with  
Pakistan's military regime.  
Pakistan has now decided to  
retain Mr Naeem Ul Hasan in  
Sweden and Mr SK Dehlvi in  
Belgium, while Mr Arif Ayub  
has been shifted from Italy  
and is being considered for  
Afghanistan.

The military regime is recall-  
ing diplomats, especially those  
who have served more than six  
years. Retired military officers  
have been posted as ambas-  
sadors in UAE, Thailand and  
Morocco. — UNI

THE STATESMAN

20 JUN 2000

HD-16  
2/6

# E.U. world police force taking shape

SANTA MARIA DA FEIRA, PORTUGAL, JUNE 19. The British Prime Minister, Mr. Tony Blair, is likely to approve plans later on Monday for a European Union police force to be deployed in trouble spots around the world by the year 2003.

The E.U.'s 15 governments have agreed to create a rapid reaction unit of 1,000 police officers, to be ready for duty within 30 days, with the task of 'preventing internal conflicts' and 'restoring law and order' in places such as Kosovo, East Timor, and El Salvador.

According to the document presented to the E.U. summit on Monday, Strengthening the Common European Security and Defence Policy, the police will be organised into 'integrated units' combining officers from different countries.

The gendarmerie will be backed by a further contingent of 4,000 officers. It will be accompanied by security experts, prison officials and judges, under the supervision of a newly created civil crisis committee. There are no plans to use the gendarmerie for law enforcement or crowd control within the E.U.

The move towards an E.U. police force follows the London government's decision in May to join the E.U.'s Convention on Mutual Legal Assistance, which allows E.U. member-states to request e-mail, fax and telephone records of suspected criminals in Britain, in some cases without specific court order, and permits E.U.-wide eaves-dropping on telecommunications traffic.

The new proposal also complements E.U. plans for a rapid reaction force of 50,000 to 60,000 troops to be deployed for up to a year at a time, a commitment that will involve a total of 200,000 military personnel.

Preparations for the new military force are moving 'at the speed of light' according to Mr. Javier Solana, E.U.'s military and foreign policy supremo.

Mr. Blair's support for closer military and police co-operation within the E.U. has been well received by Britain's E.U. partners and is essential for maintaining his 'pro-Europe' credentials at a time when he is continuing to keep Britain out of the euro single currency and out of the E.U.'s Schengen system of open borders.

Meanwhile, the proposals for majority voting on taxation have been toned down — at the insistence of the British government. They, however, still recommend scrapping the veto on tax matters 'closely linked to the internal market', an expression that covers most forms of tax, according to the European Commission.

The reform paper, which is the working text for the next E.U. treaty to be signed in Nice this December, also calls for majority voting in areas of social policy and immigration. It talks vaguely of harmonising the E.U.'s social welfare systems, raising the possibility that the Government may have to fend off efforts to make Britain share the huge cost of bailing out the pension systems in Germany, France, and Italy, which are all heading for bankruptcy within 15 years.

Mr. Blair is also facing growing pressure to accept a legally-binding Charter of Fundamental Rights that would be 'justiciable' before the European Court of Justice, making the E.U.'s judges the ultimate arbiters of Britons' rights. — *© Telegraph Group Limited, London, 2000*

Reuters reports:

The E.U. leaders today approved Greece's membership of the Euro from January 1, 2001, making it the 12th country to join the single currency launched last year, an E.U. official said.

The E.U. Finance Ministers were to meet later today to set the official Drachma conversion rate of 340.75 to the euro, the official said.

"Greece has been adopted. It was purely a formality," the official said after the 15 leaders nodded through the Greek application on the recommendation of the European Commission.

The decision was a victory for the modernising Socialist government of the Prime Minister, Mr. Costas Simitis, which has squeezed chronic inflation out of the Greek economy and cut public deficits and debt levels to meet the E.U. convergence criteria.

Greece was the only country which wanted to join the euro but did not qualify on economic grounds when the first 11 members were chosen in May, 1993. Denmark is due to hold a referendum in September on whether to join. Britain and Sweden remain outside the euro zone.

THE HINDU

20 JUN 2000

## E.U. asylum policy on anvil 10/16

By Batuk Gathani

**BRUSSELS, JUNE 20.** The death of the 58 Chinese illegal migrants in Britain has jostled the European Union Governments into taking positive actions.

The first move is to contain the human and logistical challenges posed by international criminal gangs who traffic and profit by moving human beings. The Governments also propose to adopt a system to separate and identify genuine political asylum seekers from so-called phoney economic migrants. The European Commission is now expected to press ahead with plans for a common asylum policy for the 15 Governments before the end of the year. Germany, Britain, Benelux and Scandinavian countries are the main destinations of both genuine asylum seekers and economic migrants from Africa and Asia.

In Britain, the 'asylum seekers' have become a tough political issue on the domestic front as the Tory opposition advocates 'more tougher' measures to curb the flow of illegal immigrants.

Germany and Switzerland, for example, are seen flooded with more than one lakh asylum seekers every year. The vast majority of them are Europeans from former communist-ruled East and Central European countries. The number has of late fallen with relatively calmer political conditions in the Balkan region. In major European countries with rising levels of prosperity and economic development, the issue has become both emotive and politically divisive. The current wave of xenophobia against foreigners is further boosted by the proposed expansion of the E.U. The rightist politicians and populist media have gone out of their way to exploit popular fears about 'hordes' of poor East Europeans moving westwards in search of work.

The first signs of such xenophobic sentiments

emerged after the fall of the Berlin wall nearly 11 years ago when West Germans dreaded 'hordes of East Germans' descending on their cities looking for cheap jobs. A decade later, the average German finds that such fears were unfounded. Major industrial powers are also facing the prospects of a demographic revolution, with fast declining birth rates and people living longer.

According to a latest European Commission survey, only 8,23,128 East Europeans have migrated to the E.U. countries with Germany receiving 5,54,869 workers. Within the next two decades, Germany may have over 2.5 million East European workers, according to current projections.

According to European observers, the sudden rise in the Asian asylum seekers in recent months has been triggered by criminal gangs who are lucratively trading in human trafficking across continents. These gangs charge anything between \$ 10,000 to 30,000 per head. A vast majority of Asian asylum seekers are Sri Lankan Tamils. Citizens of Iraq, Iran and Pakistan also figure prominently.

The German Greens or environmentalists have called for major reforms to regulate European labour markets, where employers hire immigrants at cheap rates and skip paying social security and other tax tolls. An Asian or East European illegal worker can only earn about a tenth of the correct wages.

The reality is that the foreigners generally and illegal immigrants particularly are deeply resented by the locals. According to the European Commission's public opinion polling — the 'eurobarometer' findings, 45 per cent of the E.U. citizens think there are too many foreigners in it and this ratio rises to 52 per cent in Germany and 50 per cent in Austria.

The death of the Chinese immigrants now adds new dimensions to the issue.

THE HINDU

21 JUN 2000

## E.U. to crack down on human trafficking

FEIRA, (PORTUGAL), JUNE 21. France, which takes the helm of the European Union in a matter of days, has pledged tough new E.U.-wide action against the 'merchants' of misery after 58 Chinese illegal immigrants were found dead in a truck entering England.

"This was a tragedy born of avarice whose victims were men and women seeking to escape the misery of their living conditions by any means," the French President, Mr. Jacques Chirac, told reporters at the close of a two-day E.U. summit in this northern Portuguese town yesterday.

"This tragedy again highlights the need for a common immigration policy."

France and the European Commission have been asked by the 15 leaders attending the summit to submit new proposals on the matter at the next E.U. summit to be held in October in the southwest French city of Biarritz, Mr. Chirac said.

"That there be people who exploit misery, merchants of asylum ready to make money by selling dreams and willing to sacrifice human lives, has deeply shocked the European conscience," he said.

Europe must show "greater firmness" in cracking down

against human trafficking by accelerating police, judicial and customs cooperation, he said.

The French Prime Minister, Mr. Lionel Jospin, said France was preparing a plan to harmonise E.U. decisions on asylum-seekers and that his Interior Minister, Mr. Jean-pierre Chevènement, would hold a meeting with his E.U. counterparts late July.

"I have asked him to examine these questions closely in order to be able to take operational decisions before the end of the French presidency" late December, he said.

The British, Dutch and Chinese police teamed up yesterday to get to the bottom of a Chinese migrant trafficking ring believed to be behind the deaths of the stowaways found in the truck trying to enter Britain.

The police detained the driver of the Dutch truck on suspicion of manslaughter, and officials indicated that the finger of suspicion had also fallen on the sophisticated 'Snakehead' networks that smuggle tens of thousands of Chinese people to the west each year for hefty fees.

Britain called for help from its European partners in combatting the burgeoning trade in people.  
— AFP

THE HINDU

22 JUN 2000

## Germany, France warn Britain on E.U. ties

FEIRA (PORTUGAL), JUNE 22. Germany and France delivered a blunt warning to the British Prime Minister, Mr. Tony Blair, during sharp exchanges at the European Union summit which ended in Portugal on Tuesday, that he could not stop the development of a two-speed Europe that could leave Britain behind.

Although Mr. Blair and Mr. Gordon Brown, the Chancellor of the Exchequer, secured a victory at Feira in blocking the introduction

of a European-wide savings tax, the founding members of the E.U. made clear that they were determined to press ahead with closer integration. Mr. Blair agreed that the plan for an advance guard of member-States, so-called "reinforced co-operation", should be included in this year's discussions on institutional reform of the E.U. But the British Prime Minister argued strongly that the E.U. should proceed in a single group without a fast and slow lane. He stressed that individual E.U. States should

have the right to veto attempts by a core of nations to move ahead towards closer union. "We don't want a Europe of two speeds with a directorate that goes in advance and others have to follow," he said.

But Mr. Gerhard Schroeder, the German Chancellor, bluntly reminded Mr. Blair that Europe already functioned at two speeds. "as you can see from the single currency and the Schengen agreement on open borders". He said

that provided closer co-operation by a core of nations did not contravene E.U. treaties, "nobody can stop those member-States that want to pursue a more co-ordinated policy from doing so".

Mr. Jacques Chirac, the French President, was even more explicit. At a press conference, Mr. Chirac emphasised that the French and German Governments were determined to press ahead with closer links. — ©Telegraph Group Limited, London, 2000.

23 JUN 2000

23 JUN 2000

## FOR A BAY OF BENGAL COMMUNITY

THE TRADE MINISTERS of Bangladesh, India, Myanmar, Sri Lanka and Thailand (BIMST) have taken a positive step towards economic cooperation by deciding to work for a Free Trade Area (FTA). At last week's meeting in New Delhi, the Trade Ministers of these countries, around the Bay of Bengal, agreed to set up an inter-governmental officials' group to prepare a concept paper in six months time. The first landmark aimed at in the road map seems to be a Preferential Trade Arrangement which is to be upgraded to an FTA in due course. Though the BIMST-Economic Cooperation forum was launched nearly four years ago, it could not take off because of the Southeast Asian economic crisis. Since Thailand, which mooted the idea and hosts the Secretariat for BIMSTEC, was very badly dented by that crisis, not much progress could be made in the forum. At least now, BIMSTEC, which brings together South and Southeast Asia, must move forward to forge closer trade and economic ties. They have a lot to share, and instead of competing with each other in the same products for the same markets, they can pool their resources and strengths to emerge as a combined force with joint marketing.

Moving towards an FTA is now the done thing. Southeast Asia, through its regional forum, the ASEAN, will have a full-fledged FTA by 2003. But South Asia is still grappling to clinch an FTA for SAARC. In fact, SAARC has got grounded because of the India-Pakistan hiatus. Under these circumstances, it makes sense for Bangladesh, India and Sri Lanka to team up with some Southeast Asian countries in a free trade area. Experts feel that BIMSTEC has all the potential to emerge as a solid trade bloc and could also bridge SAARC and ASEAN. In essence, BIMSTEC will constitute the Bay of Bengal community and contribute to better understanding and security in the region. Viewed from another angle, this group of five can

emerge as an influential caucus within the large Indian Ocean Rim (IOR) grouping, which already boasts a membership of 21 but is unable to kick-start fruitful cooperation. The IOR bands Africa and Central Asia with South and Southeast Asia, stretching up to Australia — linking all countries washed by the Indian Ocean. Unfortunately, this forum too has not really taken off. BIMSTEC could provide a spark to it by taking the lead in evolving a free trade area.

At BIMSTEC itself, there are teething problems. The core Ministerial forum is only at the level of Deputy Foreign Ministers. At least now, the Economic Ministers have seized the initiative to breathe some life into the forum. To ensure that the FTA is realised without much loss of time, it may be worthwhile to think of an informal summit of leaders of these five countries. Only they can ensure that bureaucratic delays and wrangling over minor details do not hold back the process of enhanced economic cooperation. Tourism and civil aviation were identified way back in 1997 as priority areas for cooperation. But nothing concrete has happened on these fronts. In the initial burst of enthusiasm, some members even floated the idea of a regional airline, only for the aviation Ministries and existing national carriers to throw cold water over it. If Thailand and India can take the initiative, it should be possible to break the ice and bring about closer cooperation in specific areas such as trade facilitation and customs procedures. But by far the most important project for BIMSTEC should be the southern link for the trans-Asian Railway. ASEAN and Europe are planning a Singapore-Indochina-China-Russia-Europe rail link and the Chairman of the Indian Railway Board is now a member of the panel to plan the southern corridor from India to Indochina. Without wasting any more time, India must get this done early.

THE HINDU

2 MAY 2000



# E.U. plans economic reforms to strengthen euro

By Batuk Gathani

BRUSSELS, MAY 8. The 11 Finance Ministers of the countries that have adopted the euro as their national currency, today issued a statement saying they proposed to "speed up" economic, fiscal and tax reforms to enable the euro regain its strength and credibility on the financial markets.

The statement comes amid growing concern about the fate of the euro which now stands depreciated by 24 per cent since its historic launch on January 1 last year.

How these countries will "speed up" the reforms remains to be seen. However, the financial markets have breathed a sigh of relief with the realisation that the Ministers are "at least prepared to contain the problem of euro."

The more pessimistic perception in the markets is that the euro may fall still further against the dollar before it stages a recovery. How the European Central Bank (ECB) responds to the challenge remains to be seen, but a further hike of a quarter per cent in the interest rate cannot be ruled out. The ECB is closely monitoring the inflationary pressure. The current rate of inflation remains below two per cent in major euro-zone economies — Germany, France and Italy.

Euro-zone exports have risen sharply with a weak euro and the order books of exporting companies have registered a healthy growth. The rise in exports has yet to make any significant mark on the high rate of unemployment which hovers around 11 percent in these countries.

The economic growth rate could reach four per cent according to more optimistic assessments but may average around three percent by the end of the year. But, much about the psychological impact of the proposed "reform process" depends on what the German Chancellor, Mr. Gerhard Schroeder's Government does.

The Schroeder Government has already outlined broad tax and administrative reforms and also proposes to loosen the notoriously tight labour laws to boost employment. But, all this has yet to be translated into reality as analysts conclude that the future health of the euro will depend on the outcome and impact of the German reforms.

The financial community was anticipating a more stronger statement from the Finance Ministers. Many wonder if the ECB will stage a major intervention in the markets if euro does not stabilise in the immediate future. The Germans are against intervention as senior Government officials feel that controlling markets by intervention is "a very risky process" which may not have the desired results.

The hiking of the interest rate may make borrowing more expensive for euro-zone exporters and hence caution is advised on this front and the future of euro depends on "sentiments" in the markets. The U.S. interest rate may also rise and the ECB will be seen working in tandem with the Federal Reserve. If the euro stabilises at the current level, the ECB will not be forced to intervene but if the euro slides under 85 cents — compared to the current 90 cent against the dollar, then the ECB will have little choice but to defend the euro.

The perplexing issue for euro-zone citizens is that their currency is supported by much economic and fiscal stability and yet they cannot understand why it has been sliding in recent weeks. This year alone the euro has depreciated by 11 percent against the dollar and obviously a hint of panic has been developing.

Today's meeting of the Finance Ministers was convened to "put out the fire" and their assurance that they would "speed up" reforms may send the right signals to the markets. The ECB has a lacklustre image and so far it has done nothing more than issue statements reassuring worried Europeans about the future health of their slumping currency.

9 MAY 2000

## E.U. opens talks with six nations

By **Batuk Gathani**

**BRUSSELS, MAY 26.** The European Union is in the process of finalising the "mechanism of expansion and integration" after two years of intense negotiations with six of the 13 East and Central European countries which have queued up for full membership of the E.U. and all that goes with it.

On Friday, the E.U. opened talks with the six applicants — Poland, Hungary, the Czech Republic, Estonia, Slovenia and Cyprus. The discussions centred on a range of controversial issues from budgets, fiscal deficits and free movement of people and tightening of border security.

The average E.U. citizen has a foreboding of "hordes of illegal migrants" crossing into the prosperous regions of the region. Such apprehension, according to European officials, is based more on prejudice and an element of xenophobia.

They argue that when the six countries become members of the E.U.,

their citizens would rather enjoy prosperity on their doorsteps than move into foreign lands where they may not be welcome. Hence, such uncertainty may not hold up the process of European integration and expansion.

The European Commission has recommended closer ties with Croatia, in the background of democratic and economic reforms initiated by the new centre-left coalition Government which came to power in January parliamentary elections.

Croatia has even expressed the desire to join NATO. The Commission will ask the 15 E.U. Foreign Ministers in July for a mandate to negotiate association agreement with Croatia which would, to start with, offer that country closer political and economic ties with the E.U. and pave the way for eventual membership. It is also argued that post-Milosevic Serbia may also have a similar access to the E.U., provided the new Serbian Government meets the criteria of E.U. membership.

The E.U. officials have also tried to address the concern of Germany and Austria about inflow of foreign workers.

The "vanguard six" members had expressed their desire to join the E.U. in 2003 but they may have to wait for a year more. The public opinion in the E.U. capitals about the expansion and free movement of people is not so enthusiastic and perhaps hostile in some parts.

A recent opinion poll conducted by the European Commission revealed that fewer than three people in 10 do not agree that welcoming new members into the Union should be a top priority. In Sweden and Denmark, 62 per cent backed enlargement but in Germany only 38 per cent and in Austria only 35 per cent supported expansion. The spectre of "hordes" of East and Central Europeans flooding German and Austrian job markets has obviously dampened enthusiasm for expansion.

27 MAY 2003

## China, EU reach WTO deal at last

By Paul Eckert

BEIJING: China and the European Union have finally reached a market access deal that removes the last major hurdle to china's entry to the world trade organisation.

After five days of talks in Beijing in the fourth round of negotiations this year, the deal was signed by EU trade commissioner Pascal Lamy and Chinese trade minister Shi Guangsheng.

The two shared a champagne toast to celebrate the end of marathon negotiations that took China to the brink of success in its 14-year quest to join the body which sets global trade rules.

Details of the agreement were not immediately available.

The champagne followed an intense day of negotiations and the personal intervention of premier Zhu Rongji, long keen to open up China's potentially vast market of nearly 1.3 billion people to put competitive pressure on stagnant state industries to reform. Mr Zhu met Lamy for an hour at lunchtime, then the EU chief negotiator went back for more talks with Mr Shi which finally wrapped up a deal.

Neither side has yet revealed where the difficulties lay, but one source close to the talks said on Thursday disputes remained on mobile telecommunications services, automobile joint ventures, life insurance, distribution and retail services and on China's state trading monopolies. (Reuters)

THE TIMES OF INDIA

26 MAY 2001

# E.U. private sector seeks sweeping reforms

By Batuk Gathani

**BRUSSELS, MAY 27.** With the seeming lack of progress on tax and economic reforms, the European Union's 370-odd million citizens in the 15 member states are frustrated by the rhetoric of European bureaucrats and politicians about the proposed economic and tax reforms.

In two weeks' time, the E.U. leaders and officials will again converge for a high-profile summit. The latest message from the E.U.'s powerful and influential business sector is that there is more talk and little action about the so-called reform process to give new economic and administrative dimensions to pan-European institutions.

The strident message from influential private business sector is that the E.U. sorely lags behind the United States in living standards, wealth and job creation strategies and above all, innovation. The European companies are seen as being handicapped by high taxes and their troubles are further compounded by complicated and unwieldy red tape. The European private sector is proposing sweeping changes in the local tax system and tariff rates. It will also make an appeal to drastically reform European immigration laws to contain problems of serious staff shortages in the information technology sector. The pan-European bankruptcy and trade patent laws also need to be streamlined.

On the other hand, the Government leaders of the 15 E.U. countries often worry about whether the vast majority of its citizens really care about the pan-European institutions. It

was revealed the other day that only 15 per cent of the E.U. citizens know that the Union has embarked on a major overhaul of its institutions. The launch of the Euro-zone's single currency on January 1, 1999, and the proposed expansion of the E.U. have evoked little interest. Instead, the expansion of the E.U. into Eastern and Central Europe with free movement of labour and people has provoked a spate of criticism and cynicism in the media and among public. The spillover effect is that the lobby of Euro-sceptics has gained more popularity.

The treaty of E.U. in 1991 set out an ambitious plan for political, economic and monetary union by the end of 2000. Many ardent pan-Europeans feel that parts of this agenda may remain a wishful utopia, as they see E.U. institutions becoming more bureaucratic, cumbersome and expensive.

The more pessimistic perception is that the E.U.'s governance structures are unwieldy. The emergence of common European foreign and defence policies may take more time. On the optimistic side, it is argued that the concept of European unity has achieved a great deal in the last four decades. The "European community" started from a narrow European coal and steel community more than five decades ago and today, the E.U. has emerged into a broad political and economic union.

The E.U. has overcome the trauma of two world wars, which also started in Europe. Today, both the victors and vanquished have united to forge common goals and aspirations and this process has been accelerated with the

collapse of communist rule in Europe in 1989. For example, the solidarity between Germany and France symbolises that quest for unity and pan-European aspirations, despite this week's frivolous anti-German Nazi rhetoric from a French Minister.

The Europeans today enjoy unprecedented prosperity with the highest living standards in their history. The pan-European trade and investments are at a record high level as E.U. Governments move towards an era of more sustained co-operation in economic and political matters. All this is also baffling for the European politicians, who encounter the average citizen's apathy to things European. The simplistic response would attribute all this to bad public relations. The E.U. countries are also experiencing record high unemployment with the rise of xenophobic sentiments, amid the reality that nearly 11 per cent of the E.U. workforce is today living off social security. The prospects of job creation strategies look depressing with less than two per cent economic growth rate.

From its inception in 1957, the European Community has a track record of steady expansion from its original six members to current total of 15, with a long list of applicants from Eastern, Central Europe and the Mediterranean region. The E.U. could now face enlargement which may embrace as many as 25 members in the next two or three decades. The applicant countries for E.U. membership range from the oldest applicant Turkey (1987) to the latest Slovenia (1996).

THE HINDU

28 MAY 2000

28 MAY 2000

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Moscow strategy in Chechnya to remain unchanged

# Russia defiant to EU rebuke

Moscow, April 7 (Agencies): Foreign minister Igor Ivanov said today Russia regretted and was bewildered by the Council of Europe's denunciation of the war in Chechnya, the most stinging Western rebuke yet over alleged abuses there.

"We were bewildered by and deeply regret the decision of the session of the Parliamentary Assembly of the Council of Europe," Ivanov said at the start of a meeting with the EU envoys.

The parliamentary assembly of the Council of Europe human rights body voted yesterday to suspend Russia if it did not show progress on holding talks with the rebels and improving its rights

● **The US Navy said on Friday it was holding a Russian oil tanker in the Persian Gulf while it does tests on oil found aboard to see if it came from Iraq in violation of UN sanctions.**

record in the region shattered by six months of war.

Russia's delegation walked out of the assembly after its voting powers were suspended.

Moscow reacted defiantly and said the decision will not change its handling of the Chechen war. Ivanov said the decision "plays into the hands of international terrorism. Russia will continue its policy of eradicating international terrorism, working out a political settlement in the Chechen republic and restoring constitutional order and human rights there."

He said the assembly, known by acronym PACE, was misled by members who still think in terms of the Cold War. "Despite our unprecedented transparency, some PACE members rely only on information supplied by Chechen terrorists," Ivanov said.

Kremlin's top spokesman on Chechnya, Sergei Yastrzhembsky,

SA said today Russia will not allow any more visits to the rebel republic by PACE representatives. "The door has been shut," he said. "The visits of lords or other delegates under the aegis of PACE the Chechen republic must be stopped."

However, three European Union envoys are planning to make a trip to Chechnya on April 13-14, EU foreign policy chief Javier Solana said after meeting Vladimir Putin. Russia also has agreed in principle to allow the International Committee of the Red Cross access to detention facilities in Chechnya.

Another EU official who met Putin, Portuguese foreign minister Jaime Gama, said the Russian President-elect had said he would make public a political plan on Chechnya. Gama praised that as "moving toward what we have been asking for—a political solu-

tion." But Yastrzhembsky indicated the plan did not envision a plan for a negotiated settlement of the fighting, as Western countries have demanded. "In this context Putin shared future plans of the federal powers for creating a system of authority in Chechnya," he said, according to Interfax.

Earlier, Yastrzhembsky declared that Russia will carry its military offensive "to the end." "As such it is Russia's territorial integrity," he said. "For us it is one of the basic values, and we are not about to enter a discussion on these basic values."

Nikolai Koshman, the Russian government's representative in Chechnya, also said Russia would continue to do as it sees fit in the breakaway republic despite the assembly's decision. "We should sort things out in Chechnya on our own, and we will sort things out," Koshman said.

THE TELEGRAPH

7 APR 2000

# E.U. opens doors wider

By Batuk Gathani

**BRUSSELS, MARCH 11.** The expansion of the 15-member European Union is currently the "top priority" of the Commission President, Mr. Romano Prodi, who has described it as the "great task" of his administration. The European Commission — the administrative arm of the European Union — now plots a course for the "accession" of six aspiring members, but this number may be doubled in the wake of crises in Kosovo. The European Commission will present its recommendations to the 15 current members next week to assess the aspiring countries' "preparedness" for membership.

This is based on the criteria of adhering to the principles of multi-party parliamentary democracy, governance based on rule of law, and the adoption of a free market economy.

There is added urgency to the proposed expansion of the E.U., with a subtle demographic revolution taking place with a fast aging population, declining birth rates, and growing shortage of young, skilled workers in Western Europe. For example, current projections would suggest that in Germany — the "locomotive" economy of the E.U. — there may be more pensioners than workers in a few decades, if the present demographic trends persist.

Currently, there is the potential to create some 32 million additional jobs. It is argued that Western Europe has already lost more than 100 billion euros every year in GDP as a result of shortages of skilled workers, according to the latest study prepared by Microsoft Corporation.

The "skill gap" is most pronounced in the area of Information Technology. Germany has plans to recruit some 70,000 skilled IT workers from Eastern Europe, China and India. This proposal

has triggered a major controversy on the German political scene where observers warn about rising xenophobia.

On the other hand, for the former Communist-ruled European countries, an associated membership — if not full membership of the E.U., NATO, or Euro-Atlantic Partnership Council — has almost become a status symbol of a sort in the unending quest to seek a more formal relationship with the Western world.

NATO is redrawing the security map of Europe. The Euro-Atlantic Partnership Council was created to meet the security concerns of non-NATO members in Europe and Central Asia. These range from neutrals such as Switzerland and Austria to central European states such as Romania and Slovenia and former Soviet republics such as Lithuania and Tajikistan.

The new council may be called the Euro-Atlantic Partnership Council, with a secretariat at NATO's Brussels headquarters, so that the members could have immediate access to the NATO network in event of any external threat. It will also be a forum for political consultation and will provide the logistical basis for joint military exercises. Last Sunday, the Russian President, Mr. Vladimir Putin, even publicly mused about the prospects of Russia someday joining the NATO.

If NATO offers prospects of permanent security, the membership of the E.U. has the lure of prosperity for the Central and East European nations. A senior analyst at the National Security Bureau in Poland stated that Central Europe will remain in "greying zone" between Moscow and the Euro-Atlantic axis if the aspiring Central and Eastern European states are denied membership of the E.U.

THE HINDU

12 MAR 2000

# E.U. for edge in competition through IT

AD-17

By Batuk Gathani

**BRUSSELS, MARCH 23.** The summit of the 15 European Union government leaders in Lisbon is often called a 'dot.com.e.u.summit'.

For two days, the European government leaders and officials will ponder on ways and means to promote information technology at pan-European level to enable European companies to meet the twin challenges of fast accelerating economic globalisation and competitiveness in the global arena of electronic commerce.

Apart from launching a major 'promotional strategy' of educating the younger generation of Europeans in information technology, the E.U. will also aim for more entrepreneurship to reduce unemployment. Today, some 10 per cent of the E.U. workforce remains unemployed and is living off costly social security handouts.

The E.U. officials could set new parameters of major reforms in electronic technology. This would aim to ensure that every European youth has access to information technology and is



The British Prime Minister, Mr. Tony Blair (left), with his Portuguese counterpart, Mr. Antonio Guterres, in Lisbon on Thursday. Behind Mr. Blair is the British Foreign Secretary, Mr. Robin Cook. — AP

pendent on the vagaries of job markets. It is argued that small businesses are better suited to make a major breakthrough in the new high-tech led global economy, where the E.U. is still seen lagging behind the U.S.

There are major drawbacks to set up new businesses in the E.U. mainly related to too much red tape, lack of seed capital and cost of setting up a new business. For example, the cost of setting up a new business in the U.S. is \$ 500 while in France it costs \$ 3400 and in Germany \$ 1400.

The perception in the European Commission is that in the globalised world of electronic commerce, it is essential that young businesses are first computer literate. This process has to start from European schools and universities. The E.U. Governments will also need to use common dates to end fiscal years and standardise the European tax system to ensure more efficiency and elimination of red tape. It is realised that such radical changes demand huge shift in the mind-set and hence the process has to begin at school level.

The European Commission — the administrative arm of the E.U. — will work on a strategy to promote and implement the strategy of electronic reforms. The individual national Governments would then implement measures to ensure that all this becomes a reality. The loose target date set is 2005, at the end of which a vast majority of E.U.'s citizens are computer literate for promotion of electronic commerce. The electronic commerce is growing at a staggering pace in the U.S. and may soon cross hundred billion dollars per annum mark.

At the European summit, the government leaders will ponder on the proposed parameters of European electronic commerce.

The E.U. also needs a more integrated capital market, and standardisation of taxation systems in all E.U. countries to ensure that smaller businesses can take full advantages of more integrated pan-European market of some five hundred million consumers within another decade, as the E.U. expands into former communist-ruled Eastern and Central Europe.

## *EU ignores Austria's plea to drop curbs*

LISBON: French foreign minister Hubert Vedrine said Austria's 14 European Union (EU) partners had ignored pleas from chancellor Wolfgang Schuessel to drop their political sanctions against Vienna.

The conservative Austrian chancellor, who has formed a coalition government with the far-right Freedom Party, attended an official dinner where delegates discussed the matter. He told his European colleagues that such sanctions should not be imposed on the basis of suspicions but on facts.

The partners, while imposing sanctions on Vienna, which included a suspension of bilateral ties when the coalition was formed on February 4, decided to continue dealing with Austria in the EU context. Chancellor Schuessel argued that it was difficult to distinguish between EU and bilateral relations.

The far-right Freedom Party, and particularly its leading figure Joerg Haider, are widely seen as xenophobic and anti-European, but Chancellor Schuessel claimed earlier this week that Mr Haider was capable of changing his political character.

Alluding to Europe's attitude towards Russia and its military campaign in Chechnya, the Austrian chancellor said that if critical dialogue was possible with non-EU nations it should be possible with those inside too. He also "deplored" the sweeping nature of the sanctions which extend to the cultural and sporting sectors. He called for the setting up of a system of "objective observation" of the situation in his country. (AFP)

THE TIMES OF INDIA

25 MAR 2000



## EU sets course for US-style growth

REUTERS

LISBON, March 24. — European Union leaders today approved a bunch of reforms to plug their economies into the global technological revolution and make them better able to compete with the USA.

At the end of a two-day summit, the 15 governments set themselves "a new strategic goal for the next decade" to promote growth and cut unemployment.

The aim was "to become the most competitive and dynamic knowledge-based economy capable of sustainable economic growth with more and better jobs and greater social cohesion," the summit communique said.

"This is a turning point," said Portuguese prime minister, Mr Antonio Guterres, whose country holds the rotating EU presidency. "This 'Lisbon strategy' is going to bring about a revolution in the way we work."

The meeting, dubbed the "dot-com summit", came close to being overshadowed by the debate over Austria's political ostracism by its 14 EU allies.

But last night, the Austrian chancellor, Mr Wolfgang Schuessel, was told by his partners that there was no chance of a quick end to a freeze on bilateral ties imposed after he formed an alliance the Freedom Party.

**THE STATESMAN**  
**25 MAR 2000**

## E.U. agrees on ambitious agenda

By Batuk Gathani HD-12

**BRUSSELS, MARCH. 25.** The 15-European Union leaders last night agreed on a 10-year programme to turn the E.U. into the most dynamic economic zone in the world and a sweeping new agenda of economic and social reforms, aimed primarily at boosting information technology.

The E.U. countries are hoping to achieve an economic growth rate of three per cent which is considered both realistic and ambitious. It is now under two per cent. Since the European Union economies rank among the most advanced in the world, a consistent growth rate of three per cent is rated as a remarkable achievement. The E.U. hopes to create some 20 million new jobs in the IT sector and raise the employment rate by 10 per cent by 2010. Technological and economic progress in each E.U. member-State will be monitored against targets and time-tables assigned accordingly.

According to a summit communique, the leaders also agreed to the strategy to compete with the U.S. They agreed to fully liberalise the telecommunication market in the E.U. within two years. Access to the Internet will be provided to all schools in the E.U. by the end of next year. By the end of this year, the E.U. countries will adopt legislation providing a legal framework for electronic commerce. The governments will also provide venture capital and tax breaks for research and high-

technology companies. They also agreed to launch a charter for small businesses and faster liberalisation of transport and energy industries. The E.U. countries will also have a single market for financial services by 2005.

The Lisbon communique is rated as both ambitious and business-like as it is more detailed and a refreshing change from similar documents in the past. A great deal about the implementation will depend on the style and quality of leadership that the president of the European Commission, Mr. Romano Prodi provides in the next five years. There is provision for a regular review of the progress and implementation but this could be thwarted by the domestic and national interests of each member-State. The popularity of the euro would go a long way in consolidating European aspirations in the areas of high-tech electronic technology and commerce.

The E.U. is faced with a shortage of skilled manpower. Germany is now looking at recruiting some 70,000 software engineers — mainly from India and China. In the years of the German "economic miracle," the country was faced with a huge labour shortage which was overcome by bringing in some four million "guest workers" mainly from Turkey and poorer European countries. Their presence is now resented in high-unemployment prone Germany. The same is happening in other E.U. countries.

THE HINDU  
26 MAR 2000

## ASEAN moots 'support fund'

By P. S. Suryanarayana

**SINGAPORE, MARCH 25** The Finance Ministers of the Association of South East Asian Nations (ASEAN) began a two-day conference in Brunei today, with spotlight on prevention of recurrence of an economic crisis. The idea of a 'support fund' to prevent the outbreak of financial crises was discussed.

An outline consensus was attained by the 10 member-States of the ASEAN and the organisation's East Asia dialogue partners — Japan as also South Korea and China — on the need for the fund. But, it was indicated by a top ASEAN official, the plan would be discussed further.

The proposal was that the fund would not be either a replica of or a competitor to the International Monetary Fund at the East Asian regional level. In this sense, the effort was to reach a middle ground between the present blank space in regard to a mechanism of regional support for the crisis-prevention efforts of South-East Asian countries and the proposals for a formalised East Asian monetary fund or the like.

With the formation of any East Asian mechanism hinging on the attitude of Japan as also South Korea and China, their willingness to favour the idea set the stage for serious discussions.

The ASEAN Ministers considered, too, the implementation of Japan's Miyazawa and Obuchi Plans for economic recovery in crisis-rocked South East Asian States.

**THE HINDU**  
26 MAR 2000

## Lisbon meet, a milestone

AD. 19 for E.U. 29/3  
By Batuk Gathani

**BRUSSELS, MARCH 28.** The Lisbon summit of the 15 European Union leaders over the weekend is seen as a major milestone in the evolutionary process of the union. Apart from stressing the need to ensure a knowledge-based future for the continent, with consolidation and spread of information-based technology and trading, the E.U. states are evolving common policies on domestic and international issues.

For example, the E.U. leaders agreed on "Agenda 2000", a policy document related to fiscal controls and budget settlements until 2006. The member countries have maintained a united front on the policy of containing and resolving the Kosovo conflict under the umbrella of NATO.

The E.U. also resolved to work on pan-European foreign and security policies to meet any crisis. Above all, the leaders agreed on the concept and terms of the proposed enlargement of union. By the end of this decade, the E.U. may have 28 members. These will include European countries from former Communist-ruled regions. The E.U. will then be a common market of over half a billion people with the world's highest purchasing power.

Hence, the two-day Lisbon summit is rated as a major milestone in the evolutionary process of the E.U. Commentators have expressed admiration for the performance of the Portuguese Prime Minister, Mr. Antonio Guterres, at the "dotcom.eurosummit". Portugal currently holds the rotating six-monthly presidency of the E.U.

Mr. Guterres has been showered with much praise in the European media. He will also chair the first Indo-Euro summit on June 28 in Lisbon which will be attended by the Indian Prime Minister, Mr. Atal Behari Vajpayee. The E.U. is fast emerging as India's biggest trading partner after the U.S.

The "European effect" is now filtering into various international forums. Mr. Pascal Lamy, E.U.'s Trade Minister, who was recently in India, is in China and foreign bankers in China are hoping that he will intervene on their behalf in a dispute with China's Central Bank. The Central Bank is allegedly trying to curb foreign banks' activities by imposing restrictions on their lending to Chinese clients and institutions in the local currency. Some 25 foreign banks, mainly European and American, look upon Mr. Lamy to speak on their behalf.

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## E.U. package likely for Balkans sans Serbia

H10-17  
181/3

By Batak Gathani

**BRUSSELS, MARCH 30.** Major international donors under the auspices of the European Union are participating in a two-day conference which hopes to raise a euro 1800 millions aid package, to help rebuild the economically devastated Balkan region after three civil and ethnic wars in Bosnia and Kosovo.

The latest package does not include Serbia — the largest and most resourceful region — because of the western world's deep prejudice verging on hatred of the President, Mr. Slobodan Milosevic, of what is left of the Federation of Yugoslavia.

The western leaders have spent considerable time and energy to de-stabilise Mr. Milosevic's democratically elected government in Belgrade. Though a controversial figure, his popularity among the Serbs remains unchallenged as he is widely seen as symbol of Serb nationalism.

At today's conference, the E.U.'s Commissioner (Minister) for External Relations, Mr. Chris Patten, promised faster liberalisation of economic aid, based on promotion of more trade and fiscal aid for the troubled region. The E.U. envisages full integration of the battered region, minus Serbia into the E.U., in distant future.

At this stage, this is more of a utopia than reality. Mr. Patten promises a programme of economic aid to help boost the region's economy and promote its integration with the E.U.

An equivalent euro amount of \$ 2 billions could be spent in the next 12 to 18 months. It is also proposed that the Balkan countries will be given easy access to markets of the 15-nation E.U., even before they have signed formal co-operation deals with the European Commission here.

The region's economic infrastructure is dislocated after nearly a decade of three ethnic and civil

wars and region economic restoration is the first priority. The current aid programme under the umbrella of 'South-East European stability pact' would suggest that the Balkan region may be treated more favourably by Brussels than the countries which are scheduled to join the E.U. in the near future. These are Poland, Hungary and the Czech Republic, which could be full members before the end of this decade.

The E.U. has been under pressure from the U.S. to accelerate trade liberalisation with the Balkans. The perception at the Commission — administrative arm of the E.U. — would suggest that the region's problems had to be addressed on many levels including political and economic.

Mr. Patten said: "This is what the stability pact is about — a recognition that coping with crisis after crisis is far more costly than implementing a long-term strategy for peace." The countries — minus Serbia — will be encouraged to trade more freely — first among themselves and would then be provided with easy access to the E.U. markets.

The E.U. officials one talks to also agree that Serbia still remains the locomotive economic power in the region and has somehow managed to survive the three wars and economic sanctions imposed by the western powers.

A great deal about Serbia's survival is attributed to its close economic and political links with Russia and Greece. With Russia, the Serbs share a common ethnic heritage, Slavic cultural and religious bonds of orthodox Christianity.

The orthodox Christian heritage also binds Serbia with Greece. For how long can Mr. Milosevic's Serbia can be treated as an isolated and discriminated state remains to be seen. However, European observers do not underestimate Serbian daring and entrepreneur skills which have kept it going against all odds.

# Differences appear in EU over far-right Freedom

BY DOUGLAS HAMILTON

Brussels, Feb. 3: Differences appear to be emerging among European Union countries over how to react to a new right-wing Austrian coalition government.

While France, Germany and Belgium redoubled their warnings to Austria not to accept on Thursday a coalition that includes the far-right Freedom Party of Jörg Haider, Britain and some other EU

members were noticeably silent. A threat to isolate Austria diplomatically arose over the weekend.

Apparently after telephone contacts between 14 leaders of the EU, and was announced on Monday evening by the current Portuguese presidency of the Union in their names.

But details of how the EU arrived at an unprecedented decision to set limits on democratic choice — sparking what some European par-

liamentarians consider the biggest crisis in its over-40-year history — were extremely sparse.

There was no extraordinary summit ahead of the decision that certain parties and ideologies were simply beyond the pale. As EU capitals awaited word from Vienna later in the day on whether President Thomas Klüssel would authorise a coalition including Mr Haider's party — thereby triggering partial-style sanctions — polit-

ical splits emerged. "The message from the world is clear: The participation of a radical right-wing party in a democratic country in Europe will simply not be accepted. Those times are over, and I'm glad they're over," said European commissioner for enlargement Günter Verheugen, a German Social Democrat.

European Commission president Romano Prodi stayed away from heated rhetoric, adopting a notably

more cautious tone. "The Commission would be abdicating its role if it were to cease working with Austria as it does with all member states," he said, stressing that the threatened isolation of Austria would be a bilateral matter for the 14 member states. "When members are in difficulty it is the whole Union which is in difficulty. The duty of a strong supranational institution is not to punish its members," he said. (Reuters)

# Austria faces sanctions as Far-Right handed power

Vienna, February 4

AUSTRIA'S FAR-RIGHT Freedom Party was set to take power in a coalition government today sparking immediate sanctions from EU partners and Israel.

President Thomas Klestil has summoned conservative People's Party leader Wolfgang Schuessel to be sworn in as Chancellor at midday today after admitting he could not ignore democracy.

The announcement ends four months of political stalemate since October 3 election in which Joerg Haider's Freedom Party redrew Austria's political map.

But the entry of extreme right wing into government with conservatives is expected to unleash a wave of international disapproval isolating the Alpine country like never before.

Within hours of the announcement, both France and Portugal said they would be implementing threatened EU sanctions immediately, while Israel confirmed they would recall their ambassador in

Vienna.

French President Jacques Chirac's spokeswoman Catherine Colonna said: "If necessary, new measures could be decided."

Portugal, current president of the European Union, is to apply threatened political sanctions on Austria from today, Prime Minister Antonio Guterres has said. Guterres had issued a statement in the name of Austria's 14 EU partners on Monday warning Vienna it would be isolated if far-right Freedom Party took power in a coalition government.

The sanctions involve: the suspension of political ties, limiting ambassadorial contacts to a technical level, and refusing to support Austrians for posts in international organisations, he told reporters late last night.

"From now on, we will scrutinise the behaviour of the new Austria government," Guterres said. He added that the 14 EU governments were not required to discuss applying the sanctions, explaining that they were already clearly set out

and "the decisions taken automatically come into force."

"We are waiting for the official swearing-in. Once that's done we will recall our ambassador," said a spokeswoman for Israeli Foreign Minister David Levy.

Israeli Interior Minister Nathan Sharansky said the government would refuse visa to Haider.

In a blunt letter to a US Jewish leader, Austrian President Thomas Klestil said he had to allow far right leader Joerg Haider into Government because if new elections were called, Mr Haider's party would get more votes than ever before.

Responding to a plea from Rabbi Marvin Hier, the founder and dean of the Simon Wiesenthal Centre, not to let Mr Haider into government, Mr Klestil yesterday said he had no choice.

"The only alternative would be to dissolve Parliament and to call for new elections," the Austrian President said in the letter made public by the Wiesenthal Centre.

(AFP)

THE HINDUSTAN TIMES

5 FEB 2000

# Haider shrugs off uproar, threatens use of EU veto

HTC & Agencies

Austria/London, February 5

AUSTRIAN FAR-RIGHT leader Joerg Haider shrugged off the international uproar against the inclusion of his freedom party in government as street riots in Vienna left more than 50 people injured today. Mr Haider dismissed steps taken by Austria's 14 European Union partners to isolate the country politically, noting that major EU policy required unanimity among the bloc's 15 members.

"This is nothing to get hysterical about," he told APA news agency, adding that Austrians need not worry about sanctions.

Mr Haider, who had chosen not to be in the cabinet and had gone to his mountain stronghold, roundly abused French President Jacques Chirac.

He even threatened to bring EU to a standstill by use of Austria's right to veto proposals. The 14 other EU member countries, however, stung by their failure to daunt Austria suspended all bilateral political relations with it.

US and Israel have withdrawn their ambassadors. Spain, Sweden, France, Belgium, Denmark, Portugal and Germany immediate-

ly suspended bilateral contacts. UN Secretary General Kofi Annan has also expressed concern.

The threat by Haider, within hours of the formation of the most right-wing government in Europe since the second world war, has caused ripples in Brussels. Haider

European Union in the hope that Brussels would expel Austria from the Union.

The new chancellor, Wolfgang Schuessel said Austria was not a pariah state, and a new Hitler was not on the rise with the inclusion of Haider's Freedom Party.

The Conservative People's Party leader yesterday said he had not imagined that entering a coalition with the controversial freedom party would lead to such an international outcry.

Mr Schuessel said he understood concern abroad, but said: "I must defend myself against unacceptable comparisons. There is no Hitler on the rise."

Austrian President Thomas Klestil had administered the oath of office yesterday to Schuessel in the Hofburg Palace, the one-time residence of the Austro-Hungarian emperor.

He had made it clear he was not going ahead with the inauguration out of personal conviction but because he had "no choice".

Klestil had also forced Mr Schuessel and Mr Haider to sign a pledge to honour basic freedoms and rights and renouncing the nation's Nazi past.

Mr Haider signed the document but condemned it afterwards.

## America keeping eye on Austria

THE US administration has vowed to keep a close watch on Austria. Officials in Washington said they would "limit" contact with Vienna, while the Secy of State ordered the US Ambassador to Austria to return home for consultations. Officials stressed that the summons did not amount to a formal diplomatic recall.

(AFP)

has said that EU countries have made a serious "tactical error...."

All the others will have to sit down at the table with us because otherwise there won't be any decisions and conclusions in Europe". The feeling in Brussels is that Haider would go on provoking

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- 6 FEB 2000



# EU reduces political ties with Austria, freezes high-level contacts

*Right-wing leader dubs action irrelevant*

By Robert H. Reid

VIENNA: Right-wing leader Jörg Haider told a deeply divided Austrian public on Saturday not to worry about international isolation, saying the new governing coalition, which includes his Freedom Party, would soon prove its democratic credentials to the world.

"There is no need for hysteria," Mr Haider told the Austria Press Agency, calling the European Union's action in freezing high-level contacts with the new government, "irrelevant."

Mr Haider's history of remarks against immigration, and sympathetic to aspects of Nazi rule, led other nations to warn against his party's inclusion in the government.

Their warning ignored, the EU and Israel have resorted to diplomatic reprisals.

"The EU will quickly get used to the fact that the Freedom Party now sits in the cabinet, which has good programmes, expertise and good manners," Mr Haider said.

He blamed "leftists who do not accept democratic decisions" for the violence that broke out on Friday after the new coalition with the Austrian People's Party took power.

More than 50 people, including 43 policemen and 13 demonstrators, were injured in the clashes.

About 1,500 people protested against the new government in Vienna again on Saturday, marching for more than five hours across the city.

Traffic on the outer ring road around the city ground to a halt and bus and tram lines were disrupted as the mostly young demonstrators wound their way around Vienna, banging pots and

blowing whistles. "Freedom Party—no thanks!" and "Peaceful resistance" read posters carried by protesters. Several immigrants carried flags of their home countries. At one point, demonstrators briefly lobbed bottles and eggs at police officers in front of the People's Party headquarters, before the crowd calmed and moved on.

Mr Haider won international notoriety for statements praising Adolf Hitler's "orderly employment" policies and lauding veterans of the Waffen SS as "decent people of good character"—comments for which he has since apologised.

The rise to power of Mr Haider's far-right party has polarised a society with dark memories of defeats in two World Wars and an armed civil conflict between leftists and rightists in the 1930s.

A survey of 500 Austrian voters taken on Thursday by the Ogm Research Institute found that 43 percent opposed President Thomas Klestil's decision to swear in the new coalition and 45 supported it.

No margin of error was given, but the institute described the breakdown as a statistical draw, the Austria press Agency Reported.

After the new government was sworn in on Friday, 14 other EU nations reduced their diplomatic ties with Austria as they had threatened to, cancelling contracts, official visits and freezing high-level contacts.

U.S. secretary of state Madeleine Albright said Ambassador Kathryn Walt-Hall would leave for Washington to report and then return to Vienna to monitor the political crisis. (AP)

THE TIMES OF INDIA

- 7 FEB 2000

# ASEAN: shaken but not broken

By Kripa Sridharan

THE ASSOCIATION of Southeast Asian Nations (ASEAN), founded in August 1967, is rightly regarded as one of the most successful experiments in regionalism outside of Europe. There are many such organisations around the world but they substantially differ in their aims and achievements. At one end of the spectrum is the European Union with a dense cluster of well-established institutions and processes almost on its way to becoming a 'regional state', while at the other end there are several organisations which are yet to take off in any meaningful sense. The ASEAN clearly falls somewhere in between, having evolved as a diplomatic community and until recently viewed as a cohesive entity.

The developments in the Southeast Asian region in the past three years have, however, robbed ASEAN of its lustre forcing the member-states to reflect on some of the well-established principles on which the grouping was based. One such principle is that of non-interference, which in the opinion of many has been the single most important reason behind ASEAN's durability and the region's peace and prosperity.

Regional cooperation in the Southeast Asian context has been a means to reinforce and safeguard sovereignty not to dilute it by working towards an unachievable supranationalism. In fact it is believed that ASEAN's attraction to its new members primarily stems from this reassurance born out of the impulses of 'statist regionalism' as opposed to 'liberal regionalism'. While this may have helped in the consolidation of the regional organisation at one level, it has also exposed its vulnerability at another level since it seems to lack the ability to produce regional solutions to the multiple problems confronting the region. Since these problems transcend conventional state boundaries it has become that much more complex to deal with them without violating the cherished principle of non-interference. This has placed ASEAN on the horns of a dilemma. To tackle the fallout from economic, ecological or ideological (human rights and democratisation) problems the rules on non-interference

have to be relaxed. But the fear is that if this is done, it will unravel the painfully put together ASEAN enterprise.

At a critical period in the region's development, the ASEAN stood challenged by factors such as the regional economic meltdown; ecological disasters in the form of the haze from uncontrolled forest fires in Indonesia; movement of illegal labour across state boundaries; the targeting of ethnic minorities in the wake of the eco-

nomics crisis in Indonesia and related concerns about human rights, democratisation and secessionist claims. Together, these multiple problems have visibly strained intra-regional relations. In a sense, what the ASEAN region has been facing points to the interconnectedness between global, regional and national issues and the difficulty of managing them through conventional means. To begin with, the strains of the regional economic crisis, as witnessed in the run on the Thai currency in July 1997 with subsequent falls in currency rates across the region, proved devastating. The financial and economic interdependence of the region led to a contagion effect leading to a sharp decline in growth. During all this economic turbulence remarkably little alleviation came from the regional level.

Equally disappointing was the ASEAN response to the yearly haze-induced pollution in the region. The large-scale oil palm plantations in Indonesia and their slash and burn policy were the prime suspects in causing the problems in the first place. But ASEAN reticence would not allow anything but a very mild voicing of the member-states' concerns. It was inconceivable that there would be a candid exchange of views between Indonesia and its most affected neighbours even when it

was apparent that nothing but drastic measures on the part of Indonesian authorities would stem the rot. The sticking point as always was the sacrosanct non-intervention principle which meant that the countries had to be left to their own devices to meet this challenge. This when it was apparent that the nature of the problem was transnational and could only be dealt with multilaterally.

The Association also seemed to have

**Even the most pessimistic observer of Southeast Asian developments would not come up with a doomsday scenario for the future of ASEAN... But there is no mistaking the change that has occurred in the interpretation of the non-intervention norm.**

become vulnerable to its members parochial behaviour manifested in the various bilateral disputes that suddenly resurfaced. While some of the bilateral problems have always been a part of the ASEAN regional scenario they never vitiated the atmosphere to the extent they have been doing in the recent past. Of late, the slanging matches between some of these countries have been more frequent and qualitatively different, which makes one wonder whatever happened to the much-touted ASEAN-spirit cultivated over the last three decades. The long-held tradition of restraint is obviously undergoing a major change.

The ASEAN spirit took a further knock when the Annual Meeting of the Foreign Ministers which convened in Manila in July 1998 got mired in the controversy over the Thai proposal on 'flexible engagement'. Thailand's Foreign Minister, Mr. Surin Pitsuwan, set the cat among the pigeons by articulating the need for a change in ASEAN's hallowed principle of non-interference in member-states' internal affairs. He suggested that after three decades of working together it was time that the old rule of non interference was junked and replaced by a vigorous discussion of domestic affairs especially when such events had an impact beyond a

member nation's own borders. His only supporter was the Philippines' Foreign Minister. The Thai suggestion was given a quick burial. To most ASEAN members the Thai proposal could not have come at a worse time. The more cautious ASEAN members regarded this as a dangerous move and as a face-saving formula they came up with a new term called "enhanced interaction". In some people's opinion, this is a typical ASEAN fudge.

Therefore, even though non-intervention continues to be the guiding principle in the management of intra-ASEAN relations it is at the same time undergoing a redefinition at the practical level. Compared to the caution of earlier times the political, economic or ecological policies undertaken by member-states now receive a critical airing in public and get widely reported in the local media.

Admittedly, even the most pessimistic observer of Southeast Asian regional developments would not come up with a doomsday scenario for the future of ASEAN just because of late the member-states have taken to treading on forbidden territory. But there is no mistaking the change that has occurred in the interpretation of the non-intervention norm. As such, there is only a thin line dividing genuine concern and unwarranted interference. Even a positive gesture of support could be interpreted as interference if not taken in the proper spirit.

What the ASEAN case reveals is that excessive attachments to the Westphalian notion of sovereignty which takes a grim and rigid view of intervention in domestic affairs is becoming outmoded. The present day reality of international politics is such that one cannot compartmentalise political, economic, ecological and ideological issues on a neat state-centric principle and make them susceptible to state-centric solutions without inputs from outside. Much as ASEAN may reassert the value of upholding the non-intervention norm as a general principle, regional realities are making its scrupulous observance difficult in practice.

(The writer is Senior Lecturer in Political Science, National University, Singapore.)

**T**HE Prime Minister of Russia at the time of the North Atlantic Treaty organisation's attack on Yugoslavia was Yevgeni Primakov, probably the best Prime Minister of the Yeltsin era, though he lasted only from September 1998 to May 1999.

During that time, he re-established the Russian economy, which was in a state of collapse, and helped to avert a world financial crisis.

He was Prime Minister during the build-up of the Kosovo crisis, the Rambouillet conference, and the start of the Nato bombing. He was dismissed mainly because the Yeltsin entourage felt threatened by his attack on corruption; he was vulnerable partly because the Nato attack undermined his relatively co-operative policy.

He is Russia's leading expert on Islam and West Asia. In the latest issue of *Politique Internationale*, the leading journal of foreign affairs in France, perhaps in the world, Mr Primakov defends the war in Chechnya but gives warning of the return of the Cold War. He says that he does not object to Western criticism of those forces in Russia "which want to return to the Cold War"; nevertheless, he considers that Western attitudes "strengthen the partisans of isolationism in Russia", and that the turning point came at the moment Nato bombed Yugoslavia.

"One should recall that before Kosovo, Russia was ready to collaborate with Nato... I remember a conversation with Xavier Solana (the Nato secretary-general). We were both obviously in agreement that we had truly found the satisfactory security mechanism for Europe. Well, the bombardment of Yugoslavia has destroyed that idea!

"Since Russia has seen the forces of Nato intervene without the approval of the United Nations, outside the frontiers of the member nations and in a most barbarous manner, Russia has learnt that the enlargement of Nato is not an ephemeral threat, but only too real a danger."

These are the warnings of a Russian moderate; Primakov is no Vladimir Putin.

The appointment of Putin as acting President, and his ruthless prosecution of the war in Chechnya, confirms the new mood of Russia. There has been a revival of Russian nationalism; the nation is wholly behind the war in Chechnya; Putin is committed to a great increase in defence spending and to reasserting Russia's authority in the Caucasus.

The Nato bombing of Kosovo

# Oil on the flames

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contributed to this threatening new mood, just as the unintentional bombing of the Chinese Embassy in Belgrade angered the Chinese. We are still dealing with a greatly weakened Russia, but Putin is riding a wave of patriotic resentment which will probably assure his re-election.

The policy of expansion of Nato has been far too little discussed outside defence circles, except in the new James Bond film. It seemed natural enough that Central European countries with a strong Western tradition — Poland, the Czech Republic, Hungary — should be invited to join Nato. Even the Russians did not much mind that.

The West seems to have assumed that it would be equally natural for Balkan countries — Bulgaria and Romania — to follow.

The White House has become excited by the idea of "the great game" of intervening in Asia to the south of Russia. No one in the US Administration seems to have made an adequate appraisal of the strategic risks.

The policy issues of this Nato expansion are complex: they involve Kosovo and the former Yugoslav republics, Slav and Islamic hostility, the Balkans generally, the Black Sea and Caucasus, the Chechen war, a whole network of oil and gas pipelines and projects, including the pipeline through Grozny, the future of Georgia and Azerbaijan, the Caspian oilfield, the Turkic states, oil and gas fields stretching out to the borders of China, the expansion of Nato, the expansion of the

**The North Atlantic Treaty Organisation must beware of repeating the Vietnam catastrophe in Central Asia, writes WILLIAM REES MOGG**

EU, Turkish nationalism, but above all, they involve the future of Western access to the Caspian oil reserves and the relationship between Russia and the West.

The Russians, including Primakov himself, say that the capacity of the Caspian oil reserves has been grossly exaggerated; some Western experts regard the Caspian as an oilfield second only to Saudi Arabia, which has reserves of 200 billion barrels. Oil prices have trebled in the past 12 months, so access to Caspian oil is an issue of immediate American national interest. The oil will get to the West either by the pipelines through Russia to the Black Sea, or, bypassing Russia, through Georgia and Turkey to the Mediterranean.

Last November a \$3-billion pipeline pact was signed in Istanbul by Turkey, Georgia and Azerbaijan, in the presence of President Clinton.

The American policy is one of diverting the oil from Baku through pipelines which go

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Mr Cei was speaking as an individual, not as defining government policy. Yet Turkey is seen by the Americans as the main base from which to secure future American oil supplies, to the east in Central Asia and to the south in Arabia and the Gulf.

The Caspian and Central Asian oilfields will be very important to the future of Western oil supplies. That is real enough. There remain a number of disturbing questions.

Can the USA or Nato intervene successfully in the traditional sphere of Russian influence in the Balkans, the Black Sea, the Caucasus, the Caspian Sea, or conceivably the Turkic states of Central Asia?

Can the USA or Nato provide protection, if

required, to Georgia and Azerbaijan? Would American public opinion support such a conflict with Russia in the Caspian area? Are the governments of the Commonwealth of Independent States, which recently elected Vladimir Putin their chairman, really interested in an American alignment, or are they merely using it as a bargaining weapon against Russia? In the last resort, will they be more impressed by the distant power of the USA, or by the immediate land power of Russia? Is the American involvement in the oil politics of Central Asia likely to bring Russia and China into joint opposition? Is American policy playing into the hands of those Russians who would welcome a second Cold War? What would that cost? What countries might be destroyed by it?

The aims of Western strategy are really quite simple. We want to maintain Nato as an effective defence alliance for Europe. We want to maintain Western access to the oil and gas of the Caspian Sea and of the Central Asian oilfield. As Russia is the predominant local land power, and also a major nuclear power, these objectives can best be secured by maintaining cooperative relations with Russia over the pipelines and avoiding Nato over-expansion.

The expansion of Nato further into the far Balkans, into the Black Sea, into the Caspian area, perhaps beyond that, could not reliably be sustained either in terms of politics or defence. In the 1960s, the USA made the mistake in South-East Asia of an over-extended strategy in Vietnam; Nato should not now repeat that dangerous blunder in Central Asia.

Over-expansion would be bad for Nato, for the security of oil supplies and for the unity of the West.

*The Times, London.*

around Russia, and protecting this pipeline by giving Georgia and Azerbaijan reassurance against Russian pressure. Russian relations with Georgia are complicated by the tension on the border between Georgia and Chechnya.

President Aliyev of Azerbaijan said recently that "Azerbaijan sees its future in integration with the West and rapprochement with the USA and is aspiring for the expansion of contacts with Nato".

It has been reported in Baku that Strobe Talbott, the US deputy secretary of state, has warned Uri Ushakov, the Russian ambassador in Washington, that "the United States will not patiently observe Russia's interference in the affairs of Georgia and Azerbaijan". That is not a guarantee, but it is not far short of one. Would it ever be honoured?

There is also an extreme Turkish nationalist position, recently advanced by Abdullah Cei, the Turkish minister for relations with the Turkic republics.

According to *Nezavisimaya Gazeta*, the Moscow journal, he said on 21 January that there should be a commonwealth of Turkic states, including Turkey, "the successor to the Ottoman Empire", Azerbaijan, Kazakhstan, Uzbekistan, Kyrgyzstan and Turkmenistan.

Turkey would be the "big brother". As Turkey is a member of Nato, and has been accepted as a candidate member of the EU, that would take Nato to the Chinese border.

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# ASEAN warns of mega M&A backlash

REUTERS  
BANGKOK, FEB 12

SOUTHEAST Asian countries said on Saturday they were concerned about developing nations being hit by a backlash from a current global trend for mega-mergers and acquisitions.

Leaders of the Association of Southeast Asian Nations (ASEAN) said at a meeting with UN Secretary General Kofi Annan that because of this, alternative strategies for global economic development had to be found, a spokesman told reporters.

The meeting was held on the sidelines of a four-yearly summit of the UN's trade and development agency UNCTAD which began on Saturday. ASEAN groups Malaysia, Singapore, Thailand, Vietnam, Brunei, Laos, Myanmar, Cambodia, the Philippines, and Indonesia.

Malaysian Prime Minister Mahathir Mohamad said at the meeting that "these mergers could result in a domestic backlash against globalisation," the spokesman, Kobsak Chutikul of Thailand, said.

## Mahathir questions globalisation

BANGKOK: Malaysian Prime Minister Mahathir Mohamad urged world leaders on Saturday to stop and think before pressing for globalisation, according to a Japanese official. "Globalisation is meaningful. But the problem is that all people of the world do not equally benefit from it," a Japanese official quoted Mahathir as telling a luncheon meeting hosted by Thai Prime Minister Supachai Panitchpakdi.

He said the concept of globalisation must be discussed before fully implementing it. "People of the world must stop and discuss globalisation," Mahathir was quoted as saying.

Mahathir made the remarks shortly before the opening of the UN Conference on Trade and Development (UNCTAD) summit on Saturday. The Bangkok meeting is the first gathering of a global inter-

governmental group dealing with trade and economic affairs since a WTO ministerial meeting in Seattle failed to agree on starting a new round of global trade talks late last year.

How to narrow the widening economic gaps between rich and poor will be high on the agenda at the UNCTAD meeting. The Japanese official said WTO Director-General Mike Moore told the luncheon meeting that globalisation had already moved forward and each country should think of ways to take advantage of it. "Globalisation is not an ideology," he was quoted as saying. He also said the United States wanted to launch a new round of global trade talks but its position remained unclear. "The US position is not clear as to how much sacrifice it should make," Moore was quoted as saying.

Mahathir was concerned that such mergers and acquisitions could create giant multinationals that could gain superior advantages over smaller domestic companies in various fields.

Singapore's Prime Minister Goh Chok Tong told Annan that big mergers could provide a backlash by taking multinationals' focus away from social safety nets. Since the beginning of 2000, there have been two notable world mega

mergers - the \$151.80 billion AOL and Time Warner deal in the United States and the German company Mannesmann's \$176.50 billion merger with Vodafone Air-touch of Britain.

At the meeting, Foreign Minister Win Aung of military-ruled Myanmar asked for help from the UN and other international organisations in creating conditions for greater democratisation in the country, according to the

spokesman.

Thailand's premier Chuan Leekpai suggested to Annan that ASEAN be given observer status at the United Nations, the spokesman added. Annan told the 10-member grouping's leaders that there needed to be a structured way for ASEAN and the United Nations to collaborate in the future. He later invited ASEAN to attend the next UN meeting in June as an observer.

INDIAN EXPRESS

13 FEB 2000

5/17  
1/2

# Russia, Nato to renew ties

REUTERS

MOSCOW, Feb. 16. — Russia and Nato agreed a joint declaration today in which they pledged to revive long frozen relations on the basis of their 1997 founding act.

"We are renewing our basic relationship. We consider each other as important strategic partners in guaranteeing security in Europe and the world," foreign minister, Mr Igor Ivanov, told reporters after the Nato Secretary-General, Mr George Robertson, held 45 minutes of talks with the acting President, Mr Vladimir Putin.

Moscow froze its ties with Nato last year in anger over the alliance's bombing of Yugoslavia. More recently, Nato has criticised Russia's military campaign against rebel fighters in Chechnya, urging Moscow to seek a political solution.

But even as the leaders were hopeful about the renewed relationship, Russian warplanes and helicopters pounded rebels in the south of Chechnya today in preparation for a final assault against thousands of fighters holed up in the icy highlands.

Tass said the rebels were retreating into the mountains and mining roads while trying to put together a force to fight the Russian offensive.

Planes and helicopter gunships carried out more than 50 raids on rebel positions over the last 24 hours, Interfax news agency said, quoting the military. It said more than 80 rebels were killed.

The www.kavkaz.org internet site, one of the few remaining sources of information from the rebel side, said Russian troops tried to outflank the rebels in the Argun Gorge after a frontal attack failed.

The Russians put armour and

artillery on a hilltop and were raining shells down on the gorge below, it said.

Interior ministry troops were engaged in large-scale operations to root out guerrillas who had blended in with civilians to attack Russian-held areas, Ria news agency said.

Ria said more than 12,000 Chechens had been subject to identity checks so far. Eight people had been arrested over the last 24 hours on suspicion of abetting the rebels.

A Chechen official has talked to US state department officials, the first such meeting since the start of the Chechnya conflict last year, the department said. A Chechen representative claimed the talks were "very successful", a report from Washington adds.

The Deputy Speaker of the Chechen parliament, Mr Seilam Bechayev, on Monday talked to officials responsible for human rights, Russian affairs and refugees, state department spokesman Mr James Rubin said yesterday.

**Taliban warning:** Taliban supreme leader Mullah Muhammad Omar has asked Russia to stop its military operations in Chechnya and urged Muslims the world over to come to the aid of Chechen Muslims, adds PTI from Islamabad.

In a message on the eve of 11th anniversary of the withdrawal of Russian forces from Afghanistan, Omar urged Russia to respect the religion, culture and independence of the people of Chechnya or face defeat as in Afghanistan.

Omar called on Muslims the world over to provide every possible support to Chechen Muslims from what he said was Russian oppression and tyranny.

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# China-EU trade talks fail again

REUTERS  
BEIJING, MARCH 31 96 10

MARKET opening talks between China and the European Union ended Friday with no agreement, an EU statement said, dealing a blow to Beijing's hopes of joining the World Trade Organisation this year.

The EU sought to put the best light on the failure of four days of discussions, insisting it was not disappointed and progress had been made.

Nevertheless, EU trade commissioner Pascal Lamy had joined talks to provide the high-level political push needed to drive through an agreement bogged down by technical disputes over access to China's huge markets in telecommunications and financial services, including insurance.

No date was set for the negotiations to resume, although Beijing said Lamy was welcome to return for more talks of terms of accession to the body which sets global trading rules.

Beijing's team was led by Trade Minister Shi Guangsheng.

The previous several rounds of talks were held at a working level.

The EU statement quoted Lamy as saying the talks "were held in a constructive spirit with positive movement on both sides resulting in a certain narrowing of difference on the outstanding issues under negotiation".

But he said: "Conclusion of a bilateral agreement was not possible at this stage. We are hopeful we will be able to finalise a deal in the coming period." The EU is the most important of 10 WTO members yet to sign market access agreements with Beijing needed for China to join the 135-member body. China, which says it expects to join the WTO this year, put a similarly rosy gloss on the failure. A Trade Ministry statement described the talks as "Positive, constructive and fruitful". "Both sides hope to reach agreement as soon as possible, and the negotiations will continue in the future," it said. Shi welcomed Lamy to return to Beijing, the Chinese statement said.

Lamy indicated that the EU had been ready to compromise, although he did not pinpoint the areas of disagreements.

The previous round of talks faltered after the EU insisted on 51 per cent foreign ownership of Chinese mobile telecommunications

networks. "The EU has shown flexibility," Lamy said. "A final package should be balanced taking due account of the specificity of the important trading relationship between the EU and China," he said.

The statement quoted him as saying he would report back to the 15 EU members, "to assess how best to approach a future round of negotiations for which a date has yet to be set." EU spokesman Anthony Gooch said: "we've made progress this weekend; we are hopeful that we will be able to finalise a deal in the coming period."

"We don't have a reason to be disappointed. We've made progress," he added.

The United States signed an agreement in November last year.

A similar deadlock between US trade representative Charlene Barshefsky and Shi was broken by the personal intervention of Chinese premier Zhu Rongji.

Asked if he thought Chinese leaders were not giving EU talks the same high-level commitment that secured the US deal, Gooch said: "We don't feel that there's any discrimination in terms of treatment that is being given to Europe with respect to other partners."

INDIAN EXPRESS

1 APR 2000

# India ties up with Nigeria to buy low-sulphur crude oil

By M.V. Meenakshisundaram

concluded on Wednesday last

ABUJA (Nigeria): In a bid to break the shackles of vagaries in supply, India has entered into a tie-up with Nigeria to buy upto six million tonnes of crude oil per annum on a long term basis.

New Delhi is likely to buy upto 1.2 lakh barrels a day of low-sulphur 'sweet' crude, best suited for Indian refineries, from Nigeria on a government-to-government basis at the official selling price from the middle of this year.

The crucial deal that would give greater economic input to India's political ties with the major oil-producing West African nation was clinched during the Indo-Nigeria joint commission meeting which

India's external affairs minister Jaswant Singh, who led a high-powered delegation of senior executives of various public sector units, said that New Delhi would like to have a "long-term predictable and stable" supply of oil from Nigeria.

"This is a significant breakthrough which would pave the way for a strategic relationship" between the two countries, Mr Singh said adding that the deal would also re-establish oil ties between the two nations.

The breakthrough in the oil sector came after the meeting Mr Singh had with Nigerian President Olusegun Obasanjo, a close friend of India, who was in New Delhi for the Republic Day celebrations this

year. The Indian Oil Corporation (IOC) and the Nigerian National Petroleum Corporation (NNPC) would conclude a commercial agreement in this regard before June 30, Mr Singh said.

India is a major importer of oil from Nigeria, second only to the U.S. and the current oil deal with Nigeria would enable India to meet nearly 25 per cent of its oil requirements.

Describing his meeting with Mr Obasanjo as "very fruitful and extremely cordial," Mr Singh said the Nigerian President assured that his country would enhance production and start increasing oil supply to India gradually.

Besides renewing cooperation in the energy sector, both sides also agreed to collaborate in various infrastructural sectors like power, steel and small scale sector.

In the power sector, both sides agreed to cooperate on power proposals submitted by Indian public sector unit BHEL, which had earlier submitted a proposal for setting up a 370 mw gas turbine power plant and also rehabilitate 110 mw power plant of Ajaokuta steel plant. The meeting decided that a decision on the contract would be taken by June 30.

As many as 14 industries were identified in the small scale industry sector and the Nigerian side indicated their requirements in relation to training and supply of machinery. (PTI)