

AFGHANISTAN'S TALEBAN DESTROYS BUDDHIST STATUES

by Dick Gupwell

On 12 March, Koichiro Matsuura, the Director General of UNESCO, said "I was distressed to learn from my special envoy, Pièrre Lafrance, that the destruction of the Bamiyan Buddhas has been confirmed. It is abominable to witness the cold and calculated destruction of cultural properties, which were the heritage of the Afghan people and, indeed, of the whole of humanity." Thus did the guardian of the world's cultural heritage comment on the sudden and wanton blowing up by Afghanistan's fundamentalist Taleban rulers of the giant Buddha statues, which had stood in the Bamiyan Valley for over fifteen hundred years.

Why should the Taleban resort to such action in the face of almost universal condemnation? Although, to all adherents of Islam, the worship of idols is sinful, the great Bamiyan Buddhas, and many hundreds of smaller statues in Afghanistan, had already managed to survive well over a thousand years of Muslim rule over the region. Of course, the Taleban follow a particularly puritanical interpretation of Islam but, even so, they had not threatened the Buddhas before. Thus, it was almost certainly for other motivations. These include frustration at their still being unable to wrest control over the whole of Afghanistan, for which foreign interference is blamed. These same foreign influences, and particularly those of Russia and the United States, are held responsible for increasing United Nations sanctions and a lack of effective aid. This, in turn, is held up as the cause of Afghanistan's present economic and humanitarian crisis.

With the Taleban recognised as the legal government of Afghanistan by only three countries - Pakistan, Saudi Arabia and the United Arab Emirates - a growing siege mentality has developed in Kabul and Kandahar. Given that the self-righteous Taleban have little at their disposal with which to strike back against their supposed tormentors (other than exporting more terrorism), they have decided in favour of an act of pure vandalism to try to get their point across. The UN Secretary-General warned against the latest imposition of UN sanctions in December, in words which were echoed by most of the aid agencies. These agencies have been engaged in an up-hill struggle to bring some relief to the wretched people of Afghanistan, who have been suffering from what is now more than twenty years of continuous war and civil strife. Mr Annan has now asked that the destruction of the Bamiyan statues should not be used as a pretext to impose yet more sanctions by the UN Security Council.

Significance of Bamiyan

The area, which is now Afghanistan, had once formed part of the empire of Alexander the Great. Not long after Alexander's death, it was ceded to the Hindu king, Chandragupta, founder of the Mauryan Empire in north India. It was during the reign of the great Mauryan emperor Ashok (264-227 BC), that Buddhism was first introduced into Afghanistan (then known as Bactria and Gandhara). With the demise of the Mauryans, Greek influence re-surfaced but, by the middle of the 1st Century AD, Bactria and Gandhara had fallen under a tribe of Turkish nomads, the Kushans.

It was the great Kushan king, Kanishka, who then patronised Buddhism. At this time, the Third Buddhist Council was held, probably in neighbouring Kashmir. Under Kanishka, the extension of Buddhism into Central Asia and China took place. Missionaries were sent along the Great Silk Road to Samarkand and on to China and Mongolia. A major pilgrimage route also developed linking India with China, passing from the Indus Valley over the Khyber Pass to Kabul and, thence, over the Hindu Kush, down the Bamiyan Valley and on over the Oxus to Central Asia and western China.

Moreover, under the Kushans, there was a major transformation in Buddhist art. Hitherto, the Buddha had never been represented in human

form but only by such symbols as a wheel. Now, with a tradition of Greek artistic culture present, the Buddha began to inspire the making of statues, blending Greek and Indian styles. Bamiyan had already developed as a centre of Buddhism. Nearby, in the Bamiyan Valley, there was a long and very high vertical sandstone cliff. This, in the words of Mary Louise Clifford, presented "an endless challenge to the stonecutters of the time". Two huge statues representing the Buddha were carved out of the soft sandstone, known later to the Persians as the Surkh But (Red Buddha) and the Khing But (Moon-white Buddha). The larger of the two was 53 meters high. Later artists added exquisite frescoes, particularly in the vault of the smaller, 35-meter Buddha, as well as in many of the neighbouring grottos carved into the sandstone.

For several centuries, these great Buddhas continued to look down on passing travellers. In the 7th Century, when Hiuan Tsang visited Bamiyan, he described the larger Buddha as "glittering with gold and precious ornaments." It was regarded as one of the wonders of the world. In the late 7th and early 8th Centuries, the Arabs conquered Afghanistan and the country subsequently became part of the Persian Abbasid Empire. Buddhism was overtaken by Islam but the statues remained, even under Mahmud of Ghazni, who extended Afghan rule right up to Delhi. Then, in 1221, came Genghis Khan and his Mongol hordes. The old Buddhist city of Bamiyan was destroyed. One of the Great Khan's generals decided to use the larger Buddha for target practice and a section of the upper part was damaged by artillery fire. Thereafter, under Tamerlane (1336-1405) and throughout the long Mughal period (1506-1748) and the subsequent creation of the independent kingdom of Afghanistan, it was only the influence of the weather, which caused the great Buddhas slowly to lose their former glory - and, for all this time, Afghanistan remained a Muslim country. It is this, which makes the recent actions of the Taleban all the more perplexing.

Influence of the Saudi Wahibis

India's Foreign Minister, Jaswant Singh, described the Taleban's decision to destroy the statues as a "regression into medieval barbarism." However, this is inaccurate.

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KOREA: WHERE DO WE GO FROM HERE?

by Aidan Foster-Carter

The Korean peninsula has embarked on a process of momentous change. That process has no predetermined end-state, though, at 53, I would be very surprised not to see re-unification in my lifetime (but then I have been wrong before). If, as Hegel said, Minerva's owl flies out at dusk, then we are still in the darkness of early dawn. No one can say for sure what the new shapes we dimly discern are and mean, or how things will evolve from here. Yet we are not passive spectators. Governments, NGOs and others can and must seek to influence the outcome, to try for a soft landing and avoid further catastrophe in a land that has already suffered enough.

Sociologists like jargon and some has its uses. Just as there is no in-built teleology, we must also avoid the fallacy of essentialism: in this case, believing North Korea can never alter. On the contrary, the past year has seen huge change. We are in a new phase, where inter-Korean contact has become regular, even banal, rather than exceptional. In under a year, we have seen a first ever summit meeting, four ministerial talks, three family reunions, defence talks, a deal to re-link railways, economic agreements, a planned cross-border investment zone at Kaesong, and dozens of other contacts at all levels. If all that is not change, what on earth is? Plus, of course, there was the rapid diplomatic outreach of the past year. All but two EU states (France and Ireland) now recognise the DPRK. These recusants, like the USA and Japan, are now the odd men out.

It is crucial to be clear what all this is about. For Koreans, *tongil* (re-unification) is the mantra, constantly intoned. But this may mislead if taken literally. Reunification, when it comes, will be the end of a very long road. For now, the tacit aim of both Korean states is the opposite: to postpone unification for as long as possible. The immediate task is reconciliation, with each striving to convince the other that it no longer seeks to destroy it. South Korea, in particular, having watched the German experience, actively wants North Korea to continue as a separate state – but a more

peaceable and sensible one rather than a menace. So the idea is to manage change gradually: reconciliation, co-operation, gradual integration, and only then unification.

Now, here are the caveats. Much has yet to change. Security issues are hardly addressed yet; though if Kaesong happens, the Demilitarised Zone (DMZ) will de facto start to “morph” from front line to front door. Nor is change smooth, as in Pyongyang's recent abrupt cancellation of the fifth ministerial talks. Yet, I dare predict that change is now irreversible, unlike earlier false dawns in 1972, 1985 and 1990 when dialogue began – only to be broken off. This time, far more has already happened; Kim Jong-il is personally committed; and North Korea has no alternative.

Nonetheless, progress may well slow this year. Externally, the new Bush administration in the US cares little for Korean views (North or South), as Kim Dae-jung found in Washington. It growls at Pyongyang, and Pyongyang growls back. Counsels are divided; one must hope the pragmatism of Powell will win out against hawks like Rumsfeld, whose NMD ambitions may sink the US-China tacit co-operation that has undergirded the new Korean peace process. This may give Kim Jong-il an excuse to put off his return visit to Seoul: a security nightmare and a political risk. (It would do Kim Dae-jung more good in 2002, which is an election year.) The schedule for re-linking railways across the DMZ by September also looks distinctly optimistic.

Internally, we wait above all for the Dear Leader to grasp the nettle of reform. Opening alone will not mend the shattered northern economy, which has gone from being richer than South Korea, 25 years ago, into a tailspin of decline, culminating in famine, during the past decade. After 20 disastrous years of ignoring Chinese advice and example on how communist rule can be combined with a new market dynamism, Kim Jong-il's patently business-oriented visit to Shanghai, in March, is one of several signs that, at last, real economic change is being mulled. More may be revealed on April 5, when the Supreme People's Assembly (SPA), the North's parliament, meets; or, failing that, at a long overdue Congress - there has been none since the 6th in 1980 - of the ruling Korean Workers' Party (KWP), which Kim Jong-il has hinted at.

It is high time to move beyond hints but it will not be easy. Technically, it is not clear that Chinese-style moves to the market can work the same magic in North Korea, which, unlike China or Vietnam, is no longer mainly agricultural. Politically, years of denouncing reform (in the then USSR and Eastern Europe) as revisionist treachery will make it hard to do a U-turn now while proclaiming continuity. Remarks by the Dear Leader, that new times demand new methods, are a pointer to how the change may be handled ideologically. But it will be very delicate. North Korea keeps real politics hidden, but the new *détente* is bound to have enemies and sceptics, above all in the powerful Korean People's Army (KPA). Our best hope is that the sheer absolutism of the system and Kim Jong-il's semi-divine status mean that what he says goes, leaving opponents no legitimate grounds for dissent. *L'état, c'est lui*.

By contrast, in democratic South Korea, hawks and doves do battle in plain view. History will echo the Nobel prize committee in praising Kim Dae-jung's bold and patient sunshine policy, for starting to unfreeze half a century of hostility. But now, the president must work harder to sell this policy to a volatile and sceptical public, and an opposition that he has unwisely cold-shouldered. Excess euphoria over the summit has turned into charges of appeasement. In this give and take, Seoul gives but Pyongyang only takes. So says the opposition Grand National Party (GNP), whose leader, Lee Hoi-chang, may well be elected president in December 2002. Lee will not abort the peace process but, like Bush, he would be less pro-active and stricter on reciprocity. It is not too late for Kim to make peace with the GNP and safeguard his legacy.

One reason to see reconciliation as a ratchet that cannot overall be reversed is that, already, the outline of a single pan-Korean political economy is emerging, with new structures of mutual interest beginning to bind at least some actors across the DMZ. A striking case last year saw Chung Mong-hun – the de facto head of Hyundai, the south's largest but debt-ridden *chaebol* (conglomerate) – harried by government and creditors. Chung's response was to visit his pal Kim Jong-il, who gave him a political ace: the right to build an industrial park at Kaesong by the DMZ, in easy reach of Seoul, that could become like Shenzhen to Hong Kong. This has made Hyundai untouchable; official

policy suddenly shifted to propping it up no matter what.

As this example shows, reconciliation has its moral hazards. What is good for sunshine may be bad for Kim Dae-jung's other major policy goal, economic restructuring. That dilemma continues. Hyundai's tourist cruises to the north are a political breakthrough but an economic disaster. The group can no longer afford the \$12m monthly fee it pays Pyongyang, much less the \$2bn needed to develop Kaesong. Government may rescue the latter, but maybe not the tours: such links smack too much of the old Korea Inc. The death of Hyundai's northern-born patriarch, Chung Ju-yung, who spearheaded its push north, only deepens the uncertainties.

There are fresh unknowns, too, in the international environment, always critical for a "shrimp among whales" (as a Korean proverb has it) hemmed in by much larger powers. Of late, the whales have evinced a rare unity and a positive approach, rather than invading or dividing the peninsula as in the past. But now, the US has a new and sceptical leader. Japan, too, will soon have a new premier, whose stance remains to be seen but who could echo the public hostility to North Korea fanned by Pyongyang's crazy rocket launch across Japan in 1998. And, if the GNP regain power in South Korea, two years hence, conservative governments, in all of North Korea's three traditional foes, could freeze further halting moves towards friendship.

Queries also arise with the other two powers involved in the peninsula, and over multilateral arrangements. Putin's thrust remains an enigma even after his visits to Pyongyang and Seoul; perhaps Kim Jong-il's trip to Moscow, in April, will clarify things. China may become a less positive force if riled by NMD. It is unclear if and when four-party talks will resume, or what, in the post-summit era, is the best form or forum to talk peace on the peninsula. KEDO faces crises of both finance and confidence, with a risk of the 1994 Agreed Framework unravelling. Technically, Light Water Reactors (LWRs) make little sense; but politically, dare Pyongyang admit this?

The next year or two are vital. Ideally, Kim Jong-il must move faster on reform at home and security dialogue abroad, to show good faith and prove the hawks wrong. But North Korea does

not work that way. Strategically, Kim Dae-jung is right to oppose mechanical demands for reciprocity. Pyongyang needs time, but the risk is that its interlocutors will lose patience. And even if further crises over nuclear or missile concerns can be avoided, other issues have a potential to cause rifts. One such is human rights, which are now being taken up across the spectrum in South Korea. Yet how can North Korea yield in this area without ceasing to be what it is?

That question applies more generally. The sunshine strategy assumes North Korea can and will be induced by warmth to unbuckle its armour. Translated into political sociology, the hope is that Kim Jong-il will embrace a process of change which, over time, will transform his state and regime into quite a different kind of animal than it has always been. Can the leopard change his spots? Non-essentialists say yes, and point to how China moved on from Maoism. Yet, in the North Korean context, this will be a risky transition, dependent on the tacit assent of both elites and masses. The bet is that they continue to obey a regime that put them through hell, because it has now seen the light and life will get better. But in brutalising refugees and others, Kim Jong-il is sowing dragons' teeth. The fate of Ceausescu stands as a warning.

Indeed many scenarios are possible. To favour a soft landing does not require conviction that it is bound to work. It may not, and we must be prepared for all contingencies. But a gradual evolution is so clearly the optimal outcome that it would be irresponsible not to strive as hard as possible to help it happen. While we cannot know what *will* happen in Korea, what *should* happen is a no-brainer. The three main scenarios stand in a crystal clear order of preference. War, which nearly broke out in 1994 over the nuclear issue, is by far the worst. It happened before, and it would take the whole peninsula decades, and cost the world a fortune, to rebuild. Any policy on Korea must make its top priority the absolute avoidance of a second Korean War.

Rebuilding just the North alone will be costly enough, even if done gradually over time. That is why a soft landing is far preferable to German-style collapse and absorption, which would throw the whole burden onto Seoul all at once. It may yet happen; one hopes that South Korea is

ready, both mentally and practically, with contingency plans. But it would be irresponsible to hope for or promote a northern collapse, when its impact could make the south collapse too.

What can Europe do in all this? We are far away – and in that our role lies. I was heartened recently to hear a North Korean diplomat cite Europe's very lack of strategic or other interests on the peninsula as fitting European countries and the EU to be an honest broker. Unlike the two Koreas and the four powers, Europe has no axe to grind in Korea. Properly co-ordinated – as did not happen over recognition of the DPRK – this offers a real chance for Europe to try to ensure that this final chapter in the Cold War plays out smoothly rather than as cataclysm. Concretely and right now, this starts with persuading our US allies to continue engagement. <

Editor's Note

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Sri Lanka's Darker Side

by Gerard Collins, MEP

There is a darker side to Sri Lanka, formerly known as Ceylon and variously described as “the resplendent isle”, the “pearl of the Indian Ocean” and the “gateway to the East”. It is conflict and terrorism. While tensions remain on this island of 19 million people, a tentative political process, backed by the European Union, is underway. With good will on all sides, this process could lead to a peaceful resolution to the ethnic conflict, which has been the cause of so much suffering since 1983.

In the northern Jaffna peninsula and in the east of the island, the LTTE (the Liberation Tigers of Tamil Eelam, better known as the “Tamil Tigers”) have been seeking to form a sovereign Tamil state and have been in conflict with the Sri Lankan Government since 1983.

I recently had the honour to lead a small delegation from the European Parliament, with responsibility for relations with South Asia and SAARC, to Sri Lanka. The purpose of our visit was to familiarise ourselves with the situation on the ground. This was our first visit to Sri Lanka since 1993 and it coincided with the best peace opportunity for years.

The European Union is ready to provide constructive support to the Sri Lankan Government in its endeavours to restore peace in the country. It was essential, therefore, during our visit to publicly and forcefully back the delicate peace process being masterminded by Norway's Special Envoy, Eric Solheim. This we did. President Kumaratunga has centred her presidency on an attempt to resolve the conflict constitutionally and the LTTE have declared and extended a unilateral cease-fire to 24 April next.

During the many meetings we had with government ministers, members of the opposition, clergy, NGOs, business leaders, trades unions, students and at a special meeting with the military in Jaffna, we stressed the EU's total support for Mr Solheim's efforts as “facilitator” in bringing the two sides together. This is essential if a secure and lasting peace is

to be found in the framework of Sri Lanka's territorial integrity. The European Union can but encourage the political forces themselves in Sri Lanka to reach national consensus on a future peace plan.

We made it clear that the European Union does not support terrorism. We expressed our concerns at the highest level about human rights abuses and made it clear that the European Union rejects the re-introduction of the death penalty, which the government is actively considering. Recruitment by the LTTE of child soldiers is to be deplored.

The signs of the conflict are visible on the streets of Colombo and other towns, where numerous military and police checkpoints still guard against the threat of terrorist attacks and suicide bombers. The human suffering and evidence of conflict is much more obvious in Jaffna, which our delegation was given special authorisation to visit. The media does not have such access. The signs of war in Jaffna town were visible, including in outlying villages, which bore the brunt of recent, successful army operations aimed at regaining strategic areas held by the Tamil Tigers. Travelling in UN vehicles, we saw row upon row of abandoned bullet-marked houses with their roofs blown off. The threat of landmines is a daily concern. We were shown a range of small arms and heavy weapons captured by the army and an array of deadly landmines, including home-made ones. There can be no justification for the use of anti-personnel mines by either side.

Since 1983, over 60,000 people have been killed. Up to 16,000 people have disappeared in the north, including many cases of “disappeared” fishermen. It is estimated that there are 2,500 Tamil detainees and the number of internally displaced people late last year was estimated to have risen to 570,000. People want to be re-settled. There are numerous reports of human rights abuses. Shortages of medicines and hospitals, coupled with restrictions on freedom of movement and a complicated system of passes, need to be tackled.

Our visit to Sri Lanka followed that of the EU Observer Mission, led by John Cushnahan (PPE-ED), to the parliamentary elections held there last October. The elections were marred by bloody attacks, largely but not exclusively carried out by the LTTE. We reiterated to the

government, the opposition and others we met, that the European Union wants to see an early follow-up to the 16 Recommendations of the Observer Mission so as to ensure that the next elections are fully open and fair.

We raised the case, with the Minister for Foreign Affairs, of the deaths of 26 detainees and the injury of 14 others at the hands of a mob, while in detention at the Bindunwewa Rehabilitation Centre. He has assured us that all 17 police officers and two army officers, who had been assigned to guard the camp at the time of the attack last October, have been arrested and detained and that investigations, carried out so far, have clearly established a serious dereliction of duty by the police officers. I welcome the Government's decision to compensate the victims but the perpetrators of the crime must be tried in a court of law, so that Sri Lanka's domestic laws are seen to apply to everyone.

The dividends of peace are worth working for. Defence spending, because of the civil war, has increased with inevitable negative consequences for investment in other areas. Government agents have recently highlighted the enormous shortage of food and essential drugs in the north of the country, and have drawn attention to the fact that the standard of living in various welfare centres is well below normal. The importance of the CARE projects to tackle the problem of Sri Lanka's dry zones must not be jeopardised. Any halt on development is all the more regrettable when account is taken of Sri Lanka's potential and the fact that it has one of the highest levels of education and literacy in developing countries. Despite the inevitable difficulties, the peace process must be given a chance so that a bright new future can open up for Sri Lanka. <

Editor's Note

Gerard Collins (UEN) visited Sri Lanka on with XX as part of a European parliament mission

EUROPE-AID, OR THE PURSUIT OF PERFECTION

by Malcolm Suhan

I must confess that I found the events, which led to the mass resignation of the Santer Commission, a case of much ado about nothing, given that the sums involved did not amount to even 0.001% of the European Union (EU) budget. The whole sorry episode reminded me, in fact, of a remark by a fellow-student in a graduate seminar in political science in Berkeley. He claimed that we 'mustn't forget the fall of man' when devising political institutions. What he meant was that human beings are imperfect, and that it is, therefore, absurd to think that we can devise institutions which will work perfectly.

Now, the EU clearly has a problem when it comes to managing its external assistance. As the European Commission's paper on this subject, of 16 May 2000, points out, the EU 'has the political and financial responsibility for more than 10% of total ODA world-wide, an increase from 5% in 1985.' It is, quite simply, 'one of the major actors in international cooperation and development assistance.'

Yet 'the effectiveness of Community aid management,' the paper notes, 'is undermined by slow implementation and weak programming.' In the last five years, the average delay in disbursement of committed funds has increased from 3 years to 4.5 years, so that the backlog of outstanding commitments had reached over €20bn. by the end of 1999. At the same time, 'in the absence of any clear priority, and with weak or inappropriate policy direction, dispersion across many different sectors aggravates management shortcomings.'

The Commission concluded that improving the management of its external assistance programmes would put matters right and, thus, have 'a direct impact on the international standing of the Union.' The ambitious programme of measures, set out in the May 16 paper, led to the creation of the EuropeAid Cooperation Office, which began operations on 1 January 2001. The Office will manage the full project cycle, from identification to evaluation, and be responsible for the technical and financial

aspects of most EU and European Development Fund external assistance programmes.

However, devising machinery to manage external aid programmes smoothly and speedily will solve only part of the problem. It is equally important to make sure that these programmes – the EU spent a cool €9.6bn. on them in 2000 – are the right ones. Might it not be the case that the slow implementation was partly due to the fact that some, at least, of the programmes and projects were not the right ones, perhaps because the EU had not got its priorities right?

The starting point of the project cycle is an ‘overall political strategy (strategic framework),’ according to the May 16 paper. Called ‘programming,’ it gives ‘concrete expression to the guidelines for each country and/or region in terms of objectives, priorities, focal sectors and the general thrust of global and sectoral conditionality.’ Programming, the paper notes, is ‘multi-annual, indicative, and is negotiated with the recipient country.’

This task has fallen to the current ‘geographical’ External Relations and Development DGs. ‘They will retain responsibility for the overall formulation of policies towards states, which are not members of the EU, in order to ensure that actions of external assistance genuinely reflect the EU’s priorities and better complement other EU policy areas,’ according to a Commission press release of 21 December 2000. The remaining stages of the project cycle – identification of projects and actions, their appraisal, the financing decisions, implementation and evaluation – are the responsibility of the EuropeAid Co-operation Office.

The starting point – programming – is therefore crucial to the success of the entire project cycle. Get your priorities wrong, formulate your policies inadequately and you will end up with the wrong projects and actions. Allocating responsibilities clearly and unambiguously is all very well - but resources should be properly allocated also. Take staff numbers. EuropeAid will have a total strength of nearly 1,200. But I have been unable to get the corresponding figure for the ‘geographical desks.’ I believe the number of officials responsible for the overall formulation of policies towards India is three. This is the country of which Commissioner Patten

remarked, ‘India will be a glittering success story of the 21st century, if it pursues economic reforms, and one of the few countries to shape the future.’

Clearly, officials who change jobs every three or four years cannot be expected to acquire the specialist knowledge they need, in order to discuss with their Indian counterparts just how the EU can contribute to the success of that country’s economic reform programme. The fact is that the key issue of how to ensure that those responsible for programming can carry out this vital task smoothly and effectively seems to have been brushed aside, while a great deal of time and money have been put into refining the management of programmes. A case, surely, of putting the cart before the horse!

Ironically, a perfectly feasible solution was put forward in the European Commission’s 1994 ‘New Asia Strategy’ paper, which proposed a ‘network of European centres specializing in Asia, to share perspectives and expertise on Asia and to provide counsel and advice to European policy makers.’ At the EU-India Summit, held in Lisbon on 28 June 2000, the two sides adopted an Agenda for Action, which provides for the launching of an EU-India Think Tank Network. A start is to be made this October, when a seminar, to be held in Brussels, is expected to bring together some 30 European and an equal number of Indian think tanks.

From the viewpoint of non-EU countries, the External Relations and Development DGs are of crucial importance, as it is with these two DGs that they must negotiate the multi-annual programming, the starting point for the full project cycle. But the position of these two DGs within the 6-stage project cycle is already weak, given that two key stages – project identification and financing – have been turned over to EuropeAid. Even so, the Development DG will always have a key role to play in the programming of the EU’s external assistance programmes, and thus to influence their management. This is less evident in the case of the External Relations DG, which apparently will be concerned increasingly with political, including security, issues.

The demise of the Santer Commission left a molehill, which was promptly made into a mountain. The real issue was not one of management but one of ensuring that DG

External Relations had a future. To this end it was necessary to demonstrate that it had a real job to do in providing external assistance, not only effectively but also through programmes and projects, which clearly reflect the profound changes that have taken place in North-South relations since the Berlin Wall came down.

Devising a foolproof way of delivering external assistance is not enough, even if it were possible to do so, bearing in mind the limitations of human nature. Nor is a clear division of responsibilities between the 'geographical desks' and EuropeAid. It is the latter which must be strengthened. A direct link to civil society, through an extended network of European and Asian think tanks, is probably part of the answer, given that many of the policy issues now facing the EU in its external relations are too complex – and sensitive – to be handled by officials alone. <

SRI LANKA'S PRESIDENT ON AN OFFICIAL VISIT TO BRUSSELS

by Malcolm Subhan

President Chandrika Kumaratunga's visit to Brussels was a success, not only because of the message she brought with her but also because of her open, engaging personality. Her message, broadly speaking, was that her Government was getting signals of a possible commitment by the LTTE (Tamil Tigers) to talks on core issues, which she defined as how to resolve the legitimate grievances of the country's Tamil minority and to secure peace. Although the innumerable earlier talks about talks had invariably collapsed, this time round there were signs of a growing recognition on the part of the LTTE that it could not win militarily.

President Kumaratunga noted that the peace facilitation efforts of the Norwegian government and its special envoy, Eric Solheim, were proving helpful. Mr. Solheim, who visited Colombo in early March, when he met with President Kumaratunga, the foreign and finance ministers, as well as the Leader of the Opposition, Ranil Wickremesinghe, also met the LTTE representative, Mr. Anton Balasingham, in London. In addition to Norway's efforts, the Sri Lankan President thought that the international

community was sending a clear signal to the LTTE that it would no longer tolerate certain kinds of behaviour. Thus, the UK's ban on the LTTE should reduce the ready availability of weapons, financed through fund raising abroad.

President Kumaratunga's European hosts made clear the EU's strong support for Norway's peace facilitation efforts. The EU in fact favours a peaceful solution to the long-running conflict with the LTTE, one which both maintains the territorial integrity of Sri Lanka and provides for the legitimate aspirations of the Tamil minority. During the February meeting of the EU-Sri Lanka Joint Commission in Colombo, the EU expressed its readiness to join other international donors in providing further assistance under the current Relief, Rehabilitation and Reconciliation programme, once developments in the peace process make this possible.

Despite the constraints which military spending has imposed on the country's social and economic development, Sri Lanka is well on the way to becoming a middle income country. As such, it would not receive priority for development aid in grant form; the emphasis, rather, will be on economic cooperation. The environment is one potential area for such co-operation. During her visit President Kumaratunga also met the Environment Commissioner, Margot Wallstrom, who was working in Colombo when she was nominated to the European Commission by the Swedish government. Indeed, she is expected to visit Sri Lanka this year. Given that EU companies are developing technologies which Sri Lanka could use in such areas as waste treatment, for example, prospects for economic cooperation in the environment sector look promising.

Sri Lanka would also like the EU to help it develop its railway infrastructure, particularly on the basis of public/private partnership, a field in which member states are acquiring experience. This is another potential area for economic co-operation, particularly since President Kumaratunga's visit to Brussels coincided with the signature of an agreement between Sri Lanka and the European Investment Bank. This agreement opens the way for Sri Lanka to borrow from the EIB to finance infrastructure projects, as other Asian countries have already done.

The President's visit also coincided with the signature of the textile agreement between Sri Lanka and the EU, which was initialled last December, and is being applied since March 1. Under this agreement, the EU is suspending the application of quotas on imports from Sri Lanka of four categories of garments. Colombo in return has notified the WTO of its bound rates of duty for the entire textiles and clothing sector. These rates range from 0% for raw materials to 17.5% for clothing products, with a very small number of exceptions. A system of double-checking of export and import licences has been introduced to prevent circumvention by third parties. Sri Lanka ranks 20th among suppliers of textiles and clothing to the EU. Its exports to the 15 member states came to €707 million, and its imports from them to €92 million in 1999.

The textile agreement is important for both sides. It will enable Sri Lankan exporters to strengthen their position vis-à-vis other exporting countries in the run-up to 2005, when all WTO countries will eliminate all existing import quotas under the 1994 Uruguay Round Agreement on Textiles and Clothing. The EU hopes that other Asian exporting countries will follow Sri Lanka's example and open up their markets to European textile and clothing exports. Trade Commissioner Pascal Lamy noted after the signature ceremony: 'This agreement...is the first of its kind with a WTO member and shows the EU's commitment to mutually beneficial liberalization.' He invited 'other WTO countries to seize this opportunity and engage promptly in market access negotiations with the Commission.'

Negotiations over a very different kind of agreement are expected to begin by the middle of this year. Now that the EU has powers in the field of illegal immigration, including the repatriation of illegal immigrants, the European Commission plans to conclude readmission agreements with not only Sri Lanka but also Pakistan, the Russian Federation and Morocco. The two sides have already discussed the matter informally in the margins of the recent meeting of the EU-Sri Lanka Joint Commission and agreed on a timetable for the negotiations.

The EU has welcomed Sri Lanka's efforts to breathe fresh life into SAARC, which is marking time, especially since the postponement, at India's request, of the 11th SAARC summit,

which was scheduled to be held in Nepal in November, 1999. During her visit to New Delhi in February, President Kumaratunga secured India's agreement to a meeting this May of the organization's standing committee, which is made up of the foreign secretaries of the 7 member states. In the meantime, the EU would like to implement its 1996 Memorandum of Understanding with the SAARC Secretariat, and to work with the SAARC Chambers of Commerce.

President Kumaratunga met Commission President Romano Prodi, along with Commissioners Patten and Wallstrom, on March 16. She also met with the EU's High Representative for Common and Foreign Security Policy, Javier Solana, that same day. Mrs Kumaratunga was accompanied by the Sri Lankan Foreign Minister, Mr Lakshman Kadirgamar. She returned to Brussels on March 19, for a meeting with King Albert of Belgium and Guy Verhofstadt, the Belgian prime minister. During her visit, two co-operation agreements were signed with Belgium, aimed at promoting economic co-operation between the two countries. <

BRUSSELS ASEAN NIGHT

by Dick Gupwell

If ASEAN, the Association of South-East Asian Nations, has been in the news in Brussels in the last month, because of the visit of the ASEAN Secretary-General, Rodolfo Severino (see under EIAS News), it is unfortunate that Mr Severino arrived here too late to take part in a magnificent display of ASEAN solidarity and rich cultural diversity. This was the "ASEAN Night", hosted by His Excellency Mr Clemencio Montesa, Ambassador of the Philippines and Chairman of the ASEAN Brussels Committee, which took place in the *Salle des Nations* at the Sheraton Hotel, on 9 February.

Readers of *EurAsia Bulletin* should be aware of three important facts. First, the Ambassadors of the ASEAN member countries, which have diplomatic representations in Brussels, have been meeting together for many years on a frequent and regular basis in the ASEAN Brussels

Committee (ABC), to discuss and to arrive at common positions on most matters relating to EU-ASEAN relations. This enables ASEAN to "punch" a collective weight above that of its individual members. Second, the ASEAN countries possess a wealth of culture, which is at once rich in diversity and yet has a certain underlying unity. And third, of course, most ASEAN people love a good party. The "ASEAN Night" was very thoroughly prepared by the ABC's Sub-Committee on Culture, ably guided by Ana Abejuela, whose more usual role is that of Agricultural Attaché at the Embassy of the Philippines. Your correspondent was both pleased and privileged to have been invited and spent a most enjoyable evening in the company of many friends. What was particularly nice about the whole thing, was that every one of the embassies had put in such a lot of effort, both in contributing to the excellent spread of ASEAN delicacies, which covered a buffet of two long tables, and in presenting a superb evening of entertainment. Thus, while being treated to a gourmet feast, the fortunate guests were also spectators of a full and lively show.

After some cheerful words of welcome by Ambassador Montesa, the evening's entertainment began with a delicate performance of the Thai Blessing Dance (*Ram Uay-Porn*) by two delightful dancers, Ms Nucharat Singpring and Ms Chirayupa Sweetman. This was followed by some vocal numbers from the Philippines by Mr Dodie Dimaculangan and Ms Marisa Van Thillo. Some of these were "pop songs", reminding us that singers from the Philippines are found in the best night spots all over South-East Asia, but there were others of a softer, more traditional kind. The two vocalists were accompanied by Ms Jocelyn Limson on keyboard. Then came the first of the lucky draws. This was followed by a cultural dance performance from Laos, featuring Ms Vongvilay Vongsaly, Ms Delphine Pierre, Ms Mikey Khenekeo and Mr Linthong Phetsavan. Thereafter, the Ambassador of Laos, H.E. Mr Thongphach Sonnasinh, and his lady took to the stage and led the other Ambassadors and their partners in the gentle sway of the *Lamvong*. The colleagues from the embassy were also active in promoting the advantages of Laotian beer.

Then came the turn of Vietnam, and some typically lilting songs performed by Mrs Vuong Ha and Mrs Nguyen Thi Hong Oanh. This was

followed by the second lucky draw. After this, there was a really first class performance of a medley of dances from Malaysia, by the near professional Malaysian Dance Troupe, who had come all the way from Nottingham University in the English Midlands. The spectators were treated to a rapid succession of varied dances, including the *Aysik* and *Mengadap Rebab*, and the *Gamela*, *Datun Julud*, *Sumazau Penanpang* and *Mengilok*. These were performed by Ms Ida Baizura Bahar, Ms Syamaizar Indah Nafis, Ms Nur Sharmila Shaheen, Ms Azreen Soraya Aziz, and Ms Leong Sze Yin, all beautifully attired in the most colourful of costumes.

Next came Brunei's turn. This was a show-stopper. Songs by Norazlinah Ibrahim and Faisal Semaun. Such talent! Then another lucky draw. It was now Singapore's chance. Ms Pooja Gurnani put on a convincing display of Indian dance, which would have done justice to the best of "Bollywood". She was accompanied by Mr Alka Sanan. There followed a very sweet performance of fan dancing by three young children, Girish Verma, Astha Doshi and Tanya Singh. We now came to the grand draw. This was for the two star prizes, generously donated by Royal Brunei and Malaysia Airlines. The first was a return ticket to Brunei and the second two business class tickets from Amsterdam to Kuala Lumpur.

After the grand draw came the grand finale, which was put on by Indonesia. First, there was a traditional dance from Bali (which your correspondent thought might be the mating dance of the bird of paradise) and then music performed by the Kolintang Orchestra on traditional wooden xylophone-type instruments from the island of Sulawesi. This orchestra is made up of members of the Indonesian diplomatic staff and their wives (Mr Jorry Haksioma, Mrs Ade Putu Adnyana, Mrs Andrajati, Mrs Tia Sustia Kunia, Mrs Selly Pada, Mrs Rumanti Murti, Mrs Lasminingsih, Mrs Saleh Trunoatmojo and Mrs Soeryanto). The evening was then brought to an end with a few words of thanks to all the artistes given by the Ambassador of Singapore, H.E. Mr Ampalavanar Selverajah, who will now take over from his Philippines colleague in the chair of the ABC. Your correspondent, like everyone else present, had spent a marvellous evening, which, one can only hope, may be repeated. Unfortunately, however, he will not be going to Brunei, nor to Kuala Lumpur. <

DAYAK RAMPAGE IN BORNEO UNDERMINES INDONESIAN PRESIDENT

by Dick Gupwell

A further outbreak of ethnic violence in Borneo by the indigenous Malay Dayaks against the migrant settlers from Madura, in February, this time in the Indonesian Province of Central Borneo (*Kalimantan Tengah*), has again put in focus the fragile nature of Indonesia's momentous transformation from being an authoritarian state under former President Suharto, where the military enjoyed wide powers, to a new pluralist democracy, where the role of the armed forces is more limited. The fact that President Abdurrahman Wahid chose to be abroad during this crisis has only served to undermine his position, already weakened by the investigation of a parliamentary committee of enquiry into charges of corruption by the President, and the subsequent decision of Parliament formally to censure Mr Wahid.

Meanwhile, the new devolution law has been introduced. Here, criticisms have been made that this major transfer of authority from Jakarta to the provinces has been made with inadequate preparation. While it may help to stave off further attempts by certain provinces to break away, it may also place further strain on a still weakened economy. Neither does it appear to make a great deal of difference to the chances of solving the problem of Aceh.

In recent months, there seems to have been a significant shift in the attitude of many of the more important political parties to the continuance of Mr Wahid in office. While there would appear to be no thought of removing him in any un-constitutional manner, Indonesia may shortly join the Philippines in having a woman Vice-President take over half way through a presidential term.

Ethnic cleansing in Kalimantan

The latest outbreak of Dayak violence was just one of several recent outbursts against the Madurese immigrants, about a hundred thousand of whom were settled by the Indonesian authorities, from the 1960's onwards, under the policy of "trans-migration". The policy was to

relieve some of the more overcrowded parts of Indonesia, such as Java, by creating settlements in less developed islands, such as Borneo and West Papua (*Irian Jaya*). Madura, an island close to Java, was both over-populated and rather barren and, therefore, a prime candidate for the trans-migration policy. However, in most cases, the new migrants were resented by the local indigenous peoples.

In the case of the Dayaks, who were sufficiently primitive as to be still practising head-hunting and cannibalism until the Dutch colonists stamped it out towards the end of the Nineteenth Century, the intrusion of large numbers of Madurese provoked both envy and hatred - envy because the Madurese came to dominate commercial life and hatred because they did not respect the communal land laws of the Dayaks, particularly when the latter were displaced in order to create palm oil plantations for the Madurese settlers. The Dayaks also consider that they have had less opportunities for education and employment than the settlers. In recent years, there had been a number of similar outbreaks, the worst having been in West Kalimantan Province, in 1997, when about 1,000 people were killed. About 250 more were killed in 1999.

The most recent crisis, this time in Central Kalimantan province, appears to have been sparked off by a fairly trivial incident. Two Dayaks employed by the government lost their jobs as a result of a reorganisation. Clashes broke out between Dayaks and Madurese on 18 February, leaving 28 people dead. However, the tension spiralled out of control three days later as Dayaks began beheading and mutilating Madurese settlers in and around the river port town of Sampit. This is situated about fifty kilometres (as the crow flies) up the river of the same name from the south coast. It should be noted that the province of Central Kalimantan (one of four provinces in the Indonesian part of Borneo) is about the same size as Cambodia but has hardly any surfaced roads and no railways. Most communication is undertaken by river or by using the limited number of airstrips.

As thousands of Madurese migrants began to flee from the marauding Dayaks, the Indonesian authorities sent reinforcements to Sampit, where the local security forces had been overwhelmed by the scale of the violence. By 23 February, an

estimated 143 people had been killed and Brigadier-General Bambang Pranoto, the regional police chief, said, "The situation is getting worse. The riots are spreading to other towns, where there are still many Madurese." The Indonesian navy sent a landing ship and two transports up river to Sampit to take off the refugees, where 15,000 were now awaiting evacuation. 2,000 of these were evacuated on 24 February, and a further 8,000 the following day. They were taken to the port of Surabaya (500 kilometres south of Borneo), in East Java, from which the island of Madura lies just offshore. The remainder were crowded into a camp near the port, which soon contained 10,000 refugees. Five of these died of sickness. Other Madurese, who could not reach Sampit, tried to hide in the jungle.

In the little town of Samuda, 40 kilometres south of Sampit, the local police chief said that his tiny force of 21 men, though reinforced by 28 emergency officers, was no match for the hundreds of armed Dayak fighters, who had occupied the town. On 25 February, Indonesia's Co-ordinating Minister for Political, Social and Security Affairs, Susilo Bambang Yudhoyono, arrived in Sampit, accompanied by the armed forces chief, Admiral Widodo Adisutjipto. The Minister said, "The security forces are doing their best to stop the violence. We will control the situation and enforce the law." However, he reckoned that it would take three days to bring the situation under control. This was too optimistic.

The Minister and the Admiral also visited the provincial capital of Palangkaraya (population 160,000), which lies over 200 kilometres north-east of Sampit. A reinforcing battalion of 600 troops also arrived, on its way to Sampit. The Minister said, "The priority is first to take serious efforts to save lives." However, by 26 February, armed Dayaks had taken over the streets of Palangkaraya. Scores of homes and businesses were looted and burned.

Journalists accompanying the Ministers heard some harrowing stories. One Dayak, Fadifian Charles, boasted, "I have eaten a bit of a person's heart. It gave me strength and I took his spirit." A Madurese lady, Suriya Fauzi, who was waiting to be evacuated, said, "My two children are dead. They cut their heads off. They slaughtered my husband and dragged his body through the streets. The police and army did nothing. They

let this happen." The ethnic cleansing of Palangkaraya was rapidly completed as all the Madurese fled, most being evacuated to East Kalimantan province. One Dayak said, "Any Madurese who stay in this province will be killed. We have had enough of them. They rape our women. They do not respect our culture. Either they leave or die. Central Kalimantan must be for Dayaks only." Another said, "After thirty years, this is our revenge for neo-colonialism by the Madurese."

Some refugees reported being hunted like pigs by mobs of Dayaks with dogs. One, who had taken refuge in the jungle, said, "We have been living like animals and we are being hunted like animals." Another refugee, Khoiruddin, on arrival in Surabaya, said, "They did not do anything to my wife, a Dayak, but they have slaughtered my three children and burned my house to the ground."

Perhaps the worst incident occurred in Parenggean, an isolated town 50 kilometres north of Sampit, on 25 February. Here, a group of Madurese refugees was being escorted from their hideout in the jungle back to their homes under police protection. A group of about 60 Dayaks, armed with machetes, knives and spears, approached and the police fled. No less than 118 Madurese men, women and children, were then slaughtered in the space of one hour. Six were beheaded. A witness named Marjo told journalists, "As they got down from the trucks, they were killed right away. Chop! Chop! There was no way they could run. They fell suddenly as they were chopped." The mayor of Parenggean, Rukmana Priyatna, himself a Dayak, said, "The first thing that struck me when I reached the football field (the site of the massacre) was the murder of the babies, the old people and the women. They were all piled up together."

There were several criticisms levelled at the security forces for their inaction in the face of the appalling violence. Mr Munir, of the Commission for Missing Persons and Victims of Violence, said, "They have allowed one group to succeed. The police should be trying to stop the violence, not just helping the Madurese to leave." Up until February 27, the security forces had indeed played a largely passive role. The Dayaks had been allowed to roam the streets freely and had established road blocks to search for Madurese. While Madurese

refugees were able to find sanctuary in police stations, the police preferred not to venture out to tackle the Dayaks. Even the special forces reinforcements sent to Palangkaraya, on 26 February, did nothing to prevent the looting and burning carried out by the Dayaks. In Sampit, fighting actually broke out between the police and soldiers, reportedly over the collection of bribes from refugees wanting to be evacuated by ship to Surabaya.

However, on February 27, the officers in charge of the operation began to get a grip on the situation. The National Police Chief, Suroyo Bimantoro, was able to announce that a hotel in Palangkaraya, which the armed Dayaks had been using as their headquarters, had been raided. 84 of them had been arrested and hundreds of machetes and spears had been seized. The security forces now began to set up their own road blocks and go on active patrols to disarm the Dayaks. The following day, the security forces were given orders to shoot rioters on sight. The Regional Deputy Police Chief, Colonel Muhamad Jatmiko, said, "We are now taking tougher action against rioters and other trouble-makers." Five Dayaks were shot and killed while looting the shops and businesses of Madurese who had fled. There were further shootings of rioters and, although hundreds of Dayaks again rampaged through Palangkaraya on 9 March, setting fire to security posts in protest, the violence now seemed to die down. Nevertheless, Mohammed Usop, a university teacher, whom many Dayaks regard as their leader, said, "We have won the war." He insisted that the fighting had been aimed at "cleansing the Madurese."

Wahid under fire

During this episode, President Abdurrahman Wahid had been abroad. At the height of the violence in Central Kalimantan, while he was attending a conference in Cairo, Mr Wahid observed, "My visit abroad shows that everything is fine in the country. So there is nothing to worry about." The fact that the President frequently undertakes foreign visits has provoked growing criticism at home and only serves further to undermine his delicate position. He had already been weakened as the result of a parliamentary enquiry in January.

The 50-member Committee of Inquiry had been set up to investigate two scandals involving the

President. The first, known as "Bulog-gate" concerns the misuse of \$4.1 million of funds from the national logistics agency, Bulog, by people close to the President (including his personal masseur, who has now vanished). The second, "Brunei-gate", involves over \$2 million in funds donated by the Sultan of Brunei for development projects in the troubled province of Aceh.

On 15 January, the President refused to attend the meeting of the Committee for a discussion. A Committee member, Alvin Lie, said, "His refusal to attend is an insult to the dignity and honesty of the Parliament." Instead, the President invited some of the Committee members to discuss with him in the Presidential Palace. However, the Committee Chairman, Bachtiar Chamsyah, said, "The President did not invite the team as a whole" and, as there was "no invitation", there was, consequently, "no need" to attend.

The President's position was that his masseur, Alip Agung Suwondo, had acted without the President's knowledge or permission. However, it was known that Alip had used the President's name to withdraw the money, some of which was subsequently found to have been deposited in the account of one of Mr Wahid's friends. The President also argued that he had simply neglected to report the Sultan's donation, which, he said, had been used to pay for relief projects in Aceh.

About ten thousand students stormed the gates of the parliament building, on 29 January, as the Committee was concluding its deliberations. The students demanded Mr Wahid's resignation. This was the largest such event since Mr Wahid took office. Nevertheless, the President stated that, whatever the outcome of the Committee's findings, "I will not resign because I was elected by the MPR" (the People's Consultative Assembly). On 30 January, Mr Wahid broadcast on national television declaring, "All the information about the two cases is absolutely not true. I am not involved in anything." He said, "I have tried to tell the people that the Committee is illegal and has no authority."

However, the Committee found that Mr Wahid had most likely played a role in the embezzlement of these funds and had given false evidence (the report referred to "inconsistent

statements"). It also concluded that the President had abused his power and violated the anti-corruption laws. The Committee was sceptical that Alip could have withdrawn the money without Mr Wahid' s authorisation. Nevertheless, Mr Wahid again insisted that his masseur had acted without his approval. As regards the "Brunei-gate" charges, he said that he had appointed two men, Messrs Wawar and Massnuh, to handle the donation. He said, "I accepted it in the sense that this was a present to the people of Indonesia. I never saw the cheque. I never saw anything." He claimed that, "All is accounted for and there are files and records to prove it." The President met with Vice-President Megawati Sukarnoputri and the armed forces chiefs on 31 January to discuss the 34-page Committee report.

Although the Committee of Inquiry did not come to a final judgement, this was enough for Parliament to agree to censure the President. This was done, on 1 February, by a consensus among the political parties, rather than by putting the matter to a formal vote. It was also agreed that the evidence should be handed over to the Attorney-General' s office for further examination. The Speaker of the House of Representatives, Akbar Tandjung, leader of the Golkar Party, said, This is the beginning of the impeachment process." Earlier, the House had voted by 393 votes to 4 to accept the Committee' s report but only after 43 members of the President' s own party had walked out of the chamber. Moreover, an attempt by certain members to demand the convening of an emergency session of the wider People' s Consultative Assembly, which alone has the authority to impeach the President, was rejected.

Under Indonesian law, the President has ninety days in which to respond to a censure vote. Should Parliament deem the President to have provided an unsatisfactory response, it may summon the MPR, which, in turn, may vote to remove the President from office. The Deputy Speaker, Sutarjo Surjoguritno, said that ten parliamentary groups were prepared to sign the required warning letter to the President to set this procedure in train. However, Laksamana Suhardi, a member of Vice-President Megawati' s Indonesian Democratic Party of Struggle (PDI-P), the largest party in the House of Representatives, said that, while "public accountability and transparency are at stake here," his party "did not

intend to topple the President." Mr Laksamana had earlier served in President Wahid' s Cabinet but was dismissed in April 2000. On the other hand, Amien Rais, President of the MPR and leader of the National Mandate Party, the fourth largest in Parliament, said of the President, "His mandate is over."

Mr Wahid' s own party, the National Salvation Party (?) is only the third largest party in the House, after the PDI-P and Golkar. Nevertheless, the President has a powerful political base outside Parliament, in the form of the 4-million strong Nudhatul Ulema, a moderate Muslim religious organisation led by Mr Wahid. The NU now engaged in a number of demonstrations, some somewhat violent, to express their continued support for the President and their anger at the outcome of the Committee report. On 5 February, 10,000 demonstrated in East Java, the NU' s stronghold, and burned down the Golkar Party offices in Situbondo and Asembagus. Ahmad Ni' am Salim, head of the NU' s youth wing, explained, "What happened was a spontaneous act because they were angry at the Parliament, which has behaved arrogantly." Two days later, 50,000 NU supporters took over the building of the provincial parliament in Surabaya and burned down another Golkar building. In the south of Java, however, one thousand anti-Wahid students prevented the President from making a speech in Yogyakarta, on 16 February.

The political temperature continued to rise. On 4 February, Mr Wahid said that he would complete his term of office, which ends in 2004. However, on 5 February, Amien Rais said that the President had to resign. He said, "If he does not resign, I' m afraid he will be humiliated, he will be impeached." The Minister for Justice, Yusril Ihza Mahendra, also publicly called on Mr Wahid to step down and was promptly dismissed. On 6 February, the PDI-P issued a statement saying that it would not support a call for an emergency session of the MPR. Golkar took a similar position. Air Vice-Marshal Graitto Usodo cautioned that an impeachment process now would "violate constitutional law and the military does not agree if it violates the Constitution." Lieutenant-General Agus Wijoyo added a further calming influence, saying, "The attitude of the Indonesian armed forces is one of obedience and loyalty to the legitimately and constitutionally elected President." Nevertheless, it was reported that,

while Mrs Megawati was opposed to calling a special session of the MPR, some of her senior party colleagues favoured the idea.

However, after the President's absence during the crisis in Central Kalimantan, there appeared to be a shift of opinion against the Mr Wahid. On 1 March, Fahmi Idris, the Chairman of Golkar's parliamentary party, said, "The clear solution to this nation's problems is that Gus Dur (the President's nickname) had better quit." He added, "In August, the special session (of the MPR) will happen." Also, Mrs Megawati told a group that, while she was co-operating with Mr Wahid, because he was the President, she did not support him. The Vice-Chairman of her PDI-P, Arifin Panigoro, said that the Vice-President was "being more forceful. Before, she only discussed (this) to her closest allies. But now, she is more open. She is ready to become President." He described Mr Wahid's absence during the Kalimantan crisis as "outrageous". He said, "It's unbelievable." Akbar Tandjung said, "Mr Wahid's position may be in jeopardy if he stays overseas."

Devolution and the economy

The government's new devolution measures were introduced on 1 January. While the national government will retain control over defence, justice, foreign and monetary affairs, the provinces have been given authority over health, education, land rights and investment. The provinces will now retain 80% of revenue from mining, forestry and fisheries, 30% from natural gas and 15% from oil. The overall tax revenue to be retained by the central government will now be only 40%.

However, two days after the new law came into effect, the architect of the measure Ryaas Ryasid, the Minister for Administrative Reform, resigned. After submitting his resignation to the President, he said, "We need over a hundred new laws and regulations and they're not ready yet." Without these, which were still only in preparation, he feared there would be chaos and confusion. He blamed the government for having failed to issue the required guidelines to implement the decentralisation plan. In addition to the 31 provinces, Indonesia's 364 districts will also achieve added responsibilities. The local administrations have not yet been adequately trained and thousands of national civil servants

are being sent out to the provinces in an attempt to help run the new services.

The World Bank has expressed fears that scarce resources may be abused by inexperienced provincial administrations, while the IMF wants the provinces to be prevented from borrowing additional money, especially from abroad, to add to Indonesia's already overburdened debt. Both organisations are concerned about Indonesia's current performance. In December, the IMF withheld a \$400 million loan because of the slow pace of reform. On 31 January, the World Bank reduced its \$1.2 billion annual aid programme by two-thirds as a further incentive to the Government to stick to its reform programme and further reduce corruption. If progress is satisfactory, this cut may be restored.

Indonesia's currency, the rupiah, lost 25% of its value in 2000. Foreign direct investment (FDI) into Indonesia in the same year was around \$4 billion, still down from the \$6 billion achieved in 1996, before the financial crisis. Overall economic growth was 4.8% and expected to slow somewhat because of low FDI. Combined public and private debt totalled \$262 billion at the end of the year, which was 170% of GDP. The public sector accounted for 58% of this. In 2000, 8% of GDP was spent on interest payments on external liabilities. This reduced the otherwise healthy trade surplus of \$28 billion to a current account surplus of only \$8 billion. A staggering 40% of the central government's operating expenditure was used merely to service the debt. This is not a healthy picture and is one that can only cause further problems for the President.

Of course, the decentralisation programme is aimed to deflect local political movements, which seek independence, rather than a degree of autonomy, from the central government. The most acute case is the Province of Aceh on the northern tip of Sumatra. In December, President Wahid visited Aceh to mark the introduction of the special concession to the conservative Muslim province, introducing a limited degree of Sharia Law. He apologised for abuses committed by the military but, in an interview, made it clear that, "We cannot and will not entertain any declarations of independence in Aceh or elsewhere in Indonesia." However, a spokesman for the rebel Free Aceh Movement (GAM), Amni Achmad Marzuki, said, after GAM leaders

had refused to meet the President, "We feel that just meeting him will not solve anything," adding, "His military makes no effort to obey his orders."

On 8 January, further peace talks opened between the Indonesian authorities and GAM representatives in Geneva. It was agreed to extend the present cease-fire, which was due to expire on 15 January, for a further month. This "moratorium on violence" would allow both sides to "substantially revise the security arrangements" to make them more effective, reduce violence and improve the respect for human rights. They agreed to meet again on 1 February. The cease-fire was initially signed in May 2000 but, in the last six months of 2000, over 540 people were killed in the continuing conflict. The GAM's Zaini Abdullah said, "This will help us find peace." Over 6,000 people have died since the conflict began in 1975. In March, incidences of violence were still being reported.

To sum up, the events of the past few months have seen a weakening in the position of the President, Abdurrahman Wahid. The corruption case against him in Parliament would not be so damaging if other aspects of his administration were more successful. The problem of the economy is clearly of great importance, as are the seemingly unending series of regional crises, of which the recent violence in Central Kalimantan is but the latest. It is not only a question of the President's physical frailty, which makes it difficult for him to maintain either a firm control or even a clear sense of direction over events, but his frequent and sometimes prolonged absences from Jakarta, often at critical times.

All this serves to weaken the perception of many in the political elite that he is really capable of continuing to guide the ship of state for much longer. While there seems little sign that any sudden or un-constitutional moves will be made to oust him, it is quite possible that a sufficient political consensus will develop among the main power brokers for him to be obliged to go quietly before the year is out. <

THE INDIAN ELEPHANT VERSUS ASIAN TIGERS

by Malcolm Subhan

India will be a glittering success story of the 21st century, if it pursues economic reforms,' the European Union's Commissioner for External Relations, Chris Patten, stated during a visit to India in January. The budget which the Finance Minister, Yashwant Sinha, presented to Parliament on February 28 has been widely welcomed.

'We have to admit that we have been very positively impressed, like other major international banks, by the very dynamic stance of the new Indian budget,' Marie-Victoire de Groote, Fortis Bank's Head of Emerging Markets, Economic Research, declared at the Millennium Meeting on the Indian Union Budget organized by the Indian Embassy. The full text of her speech is printed below.

It is followed by extracts from the Economic Survey, which is submitted by the Government to Parliament, shortly before the Finance Minister presents the Budget. This brief report concludes with key points from two reports on India as an investment destination.

The Indian budget for 2001-2002

A banker's perspective

Marie-Victoire de Groote writes: We have to admit that we have been positively impressed, like other major international banks, by the very dynamic stance of the new Indian budget. We believe that the Indian Finance Minister, Mr Jaswant Sinha, is right when he talks about 'a New Deal for Indians for the new Millennium.' This budget is not only growth oriented but also represents a clean break with the past, and a step towards the implementation of a modern economy, well integrated into world markets. It has been warmly welcomed by markets, Indian as well as foreign, for it shows that the government is willing to pursue its policy of dynamisation of the Indian economy.

India has been able so far to remain out of the crises affecting most emerging countries, especially Asian ones. This was partly due to the

good management of the economy and the strong growth of the service economy, but we have to say that it was also the result of the inward orientation of the economy over the last years. We now have a budget that is in line with the policy followed last year, one that could integrate India more rapidly into the world economy, without making it vulnerable to external financing.

This budget introduces a strong dynamic of changes and improvements in areas that are of major importance to foreign investors and creditors, as well as to local entrepreneurs. Before going into details, I want to emphasise that this budget has been made possible by the impressive results of the closing fiscal year. In spite of lower than expected economic growth and difficulties in the privatisation plan, fiscal targets (notably a reduction in the fiscal deficit) have been achieved. We are, nevertheless, favourably impressed by the way in which Minister Sinha is attacking the roots of the fiscal problem, which remains the most important challenge facing the authorities. As last year, the control of expenditure remains a priority but the government has also decided to boost the economy by reducing taxes and increasing investments.

We believe that this budget will further reinforce external and domestic confidence in India. I have to say that confidence has already been strongly reinforced during the last 10 years. In 1991 India was on the verge of a liquidity crisis; it had exhausted its external reserves and inflation was higher than at present. Successive Indian governments have implemented the steps needed to improve the structure of the national economy and to improve the country's financial situation. Reserves have been rebuilt through adequate monetary and exchange rate policies. Inflation is under control and export destinations have been diversified - as has the economy as a whole. However, no government has gone as far as this one in controlling the budget deficit and implementing measures structurally to reduce this long-term problem.

In addition to changing the structure of expenditure and reducing the rigidities to be found in the Indian economy, this budget is clearly aimed at stimulating growth and local as well as foreign investment. At Fortis Bank, we

always pay special attention to new prospects for our clients. We believe that this budget could help make India more attractive to foreign investors and partners in a number of areas.

The emphasis on infrastructure development could certainly be attractive to Belgian companies that specialise in dredging and port infrastructure. In the longer term, measures to encourage state electricity boards to improve their financial structure could create opportunities for investment in utilities. Investments are made more attractive by easier investment regulations and, overall, by less bureaucratic meddling and the introduction of greater flexibility in the labour market. Potential foreign investors will follow very carefully political discussions on this matter. If the government manages to pass these reforms, in spite of the approaching elections, it will be a clear sign to foreign investors that the 'Indian elephant' is definitely on the move.

The indirect positive effects for Belgian companies will come from the growth effect of the budget. The budget addresses the current slowdown of the economy by introducing cuts in taxation and interest rates. This creates new opportunities for Belgian exports to the country. You have to remember that, in spite of moderate economic growth during the last two years, Belgian exports to India rose by 15% last year and by 23% in 1999. Of course, diamonds and precious stones still dominate the trade between our two countries, but the shares of chemicals, equipment and machinery are rising. We believe that the boost given by the budget to the economy should have a further positive impact on these sectors and, more especially, on all exports of equipment.

As for reforms in the banking sector, with more managerial autonomy being given to public sector banks, and the improvement in the sector's position towards bad debtors, the reforms should improve external confidence and facilitate relations between institutions. Moreover, the recent opening of the insurance market makes it an important target for international insurance companies.

We must point out that the abolition of the exemption from withholding tax of foreign loans will have a negative impact on investments and exports. The expected improvement in the economy, on the structural side, as well as in

terms of growth and business climate, could bring about a reduction in the ECA insurance premium, however, offsetting part of this negative effect. A further negative aspect for our traditional business with India, as a Bank, is that the lowering of interest rates makes LC financing (one of the main financing schemes used by Indian importers) less attractive for Indian buyers. But we hope that growth in volume will offset this negative effect.

In conclusion, we can only view positively the effects of this new policy on the Indian economy, and more especially on the structure of the economy. It should generate a more dynamic image of a country geared to development, reforms and growth. Like other observers of the Indian economy, we very much hope that opposition parties and trade unions in India will understand the importance of these changes and not hamper this unique chance to provide India with sustainable, long-term growth.

Editor's Note:

(Marie-Victoire de Groot is Head of Emerging Markets Economic Research, Fortis Bank, Belgium).

Economic Survey: 2000-2001

The annual economic survey contains both a comprehensive review of developments in the Indian economy (GDP trends, fiscal developments, inflation, etc.) and a discussion of issues and priorities (key problems, possible solutions, domestic reforms, etc.). It sets the stage for the Finance Minister's presentation of the annual budget to Parliament. However, as it is prepared before the close of the financial year, figures for the full year are obviously estimates.

According to the survey for the financial year 2000-2001, gross domestic product (GDP) should grow by an estimated 6 percent, compared with 6.4 percent in 1999-2000 and with 6.6 percent in 1998-99. The reduction is due mainly to a decline in the growth rate of the service sector. Despite this slowdown in the growth rate, the Indian economy remains one of the fastest growing economies in the world.

The annual inflation rate, as measured by the wholesale price index, which had hovered around just over 6 percent until September 2000, rose to some 8.2 percent by the end of January

2001, under the pressure of rising energy prices. Excluding the fuel, power, light and lubricants group, point to point annual inflation, as on 27 January 2001, was 2.4 percent (compared with 1.5 percent as on 29 January 2000).

The gross fiscal deficit rose to 5.5 percent of GDP in 1999-2000 because of unanticipated expenditure on elections, the 50-day war in Kashmir and the major cyclone in Orissa. The budget for 2000-01 envisaged a fall in the deficit to 5.1 percent. (The Finance Minister expects this target to be met; he aims at a further reduction to 4.7 percent in the coming financial year).

India's balance of payments situation remained comfortable in 1999-2000, when the current account deficit stood at 0.9 percent of GDP. However, with the continued increase in oil prices and in India's oil import bill, the deficit is expected to widen to 1.5 to 1.7 percent.

The growth in exports accelerated further in the current financial year. Merchandise exports grew by 20.4 percent in dollar terms in April-December 2000, while imports grew by 9 percent over this same period. The rise in imports was primarily due to the continued surge in oil imports. The overall result was a substantial fall in the customs trade deficit to \$5.9 billion in April-December, 2000, as compared to \$8.2 billion over the same period in 1999.

The Economic Survey concludes that the Indian economy has performed well over the past two decades. During this period, it has gone through significant structural change. As a consequence, the economy has shown a great degree of resilience, even in the presence of adversities, including the recent abnormal increase in oil prices.

In view of the many changes that have taken place, it is now quite possible for the Indian economy to attain an even higher growth path. However, crucial action is required in a number of key areas. If these measures are accomplished in the near future, it is quite likely that many of the latent energies that are yet to be released in the country would become apparent, and a higher level of economic activity would emerge. <

THE EUROPEAN PARLIAMENT

by John Quigley

Brussels Plenary Session 28th Feb-1st March

Visas for Third Country Nationals

On 1st March, Parliament adopted a legislative Resolution, under the procedure without debate, on the proposal for a Council Regulation listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement. Parliament's Resolution was adopted under the consultation procedure and follows the report in the Citizens' Freedoms and Rights, Justice and Home Affairs Committee, which was prepared by Klaus-Heiner Lehne (PPE-ED). His report was based on the amended proposal for a Council Regulation submitted by the Commission to Parliament in December 2000 (see *EurAsia Bulletin* Vol. 4 No. 10 p29 for details). The original Commission proposal was adopted in March 2000.

EC Development Policy

Also, on 1st March, Parliament adopted an extremely lengthy Resolution on the Commission Communication on the European Community's Development Policy. The Resolution is based on the report written by Vitaliano Gemelli (PPE-ED) for the Development and Co-operation Committee. The Resolution addresses the EU development policy framework. Parliament considers development policy to be an essential part of the EU's external action. EU policy should be open to all developing countries but should have a focus on the poorest and least developed countries. Member States' policies should complement those of the EU but the ability of the EU to intervene needs to be increased. The Commission needs to identify a better division of tasks between the EU and the Member States and propose the necessary instruments to ensure the tasks can be fulfilled. Parliament wants the Commission and the Member States to establish a permanent task force to deal with co-ordination

and complementarity. The task force should report to the Development Council.

The Resolution also wants the Commission to link development assistance for countries to promoting respect for United Nations and ILO conventions. There should be a link between development assistance and trade agreements that include conditions on respect for women's rights. Parliament supports the Commission's aim of making poverty eradication the centre of all development policy. Poverty eradication strategies should focus on strengthening social and health infrastructures, access to land, technology, education and strengthening the social fabric. Parliament wants the Council to establish a firm timetable before the end of the Swedish Presidency, in June, for each EU Member State to reach the target of 0.7% of GDP for development aid. The Commission should define measurable targets in any poverty eradication strategy with an emphasis on reducing poverty in the short to medium term. The Commission should replace one of its priority areas "transport" with a "communication, transport and energy" priority. Poverty strategies should promote indigenous economic potential and growth. The Commission should clarify the different responsibilities between humanitarian aid and structural development assistance. Speaking during the debate in plenary, Commissioner for Development and Humanitarian Aid, Poul Nielson, said that there are "lot of political challenges in the coming months and years" for development policy.

Committees 5th-6th March

Everything but Arms

The Committee on Development and Co-operation, on 6th March, debated the draft report, by Joaquim Miranda (GUE/NGL), on the proposal for a Council Regulation amending Council Regulation 2820/1998/EC, applying a multi-annual scheme of generalised tariff preferences for the period 1st July 1999 to 31st December 2001, so as to extend duty-free access without any quantitative restrictions to products originating in least developed countries (LDCs). Miranda lamented the fact that the Council had not deemed it necessary to consult Parliament on this initiative. Indeed, he said, the Commission seems to have given ground on sugar, bananas

and rice. Thus, the proposal will not give any added-value to the LDCs as these are their main exports. Miranda said, because of the lack of consultation from the Council, his report will be mainly political. A Commission spokesman did not share the criticism of MEPs that the initiative was limited in its impact for LDCs. Sugar, bananas and rice have only limited exemptions. In general, the proposal abolishes impediments to trade and allows for duty-free access for all goods except weapons. Neither does this proposal mean that exports from LDCs to the Community will increase dramatically. An impact assessment study has been completed. Already, 99% of imports from LDCs have been liberalised. The remaining 1% represents €70m. The next step, for the Community, will be to help develop capacity in the LDCs. Miranda's report should be voted on in plenary in April.

Strasbourg Plenary Session 12th-15th March

Expulsion of Third Country Nationals

Following the report by Hartmut Nassauer (PPE-ED) for the Citizens' Freedoms and Rights, Justice and Home Affairs Committee, Parliament, on 13th March, rejected the initiative of the French Republic for a proposal for a Council Directive on mutual recognition of decisions on the expulsion of third country nationals. The French initiative, which dates from July 2000, sought to harmonise the expulsion procedures of the Member States by allowing the decision of one State to be valid and enforceable in another. Expulsion decisions would have had to be taken on the basis of a serious threat to public order or national security, which was punished by at least a one year prison sentence, or that serious grounds existed for the belief that a serious offence was about to be committed. Otherwise, expulsion decisions would have had to be based upon failure to comply with entry or residence regulations. When a Member State proposes an initiative under Title IV of the EC Treaty, in the area of immigration policy, and Parliament has been consulted, the Council may then adopt a legislative act only by unanimous vote.

Third Country Nationals exempt from Visa Requirements

On 13th March, Parliament rejected the initiative of the Portuguese Republic for a proposal for a Council Regulation on the period during which third country nationals exempt from visa requirements are free to travel within the territory of the Member States. This follows the recommendation of the report drawn up by Pernille Frahm (GUE/NGL) for the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs. The Portuguese initiative dates from February 2000. Frahm's report indicated that the Portuguese initiative would fragment the right to travel, between those exempt from the visa requirement versus those subject to a visa requirement and those with a residence permit, without suggesting how the new rules would replace or modify the Schengen *acquis*.

Visa Applications/Border Controls

Also, on 13th March, Parliament rejected the initiative of the Republic of Finland on the proposal for a Council Regulation reserving to the Council certain implementing powers with regard to certain detailed provisions and practical procedures for examining visa applications (see *EurAsia Bulletin* Vol. 4 No. 6&7 p31 for details). Parliament adopted a legislative Resolution rejecting this proposal on the basis of the report prepared by Gérard Deprez (PPE-ED) for the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs. At the same time, Parliament rejected the initiative of the Portuguese Republic on the proposal for a Council Regulation reserving to the Council implementing powers with regard to certain detailed provisions and practical procedures for carrying out border checks and surveillance. This legislative Resolution was also covered by the Deprez report. His report stated that the justification put forward by the two initiatives, to retain certain implementing powers for visas to the Council, was "fundamentally flawed". This is on the basis that the exercise of implementing powers is established by the institutional provision of the Treaty on European Union (TEU). To depart from that principle, Deprez said that Finland and Portugal would have to show that their initiatives constitute a "specific case". Just because the proposed Council Regulations are classed as "temporary measures" should not mean that the supremacy of the TEU

could be challenged. Parliament also considered it inappropriate that, if the Council adopted these two Regulations, then, for five years, there would be no mechanism for parliamentary control. By reserving the right to exercise implementing powers to the Council, instead of assigning them to the Commission, the Council would deprive Parliament of information that it would normally have been entitled to under committee rules.

Carriers' Liability

Following the report by Timothy Kirkhope (PPE-ED) for the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, Parliament, again on 13th March, rejected the initiative of the French Republic for a draft Council Directive concerning the harmonisation of penalties imposed on carriers transporting, into the territory of the Member States, third country nationals lacking the documents necessary for admission. Kirkhope's report indicated that the initiative was too limited in scope and insufficiently precise. The French initiative would only cover air and sea carriers and omits local border traffic and transportation by international rail traffic. He noted that it would be inconsistent with the provisions of the Schengen Convention to exempt carriers by land from the obligation to verify travel documents. His report stated that carrier staff cannot be expected to have the same qualifications and experience as police or immigration officers when checking for forged travel documents. Also, the obligation on carriers to detain people would be contrary to the law. Speaking during the plenary debates on these initiatives, Commissioner for Justice and Home Affairs, Antonio Vitorino, regretted the fact that the various authors (ie governments) of the initiatives did not address Parliament during the debates. The Commission, he said, does not have the right to present an amended proposal or criticise it because, up to a point, the Commission is "sidelined in the debate". Vitorino said "a piecemeal approach" is not an adequate way of addressing these "very sensitive issues" of illegal immigration.

Temporary Protection

Finally, on 13th March, Parliament adopted a legislative Resolution on the proposal for a Council Directive on minimum standards for

giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of efforts between Member States in receiving such persons and bearing the consequences thereof (see *EurAsia Bulletin* Vol. 4 No. 6&7 p27 for details of the Commission proposal). The report, by Jan-Kees Wiebenga (ELDR), for the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, noted that the Council had failed to adopt two earlier Commission proposals on temporary protection from 1997 and 1998. However, the European Council meeting in Tampere, Finland, called on the Council of Ministers to reach agreement on this issue.

Parliament, on 13th March, adopted several amendments to the Commission proposal. Parliament wants Member States to grant temporary protection to displaced persons in proportion to the capacity of States to receive them. Mass influx would mean the arrival in the Community of those unable to return to their country of origin whether their arrival was spontaneous or aided through an evacuation programme. Unaccompanied minors, those under the age of 18 years, will be accorded rights under the United Nations Conventions on the Rights of the Child. The decision to allocate displaced persons to Member States will be decided by a Council Decision adopted by qualified majority voting. The Council must take a decision within three months of the Commission proposal being submitted. Parliament would have to be consulted if the temporary protection regime was to exceed one year. Parliament also adopted an amendment giving those with temporary protection status the right to move freely within the EU. Member States should not impose measures, such as visa requirements or carrier sanctions, which could prevent refugees from gaining access to temporary protection.

EC Investment Partners Financial Instrument

Parliament, on 14th March, adopted its second reading of the report, by Gianfranco Dell'Alba (TDI), on the Council Common Position on the proposal for a European Parliament and Council Regulation on the closure and liquidation of projects, adopted by the Commission under Regulation 213/1996/EC, on the implementation of the European Communities Investment Partners Financial Instrument for the countries of

Latin America, Asia, the Mediterranean region and South Africa. Parliament adopted a legislative Resolution that did not propose any amendments to the Common Position, which means that the draft Regulation can be adopted immediately. The original proposal was adopted by the Commission in January 2000, whereas the Council adopted its Common Position on 24th January 2001. The Regulation, which is to be adopted shortly, will allow the Commission to monitor, manage and audit operations for which a financing decision has already been made. The Regulation also obliges the Commission to submit a report on the implementation of the Regulation to Parliament and the Council.

Conflict Prevention & Crisis Management

Parliament, on 15th March, adopted a Resolution, following an oral question by Elmar Brok (PPE-ED), on developing the EU's capabilities in conflict prevention and civil crisis management. Parliament wants the Council and the Commission to make conflict prevention an EU priority. The Resolution would like the Council to list all the conflict prevention measures currently available, with a view to remedying any deficiencies found. Some of the measures available include fact-finding missions, special representatives, humanitarian aid, election observation, border controls, mine-clearing, sanctions and, in the short term, the European Police Force and the Rapid Reaction Force would become operational. However, the information-gathering, provision and analysis capacity of the EU needs to be improved. The Community should link the Policy Planning and Early Warning Unit (PPEWU) and Commission delegations in third countries together with Member State resources, such as the Satellite Centre and the Institute for Security Studies. Non-governmental Organisations (NGOs), civil society and the independent media should be involved in conflict prevention and crisis management policy. To tackle the root causes of conflicts, the EU must, Parliament says, cooperate with international organisations, such as the UN, the OSCE, NATO, the Council of Europe, the IMF and the World Bank. The Commission and the Council, in the EU Political and Security Committee, should establish ground rules that will allow a co-ordinated response from the EU and the Member States. Lastly, the Resolution calls on the Commission and the

Council to present an annual report on progress made in conflict prevention and crisis management by civilian means.

Commissioner for External Relations, Chris Patten, spoke during the plenary debate. He said all of the EU's regional co-operation programmes contain conflict prevention and crisis management provisions. The Commission is working with the High Representative for CFSP, Javier Solana, to follow up the recommendations made to the Nice European Council on conflict prevention (see *EurAsia Bulletin* Vol. 4 No. 11&12 p 37 for details). The Commission is looking at developing conflict indicators and early warning systems. Patten also said that he is examining how CFSP instruments, such as political dialogue, can be further strengthened. The Commission and the Swedish Presidency will present an action programme to the European Council meeting in June. The Commission will publish a Communication on Conflict Prevention in April. This will try to examine the root causes of conflict and how they could be addressed through Community external aid and development instruments. There will be greater emphasis on building stable institutions, the rule of law, the police and the administration of justice. The Commission has several tasks ahead. Firstly, to improve the EU's ability to react more quickly to crises by reforming external aid procedures. Secondly, the EU must be able to deploy a sufficient number of appropriate personnel. However, there is a lack of suitably qualified and available personnel in the Member States. Patten indicated that the EU would have to develop common recruitment standards and common training programmes. Thirdly, there should be more effective co-ordination. This will require improved mechanisms for daily co-ordination between the field and headquarters.

Election Assistance & Observation

Following the report, by Giovanni Fava (PSE), for the Foreign Affairs, Human Rights, Common Security and Defence Policy Committee, Parliament, on 15th March, adopted a Resolution on the Commission Communication on Election Assistance and Observation. The Resolution is divided into seven areas. Firstly the Resolution dealt with EU co-ordination. Parliament called for close co-ordination between the Commission,

the Council, the Council Presidency, the diplomatic missions of the Member States in third countries, the EU Electoral Unit and the relevant Parliament delegation in any EU election observation mission. The three main EU institutions should agree a set of rules on their respective roles and responsibilities, possibly within a framework of a Memorandum of Understanding. Secondly it covered internal organisation in Parliament. The Resolution calls for the creation of an EP Election Co-ordination Group, composed of representatives from the Foreign Affairs and Development Committees, together with MEPs who are part of the ACP-EU Joint Assembly and representatives from inter-Parliamentary delegations. This Group would examine all aspects of the planning, organisation, evaluation and follow-up to EP observation missions. It would also co-operate with the Commission and the Council. However, it should be the prerogative of the EP only to determine the size and composition of an election mission. Thirdly it dealt with the capacity of the European Union. Parliament wants the Commission to establish an election unit in DG RELEX with political responsibilities and specifically asked that this unit not be part of EuropeAid, which has executive and administrative responsibilities. Fourthly, the Resolution looks at country assessment and sustainable support. The EU's involvement in election observation, Parliament believes, should involve sustainable long-term support whereby the EU would assist political and social forces in the third country to establish priorities for the election, which could include the right timing and the commitment to invite EU observers. Election assistance could start up to two years before the actual observation of elections. Fifthly, Parliament called for clear and transparent criteria for assessing elections. The Commission should formulate guidelines and standards for a proper assessment of EU electoral support that goes beyond declaring an election "free and fair". Parliament requests that the EU annual report on human rights should include more detailed information about EU electoral operations and their effectiveness. Sixthly, the Resolution examines international co-ordination. Parliament would like the Commission to establish partnership agreements with relevant international organisations like the OSCE, the Council of Europe and the UN, to ensure better co-ordination of working methods and to promote EU/EP visibility. Lastly, the Resolution addresses the budget for EU actions, welcoming the retention of the heading for election

monitoring and support under the European Initiative for Democracy and Human Rights. The Commission should submit regular evaluation reports of its actions. In conclusion, the Commission should allocate "an adequate amount" of funds in each geographical budget line for electoral support.

Speaking during the plenary debate, Commissioner for External Relations, Chris Patten, said democratic elections are essential elements for sustainable development. The Commission Communication was an attempt to move away from the old case-by-case approach which, Patten said, was "no longer acceptable". Co-ordination and information sharing between the Institutions was essential, he said, but, the co-ordination should begin with a definition of EU priorities. The EU cannot and should not observe or monitor every election. To make such priorities a "regular discussion" should take place every 6 months, between the Institutions. Before deciding whether to send an observation mission, the EU should send an "exploratory-needs-assessment mission". As elections are not one day events, observation of registration, nomination, polling, counting and appeals are crucial. The Commission is currently finalising a re-structuring of tasks between the new EuropeAid Co-operation Office (see *EurAsia Bulletin* Vol. 5 No. 1&2 p28 for details), the Development Directorate General (DG) and the External Relations DG. This will establish an election team that comprises elements of all three services.

Afghanistan

On 15th March, Parliament adopted a Resolution, by urgency procedure, on the situation in Afghanistan, including the destruction of its cultural heritage, condemning the Taliban regime in very strong words. The Resolution strongly condemns the destruction, by the Taliban, of the Buddhist statues located at Bamiyan and the National Museum. Parliament called this an "unprecedented offence against human civilisation". The act of destruction, the Resolution states, adds a further shocking element to the "appalling record" of the Taliban on human rights abuses. The Taliban regime, Parliament says, is well known for its "politics of gender apartheid" and "systematic oppression" of virtually every single individual liberty. Parliament condemns the physical and psychological violence suffered by Afghan

women and declares that the Taliban's prohibitions on women have no basis in religion or cultural traditions. The Resolution also condemns the displacement and massacre of certain minority groups, such as the Hazaras in Bamiyan province. Parliament calls for stronger international pressure on the Taliban and names Pakistan and Saudi Arabia as supporters of the regime. Pakistan is requested to close the "Taliban recruitment centres" and the Islamic schools on their territory.

Parliament's Resolution welcomes the Council Common Position on Afghanistan and "warmly welcomes" UN sanctions against the Taliban. Parliament recalls the demand made by the UN Commissioner for Human Rights, Mary Robinson, for an independent commission of enquiry into human rights abuses in Afghanistan. Finally, the Resolution calls on the Commission to consider how an emergency food depot could be established in Dushanbe, Tajikistan, for the people of Northern Afghanistan. Speaking in the Parliament during the debate, Commissioner for Enterprise and Information Society, Erkki Liikanen, said that that Taliban regime is isolated by UN sanctions and 'has been consistently informed that military victory will not bring diplomatic recognition'. The basis for a lasting peace will have to be a settlement involving all the parties to the conflict, he said.

Indonesia

Parliament, on 15th March, adopted a Resolution, by urgency procedure, on the situation in Kalimantan, Indonesia. The Resolution regretted the extensive loss of life as a result of inter-communal clashes. Parliament believes the clashes are largely the result of the Suharto regime's policy of displacement and colonisation. Clashes in Aceh, Irian Jaya, the Moluccas, Timor and now Kalimantan have created over 1m internally displaced persons. Parliament calls on the Indonesian government to enquire into the attitude taken by law enforcement officials during the massacres. Those responsible for regional unrest and human rights violations must be identified and brought to justice. The Resolution calls on the Commission to provide aid to the 50,000 displaced persons who fled Kalimantan fearing acts of violence. The Indonesian government must, equally, address the underlying grievances of the indigenous Dayak population over lack of political and economic opportunities. The

Commission and the Council should, together with the Indonesian government, consider ways to restore security and confidence between the two communities in Kalimantan.

Small Arms Trade

Also, on 15th March, Parliament adopted a Resolution, by urgency procedure, on the "United Nations Conference on Illicit Trafficking in Small Arms and Light Weapons in all its Aspects", which will be held in July 2001. The Resolution calls on EU and UN Member States to make the fight against the spread of illegal arms a priority and to make a "constructive contribution" to the UN conference. Parliament wants the EU to promote the following initiatives at the Conference. The EU should ensure that the Conference adopts a commitment to negotiate a legally-binding convention on arms brokering and shipping. There should be global restriction criteria on arms exports. This would be based on UN member states' existing international commitments. The EU should promote measures to monitor the end-use of small arms. At the Conference, the EU should promote measures to improve public transparency and parliamentary scrutiny. This might include regional or international registers of information on the manufacture, marking, transfer and procurement of small arms and light weapons. Parliament would like to see the destruction of illegally held weapons and of surplus stocks. There should be effective measures to stop arms transfers, which could be used to perpetrate crimes against humanity or serious human rights abuses. Parliament would like the EU Council to promote the use of a code of conduct when in dialogue with third countries about arms exports.

Speaking in the Parliament during the debate, Commissioner for Enterprise and Information Society, Erkki Liikanen, said that the EU is committed to combating the de-stabilising accumulations of small arms. Although some progress has been made in the preparatory committee to the forthcoming UN conference, "many important questions remain to be settled". A revised draft programme for action, submitted by the chairman of the preparatory committee, "serves as a good basis for further discussions". The UN Conference, Liikanen said, should adopt politically and legally binding instruments, as well as "comprehensive international programmes" for action on small arms.

Questions to the Commission

Afghanistan

Niall Andrews (UEN) noted the “alarming picture of humanitarian suffering” in Afghanistan exacerbated by UN sanctions. Andrews wanted to know what the Commission assessment of the situation was and whether it supported UN sanctions. The Commission, in reply, said that its activities through the UN, on behalf of vulnerable groups of internationally displaced people and Afghan refugees, are continuing. The Commission fully supports the EU Common Position on Afghanistan adopted in January 2001. UN Resolutions have made mandatory sanctions by UN member states against the Taliban. Any decision to lift those sanctions would have to be compatible with the UN Charter.

Child Labour

Pat *the Cope* Gallagher (UEN) wanted an up-to-date assessment of the implementation of the ILO Convention on Child Labour. Was the Commission satisfied that enough is being done to eliminate the worst forms of child labour, including bonded labour? The Commission replied that 62 countries have so far ratified the ILO Convention. These include 6 EU Member States, namely, Ireland, Finland, the UK, Italy, Portugal and Denmark. The Commission adopted a Recommendation, in September 2000, urging the remaining Member States to ratify the Convention as soon as possible. The Commission actively pursues the elimination of child labour as a goal of its development policy. The Commission believes the “phenomenon” of child labour is closely linked to poverty. The European Community thus promotes core labour standards in its trade with developing countries.

EU funding for UNHCR

Yasmine Boudjenah (GUE/NGL) noted that, in 1995, the EU contribution to the budget of the United Nations High Commissioner for Refugees, was 21% of the total. However, by 2000, the EU contribution had fallen to 5% of the total. The contributions of the Member States should not mean that the Commission could reduce its funding. With a growing number of refugees in the world, will the Commission increase its allocation to the UNHCR? In reply, the Commission said that the Commission was the third largest contributor to the UNHCR in 2000 at €66m, after the USA and Japan. The decrease in recent years was not the result of any

decision taken by the Commission. In fact, it is the result of the changing nature of the work of the UNHCR, as there were less refugees and more internally displaced persons in the late twentieth century. The Commission is proposing a change in the Financial Regulation to allow programme based funding to alleviate concerns about the provision of quality services by the UNHCR. Pending an up-to-standard performance by the UNHCR, the Commission would foresee an increase in funding.

Questions to the Council

Campaign against Poverty

Gerard Collins (UEN) wanted a statement from the Swedish Presidency on its efforts to combat poverty and the elimination of third world debt. The Council replied that the EU was committed to making substantial progress towards the international development goal of halving the number of people suffering from extreme poverty by 2015. The Council stressed that the main objective of the EC development policy is to eradicate poverty. Poverty, the Council said, includes the factors of risk, vulnerability, voicelessness and powerlessness. The Council would like to improve access to adequate food supplies, health and education, drinking water, land, employment, credit, information and communication technologies, political involvement, services and infrastructure as ways to reduce poverty. The Council supported the Commission view that Community action should be concentrated in a limited number of areas where Community action will provide added value. These areas include trade, regional co-operation, support to the macro-economic framework, transport, food security and institutional capacity building.

Afghanistan

Niall Andrews (UEN) raised the situation in Afghanistan where, he said, there were increasing numbers of deaths among children in the camps. He noted that aid workers have indicated that UN sanctions against Afghanistan have disrupted the distribution of relief supplies. Would, therefore, the Council lead a move to end the sanctions. The Council replied that UN sanctions are against the Taliban and not Afghanistan. UN Resolution 1267 condemns the refusal of the Taliban to hand-over Osama bin Laden and accuses the Taliban of massive violations of human rights. The failure of the Taliban to comply with that Resolution led to

Resolution 1333, which obliges all UN member states to adopt more sanctions. The Council indicated that it shares the concerns about the “disastrous” humanitarian situation in Afghanistan but does not think sanctions affect the distribution of relief supplies. The Council expects the sanctions to reduce outside interference and to promote a negotiated settlement of the conflict.

Sri Lanka

John Cushnahan (PPE-ED) raised the issue of the election observation mission to Sri Lanka in October 2000. His subsequent report made several recommendations. He wanted to know what action the Council has taken to implement those recommendations. Would the Council raise these issues with the Sri Lankan President, Chandrika Kumaratunga, when she came to Brussels? The Council replied that the EU had, on several occasions, raised the recommendations made in the report with the Sri Lankan authorities. Sri Lanka has informed the EU that the recommendations are either being implemented or are dependent upon amendments to the Constitution.

Committees 19th-22nd March

Korea and IMS

The Committee on Industry, External Trade, Research and Energy, on 21st March, unanimously adopted the draft report, by Glyn Ford (PSE), on the conclusion, on the behalf of the European Community, of an Exchange of Letters on the accession of the Republic of Korea to the principles of international co-operation on research and development activities in the domain of intelligent manufacturing systems (IMS), between the European Community and the United States, Japan, Australia, Canada and the EFTA countries of Norway and Switzerland. Ford’s report proved to be uncontroversial and the Committee vote indicates that Parliament, as a whole, is likely to adopt the proposal for a Council Decision. Ford’s report will go to the April plenary under the procedure without debate rule.

IMS is an international research and development programme established to develop the next generation of manufacturing and processing technologies. Currently, it has participants from Australia, Canada, the EU,

Japan, Switzerland and the USA. Companies and research institutions use the programme to share costs, risks and expertise. IMS was originally a Japanese academic initiative. It led to an industry-led framework being established in 1994. The EU subsequently joined IMS in April 1997. A mid-term review of the IMS programme, published in September 2000, stated that the application and approval procedures for membership of IMS were “un-necessarily lengthy and cumbersome”. This was based partly on the fact that the Republic of Korea had been seeking membership since 1995 but their application had been stymied by Japan. The report recommended that the procedures should be streamlined so that a prospective member could join in less than a calendar year. The European Commission has indicated that China, Indonesia and Thailand are potential members, although they have not made formal membership applications. The IMS Steering Committee will next convene in May and applications may be tabled then. India is also interested in joining but their membership is unlikely in the medium term.

Human Rights and Democracy in Third Countries

The Committee on Budgetary Control met on 20th March to debate the draft report, by Freddy Blak (PSE), on the Special Report of the Court of Auditors on the management by the Commission of the European Union support for the development of human rights and democracy in third countries. The Report was adopted by the Court in May 2000. Thereafter, in August, the Commission’s replies to the Court’s Report was published.

Court of Auditors Report

Special Report 12/2000 identified several weaknesses in the Commission’s programming. The Court believes that the Commission should improve the way in which measures to support human rights and democracy are defined in Country Strategies. Country Strategies (CS) provide a framework for Commission interventions in co-operation programmes. Projects proposed by local communities that are evaluated by the Commission should be applied within a more clearly defined framework of priorities and selection criteria. The Report also makes clear that, when selecting projects, the

Commission did not adequately assess the capacity of implementing bodies.

Having examined the outcome of programmes, the Court found that projects were often too thinly spread over too many intervention areas, which limited their impact on the democracy and human rights situation in third countries. Some projects had ill-defined indicators to measure their effectiveness and impact. The Court established that insufficient attention was paid to the continuity of activities and that a strategy, designed to enhance the EU's visibility, was not carefully thought out. Lastly, the Court felt that the objectives of some projects were too broad, had a weak impact and had insufficient management resources.

Parliament's draft Report

Blak notes that one of the major objectives of the CFSP is to develop and consolidate democracy and the rule of law. The objectives also include respect for human rights and fundamental freedoms. His draft report states that the Court of Auditors identified payments to the value of €264m between 1994-1998, where shortcomings in the preparation, impact and management of human rights and democracy programmes, by the Commission, were evident. The Commission, Blak says, does not appear to have taken account of earlier evaluations, which identified a lack of prioritisation, lack of performance indicators and insufficient management indicators. The draft Report calls for an action plan from the Commission to tackle the underlying causes of problems, which prevent the rapid and effective delivery of human rights and democracy programmes. The Commission should report to Parliament bi-annually on progress made, according to 10 indicators identified by Blak. These include a requirement that the Commission simplify the current budgetary and regulatory framework. The Commission should draw up country and regional strategy documents, which include an assessment of the local human rights situation. The Commission needs to identify and introduce the number of statutory and temporary staff needed in both headquarters and the field to manage programmes adequately. To simplify decision making during the management stage of a project cycle, the Commission should provide job descriptions that identify a clear division of responsibilities. Finally, the Commission should ensure the complementarity of EU actions with

other international organisations, such as the UN or the OSCE.

President in Office of JHA

Maj-Inger Klingvall, President in Office of the Justice and Home Affairs Council, came to the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, on 20th March, to discuss the conclusions of the JHA Council meeting of 15th-16th March (see below). She said there had been a measure of agreement on the French initiative on human trafficking with regard to the legal documents that would lead to the extradition of those organising the smuggling but that no political agreement had been reached. Member States should take into account trafficking that had a humanitarian aspect but several wanted this concept to be defined more concretely. She speculated that the Council should reach political agreement on the initiative by 29th May. The discussion on a joint minimum penalty was, Klingvall said, "difficult". Some Member States put forward a range of 8-10 years but others indicated that this would be too high. It appears that a consensus is emerging around a term of 6 years.

The Council adopted a Regulation on visas for third country nationals. One Member State had reservations about keeping implementing decisions, in this regard, to the Council. That Member State felt it should be the responsibility of the Commission. Work on the proposal on temporary protection, in the event of a mass influx of refugees, was, Klingvall said, proceeding well at the working group stage and may achieve political agreement by May. Even though the European Parliament had rejected a French initiative on carrier liability, the Swedish Presidency would try to reach agreement on a new draft by May, but Klingvall felt that might be too optimistic. Kristina Rennerstedt, Swedish Secretary of State for JHA, addressed civil crisis management. She said Ministers had discussed ways of reaching the headline goal of 5000 police officers by 2003 that should be available for civil crisis tasks. Several Member States backed the idea of a Police College for training of the 5000 strong force. She indicated that there would be a conference, in Brussels on 10th May, on the police headline goal.

Combating Trafficking in Humans

On 20th March, the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs held a debate on combating trafficking in human beings. This follows the Commission Communication adopted in February 2000 (see *EurAsia Bulletin* Vol. 5 No. 1&2 p32 for details). A Commission spokesman indicated that the Communication, which includes two proposals for Council Framework Decisions, deals mainly with the trafficking of people for sexual and economic exploitation. In December 2000, the United Nations published two protocols to the Convention on Organised Crime. The proposals for Council Decisions intend to go beyond the UN initiative because the protocols will not have the force of law until they achieve full ratification. The Commission is proposing clearer definitions and genuine harmonisation of the penal code, the spokesman said.

A spokesman for the Swedish Presidency, Mr. Johansson, said that the Commission proposal had been considered at the informal Justice and Home Affairs Council meeting of 8th-9th February (see *EurAsia Bulletin* Vol. 5 No. 1&2 p40 for details). The Council is working seriously on the proposals and is expected to debate the drafts at the Justice and Home Affairs Council of 28th-29th May. The Rapporteur, Eva Klamt (PPE-ED), said that it appears that the Council, Commission and Parliament are in agreement on this issue. She noted that the question of the harmonisation of Member States' penal codes is still outstanding.

Committees 26th-27th March

Perspectives and Priorities for ASEM

Paul Lim writes: On 26th March 2001, the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy discussed the draft report by Olivier Dupuis (TDI) on the Commission's working document on 'Perspectives and Priorities for the ASEM Process (Asia-Europe Meeting) into the new decade' which was adopted in April 2000. It is noteworthy that the Commission did not come up with a Communication on ASEM and so this was an own-initiative report of the European Parliament (see *EurAsia Bulletin* Vol. 4 No. 4&5 p23 for details of the Commission document).

This report is in addition to Parliament's Resolution ASEM, which was adopted on 4th October 2000 (see *EurAsia Bulletin* Vol. 4 No. 10 p21 for details).

The Commission's Working Document was basically an institutional report on ASEM. Even if the Commission does not describe ASEM as an institution but rather as a process, Dupuis' report was not centred on ASEM but rather on Europe-Asia relations more generally. To be more precise, it is about stances that should be taken by the EU, for example, on China and India, and even includes Central Asia, which is not part of the ASEM process. ASEM actually covers only the countries of South-East and East Asia. The Commission itself excludes Central Asia in its definition of Asia in the 1994 Communication, "Towards a New Asia Strategy". There is nothing substantial in Dupuis' report about South-East Asia or about ASEAN, while the ASEAN ambassadors were present during the discussion of the report.

As the focus of the debate in the Committee centred around Europe-Asia relations and not necessarily of ASEM, the interventions made by parliamentarians and the ASEAN ambassadors were not actually about ASEM. The shifting of focus from China to India was commented upon. The references to China in a report on ASEM were questioned, especially when a separate draft parliamentary report on China is in the pipeline. There were interventions also on Georgia and Japan and on the structure of the report. The Singaporean Ambassador spoke on behalf of the ASEAN Brussels Committee of Ambassadors on EU-ASEAN relations and the Malaysian Ambassador on the priority given to Asia by the European Union, but without really focussing on ASEM. Only the Commission official present spoke of ASEM. He commented on the Commission's Working Document. Dupuis' idea may be a report that goes beyond the confines of ASEM into the broader relations between the two continents but, if that is the case, then the basis of his report should not be the Commission's Working Document. It was clearly announced by the parliamentarians of the different political groups that there would quite a lot of amendments to this report.

THE EUROPEAN COMMISSION

by John Quigley

India & Korea Anti-dumping Duties

On 23rd February, the Commission adopted a Commission Regulation imposing a provisional anti-dumping duty on imports of polyethylene terephthalate (PET) film originating in India and the Republic of Korea. In May 2000, the Commission announced the start of an anti-dumping proceeding with regard to imports of PET film originating in India and Korea. The investigation covered the period April 1999 to March 2000. It followed a complaint by four Community producers, including Du Pont Teijin Films, Mitsubishi Polyester Film, Nuroll and Fapack, who represent 50% of Community industry. PET film can be used in magnetic media, packaging, electrical, imaging and industrial applications. PET film sold on the domestic markets in India and Korea was established during the investigation to be the same as that sold in the Community. The exporting producers from the two countries represented nearly 90% of their domestic production. The investigation established that Community consumption between 1996 and 1999 increased by 36%, imports from Korea and India increased by 83% and the import prices decreased by almost 50% to €1692/tonne. The price undercutting margin by companies from India was calculated, on weighted average, to be 41.7% and for Korean companies at 21.9%, compared to Community producers' prices. The Commission thus proposed applying provisional anti-dumping duties to protect Community industry. The duty for 6 named Indian companies would range from 3.6% to 66.8% with all other Indian companies at 59%. The rate for 6 Korean companies would vary between 3.5% and 12.4% with all other companies also at 12.4%. The provisional duties will apply until October 2001.

Imports from Vietnam

The Commission adopted a Commission Decision, on 2nd March, amending Decision 2277/1996/ECSC on protection against dumped imports from countries not members of the

European Coal and Steel Community (ECSC). In October 2000, the Council adopted a Council Regulation adding Ukraine, Vietnam and Kazakhstan to the list of non-market economy countries that have some companies operating in a market economy environment. Prior to that Regulation, those countries were subject to Commission Decision 2277/1996/EC, which set out common rules for protection against dumped imports. That Regulation established, for non-market economy countries, the practice whereby normal value would be determined on the basis of price or constructed value by comparison to a relevant third country that operated a market economy. Now the Commission wants to align the anti-dumping rules under the EC Treaty and the ECSC Treaty. Thus, Decision 2277/1996/EC is amended to take account of the economic reforms in Ukraine, Vietnam and Kazakhstan, so that normal value will be calculated according to the standard rules for market economy countries. (See *EurAsia Bulletin* Vol. 4 No. 10 p34 for details of the Council Regulation).

Fiji

On 2nd March, the Commission adopted a proposal for a Council Decision concluding consultations with Fiji under Article 96 of the Cotonou Agreement. Article 96 of the Agreement covers respect for the principles of human rights, democracy and the rule of law. It allows the European Community to initiate consultations with any ACP State on the measures to be taken, by that State, to remedy any violation of these principles. Consultations should not last longer than 60 days. Any measure taken by the State should conform to international law and not disrupt the application of the Cotonou Agreement.

On 4th August 2000, following the coup, in May, which overthrew the government of the People's Coalition Party, the Commission and the Council invited Fiji, under the terms of Article 96, to hold consultations with a view to proposing measures to remedy the violation of the principles outlined above. The consultations began in October 2000, in Brussels, between the EU and the Fijian Minister of Foreign Affairs, External Trade and Sugar, Kaliopate Tavola, who was a Minister of the interim government led by Laisenia Qarase.

The proposal adopted on 2nd March is a result of those negotiations. The proposal recognises that

the interim government does not intend to reinstate the 1997 constitution, the People's Coalition government or the democratically elected Parliament. The interim government has indicated that they will hold free and fair elections within 18 months and bring those responsible for the coup to justice. The proposal identifies four 'benchmarks', which the interim government must obey to ensure the release of funds under the European Development Programme (EDF), which finances National Indicative (NI) Programmes for Fiji. The benchmarks include the requirement that a draft constitution must be ready by June 2001. The draft must 'guarantee equal respect of human, civil and political rights of all Fijians'. Secondly, the constitution should be adopted, after a popular referendum, not later than December 2001. Thirdly, free and fair elections must be held by June 2002. Finally, the coup leaders must be brought to justice. The proposal specifically names George Speight in this respect.

Failure to comply with these requirements would mean that, except for the Rural Primary Education Micro-project, all investment projects under Fiji's 6th, 7th and 8th EDF NI Programmes would be suspended. The notification of the 9th EDF amount would be delayed until, at least, Fiji adopts a democratic constitution. The NIP would only be signed once there is a legitimate government after free and fair elections have been held. During a transitional phase back to constitutional democracy, measures which support the restoration of democracy, the rule of law and good governance 'could also be adopted'. Contributions to humanitarian operations, trade co-operation and regional projects would not be affected in the transitional period. The measures in the Commission proposal would be valid until the end of September 2002. (For more information on the coup see *EurAsia Bulletin* Vol. 4 No. 6&7 p3 and Vol. 4 No. 8&9 p41)

Humanitarian Aid for India

The Commission, on 6th March, clarified how the €10m doctored on 31st January, will be spent (see *EurAsia Bulletin* Vol. 5 No. 1&2 p28 for details). Initially, EC humanitarian aid was spent on emergency temporary shelters. However, the Commission believes that temporary accommodation, for up to 18 months, is now necessary to protect earthquake victims from the

coming hot season and the monsoon period which follows. Solid tents would also help the fight against the spread of contagious diseases. Thus, €7.89m will be spent providing 40,000 tents and €2.11m towards a Red Cross field hospital in Bhuj, which is the main healthcare referral centre in Gujarat. The European Community Humanitarian Aid Office (ECHO) will dispense the aid through the United Nations Development Programme, World Vision, *Medicins sans Frontiers*, Adra, European Perspective, CESVI, Care and the Italian Red Cross.

Wood Packing from China & Japan

On 12th March, the Commission adopted a Commission Decision on temporary emergency measures in respect of wood packing, comprised, in whole or part, of non-manufactured coniferous wood originating in Canada, China, Japan and the USA. In May 2000, Finland, under the terms of Council Directive 29/2000/EC on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread in the Community, adopted emergency measures following the discovery of pine wood nematode (a disease causing parasite) in wood packing originating in Canada, Japan and the USA. Both Sweden and France subsequently informed the Commission that their monitoring inspections of wood packing confirmed the presence of the parasite. Finland stipulated that imports, with wood packing material from countries susceptible to the parasite, entering that Member State must be accompanied by a phyto-sanitary certificate indicating that the wood has been treated. The Finnish action, indicates that the protective measures established under Directive 29/2000/EC are not sufficient to protect the Community. Therefore, additional temporary measures are necessary. Thus, the new Decision establishes emergency measures, which will run until June 2002. These measures mean that susceptible wood from Canada, Japan and the USA must be heat treated to 56°C for 30 minutes or will have been pressure treated with a chemical or will have been fumigated. Susceptible wood from China must also undergo any of those measures. However, China will receive a derogation from these measures if the wood is shown to originate in areas in China where the parasite is known not to occur.

Third Country Nationals

The Commission, on 13th March, adopted a proposal for a Council Directive concerning the status of third country nationals who are long term residents. In October 1999, under the Finnish Presidency of the EU, the Tampere European Council declared the need for third country nationals legally resident in a Member State to be granted rights and obligations comparable to EU citizens. The present proposal covers the terms for granting and withdrawing long-term resident status for third country nationals legally resident in a Member State and the terms by which third country nationals, with long term status, can enjoy the right of residence in a Member State different from the one which granted the status. The proposal would not cover third country nationals, who reside in a Member State on the basis of temporary protection, are applying for refugee status, seasonal workers or those engaged in the provision of cross-border services. Neither would the proposal cover diplomats.

Member States would offer long-term resident status to third country nationals, who have been legally resident in the Member State continuously for five years. Periods of residence as an asylum seeker or under temporary protection would count towards the five years rule. Third country nationals would have to prove adequate resources to provide for themselves and possess health care insurance. However, it would not apply to refugees or third country nationals born in the Member State. Applicants for long term status should not pose a threat to public order or domestic security. Member States would have six months to examine an application and issue a decision. If an application is successful, then Member States would issue a long-term resident's EC residence permit, which would be valid for 10 years. The Member State could withdraw long-term status if the third country national has been absent from the State for two consecutive years or if long-term status was fraudulently obtained. The expiry of the residence permit would not entail withdrawal of long-term residence status.

To gain the right of residence in a second Member State, long-term residents must show that they are engaged in economic activity either employed or self-employed. They must not be a burden and must possess health-care insurance. To gain residence in the second Member State,

the applicant must apply not later than three months after entering the second territory and complete the five year rule. Members of the family, already in the first Member State, would have the right to accompany the long-term resident to the second State. The second Member State may reject the application if there is deemed to be a threat to public order or domestic security. The Commission proposal indicates that the Member States should adopt this proposal no later than December 2003. By 2005, the Commission would report to Parliament and Council on the application of the Directive.

Fishery Products

On 21st March, the Commission adopted a series of Commission Decisions regarding fishery products from Malaysia, Indonesia and Japan. The Decision with regard to Malaysia repealed Decision 518/1997/EC concerning certain protective measures with regard to certain fishery products originating in Malaysia. A December 1997 Council Directive 78/1997/EC laid down principles governing the organisation of veterinary checks on products entering the European Community from third countries. The August 1997 Commission Decision suspended the imports of fishery products from a named Malaysian processing factory, Sea Master Trading - Penang Code No. 12, because of the presence of salmonella bacteria, which is normally the result of bad hygiene practices. The Decision, adopted on 21st March, repeals the August 1997 Decision, following notification from the Malay authorities that the sanitary conditions had improved, thus permitting the export of fishery products from Sea Master Trading company.

The Commission also adopted a Commission Decision amending Decision 324/1994/EC laying down special conditions governing imports of fishery and aquaculture products originating in Indonesia. Following a re-organisation of the Indonesian administration, the Ministry of Agriculture, Directorate General of Fisheries, the competent authority for verifying and certifying compliance of fishery products, as specified by the 1994 Decision, has surrendered this duty to the Ministry of Marine Affairs and Fisheries. The 1994 Decision must be modified to take account of that change. Also, to comply with more recently adopted Decisions, the Commission will further change the 1994 Decision with respect to the provision of a health

certificate with each consignment. The new Decision provides a model example of the necessary health certificate.

The Commission adopted an almost similar Decision, on 21st March, with regard to Japan. The competent authority in Japan has changed from the Ministry of Health and Welfare – Veterinary Sanitary Division to the Ministry of Health, Labour and Welfare – Inspection and Safety Division. The 1995 Decision laying down special conditions governing the imports of fishery and aquaculture products originating in Japan must be modified to take account of this change. The new Decision provides a model example, identical to the Indonesian model, of the necessary health certificate, which must accompany consignments to the EU.

Lastly, the Commission adopted a Commission Decision amending Decision 20/1197/EC establishing the list of third countries fulfilling the equivalence conditions for the production and placing on the market of bivalve molluscs, echinoderms, tunicates and marine gastropods. The new Decision is amended to include Thailand in Annex I, as a third country which has been the subject of a specific Decision based on Council Directive 492/1991/EC, which lays down the health conditions for the production and placing on the market of live bivalve molluscs.

Uniform Procedures for Visas

On 23rd March, the Commission adopted three proposals for Council Regulations laying down uniform formats for visas or residence permits.

Uniform Format for Visas

The Commission adopted a proposal for a Council Regulation amending Regulation 1683/1995/EC laying down a uniform format for visas. The 1995 Regulation laid down a uniform format for visas. It allowed for the updating of forms to take account of new security features to prevent forgeries. The Commission now proposes establishing common standards relating to the implementation of the uniform format. These common standards include methods for filling in the form, by all Member States – following the entry into force of the Amsterdam Treaty and the integration of Schengen *acquis* into the framework of the Treaty - and enhanced security standards for their storage to prevent theft.

Uniform Format for Forms on Travel Documents

The Commission adopted a proposal for a Council Regulation on a uniform format for forms for affixing the visa issued by Member States to persons holding travel documents, which are not recognised by the Member State drawing up the form. The Commission proposal would harmonise the format for forms for affixing visas to travel documents to improve the security standard. This is to prevent forgery and falsification and the proposal gives an example of the standard form, which Member States would have to adopt. Member States would have two years to bring the form into service.

Uniform Format for Residence Permits

The Commission adopted a proposal for a Council Regulation laying down a uniform format for residence permits for third country nationals. In December 1996, the Council adopted a Joint Action concerning a uniform format for residence permits issued by Member States to third country nationals. The Commission proposal would establish a uniform format that includes either a sticker or stand-alone document. A residence permit would mean any authorisation that allows third country nationals to reside legally in the Member State but would exclude visas and permits issued pending consideration of an application for asylum. The uniform format for residence permits would require additional technical specifications to increase security and prevent counterfeiting. The proposal includes a model for a residence permit which Member States would have one year to bring into service.

Trade in Human Beings

The Commission published, on 27th March, a proposal for a Council Regulation establishing a second phase of the programme of incentives, exchanges, training and co-operation for persons responsible for combating trade in human beings and the sexual exploitation of children. This programme is also referred to as STOP. The original STOP initiative was established in 1996 to increase awareness within the EU and to promote co-operation between those involved in combating trade in human beings and the sexual exploitation of children. A framework for training, information, study and exchange programmes for those combating the trade would, the Commission believed, be better established at Community level in line with the

conclusions of the Tampere European Council, which called for action to combat the trade. The present proposal aims to extend the STOP programme for a further 2 years, until December 2002, and extend participation to the applicant countries for membership to the EU. The programme is designed to develop, implement and evaluate a European policy in combating the trade. The programme should strengthen networking and practical co-operation, such as sharing of information and good practice and the involvement of training and scientific and technical research. STOP should also improve co-operation with other third countries and relevant regional and international organisations.

STOP will implement projects that promote training, exchanges and work placements, studies and research, seminars and the dissemination of results. STOP could co-finance projects submitted by public or private organisations, institutions or associations established in the Member States with the aim of combating trade in human beings and preventing the sexual exploitation of children. Projects must involve either three Member States or two Member States and one applicant country. Community support could not exceed 70% of the cost of a project. The Commission would submit an annual report to the European Parliament evaluating the actions carried out under the programme.

THE COUNCIL OF MINISTERS

by John Quigley

**General Affairs Council
26th-27th February**

Everything but Arms

The Council adopted a Council Regulation amending Regulation 2820/1998/EC applying a multi-annual scheme of generalised tariff preferences for the period 1st July 1999 to 31st December 2001, so as to extend duty-free access without any quantitative restrictions to products originating in the least developed countries (LDCs). The 1998 Council Regulation provided for favourable tariff treatment for LDCs until the end of 2001. The Community scheme for LDCs

is covered by two separate Acts. As most LDCs form part of the African, Caribbean and Pacific States (ACP), the ACP-European Community Agreement, signed in Cotonou in June 2000, provides that, by 2005 at the latest, the Community will allow duty-free access for essentially all products. However, seven other LDCs are not covered by the ACP Agreement. These include Afghanistan, Bangladesh, Bhutan, Burma, Cambodia, Laos and Nepal. They were extended tariff preferences in Council Regulation 602/1998/EC, which extended the coverage of Regulations 3281/1994/EC and 1256/1996/EC concerning Community schemes of generalised tariff preferences for the benefit of LDCs. The Regulation adopted on 26th February goes further than all previous agreements and acts to grant all products from LDCs, except weapons, duty-free access without quantitative restrictions.

However, following the objection of certain EU Member States, formally raised by Spain in the Agriculture Council, on 26th February, certain products were not granted full liberalisation. These include sugar, bananas and rice. The new Regulation provides for a sliding scale of liberalisation for these products leading to full access in 2009 (see *EurAsia Bulletin* Vol. 5 No. 1&2 p31 for details). Speaking in Brussels, on 6th March, at a seminar entitled "Towards the UN Conference on the LDCs – enhancing the link between trade and development", Commissioner for Trade, Pascal Lamy, said that trade policy is one of the many factors affecting poverty. There is strong evidence for a positive relationship between trade and growth. Some countries, he said, have been more successful at integrating into the global economy. The challenge is to ensure that globalisation reduces poverty and inequality. Enhancing market access for LDCs would promote diversification and higher value-added exports. The "Everything but Arms" initiative will give unprecedented market access to the biggest trading partner for LDCs. The Conference on LDCs, to be held in Brussels in May, is, Lamy said, a chance to agree a programme of action to give new impetus to the development and sustained growth of LDCs. The EU should offer concrete and immediate trade measures to support their development efforts. The EU, he concluded, is currently preparing "trade deliverables" to complement the "Everything but Arms" initiative.

LDC Conference

On 15th March, the Commissioner for Development and Humanitarian Aid, Poul Nielson, and the Secretary General of the United Nations Conference on Trade and Development (UNCTAD), Rubens Ricupero, signed an agreement between the UN and the EU on arrangements of the 3rd UN Conference on LDCs, which will take place this May in Brussels. The EU is providing €4.5m to fund the conference and its related events. The 2nd Conference took place in Paris in 1990. The 3rd Conference is expected to adopt a programme of action for 2001-2010. The fifth meeting of the UN preparatory committee for the Conference, which was held in February, addressed a number of issues which might feature in the programme of action. These included the importance of debt cancellation, official development assistance, foreign direct investment and market access. The draft programme for the 3rd Conference includes seven sessions, which will focus on good governance, peace and stability; agriculture and food security; health; international trade, services and tourism; investment and enterprise; infrastructure and lastly, financing. There will be three round tables, which will discuss energy, education and transport. On 27th March, a two-day workshop in Nepal issued a Declaration on the areas of concern for Asian LDCs that they would like to see raised at the Conference. Representatives from Bangladesh, Bhutan, Burma, Cambodia, Laos and Nepal met in Kathmandu. They identified four areas of concern including finance and the market; governance and political representation; access to and control of natural resources and, lastly, people development.

Common Strategies

The Council considered the report, by the High Representative for CFSP, Javier Solana, on Common Strategies (see *EurAsia Bulletin* Vol. 5 No. 1&2 p36 for details). The Council agreed that, to make Common Strategies (CS) more efficient, new guidelines should be followed. These include, that CS should have clearly identified added-value, which will improve the coherence and co-ordination of external policies, both bilateral and multi-lateral. Secondly, the Commission and the High Representative should play a more central role in identifying issues and themes, which the CS could cover with verifiable policy objectives. Thirdly, CS should enhance the coherent use of the external action resources

of the EU, the Commission and the Member States. Lastly, the verifiable objectives should be regularly evaluated with the Council publishing an annual review every January.

Rapid Reaction Mechanism

The Council adopted a Council Regulation creating a rapid reaction mechanism. This mechanism is a fund designed to allow the Community to respond in a "rapid, efficient and flexible manner" to emergency or crisis situations. Actions initiated under the mechanism must be limited in time and should not be capable of being launched under other Community instruments, *inter alia*, food aid, rehabilitation or aid to uprooted people. The Commission will retain the right to decide whether intervention in security or crisis management situations may be appropriate if combined with the European Community Humanitarian Aid Office (ECHO). The mechanism will be used when situations of crisis, or emerging crisis, pose a threat to law and order, the security of individuals, threaten to escalate into armed conflict or de-stabilise the country. The Commission must take account of the opinion of the Council, when intending to take action, to ensure the coherence of EU external action. Actions financed under this Regulation must not exceed 6 months. Before December 2005, the Commission will review the operation of this Regulation and present to the Council "any proposals for the future of the Regulation". The Regulation will operate until December 2006.

EC-Bangladesh Co-operation Agreement

The Council adopted a Council Decision on the conclusion of a Co-operation Agreement between the European Community and the People's Republic of Bangladesh on Partnership and Development. This Agreement was initialled, in Brussels, in May 2000 (see *EurAsia Bulletin* Vol. 4 No. 4&5 p27 for details).

Taliban Sanctions

The Council adopted a Council Common Position concerning additional restrictive measures against the Taliban and amending Common Position 746/1996/CFSP. Following the adoption, by the United Nations Security

Council, of Resolution 1333/2000, in December 2000, which imposed additional sanctions against the Taliban, the Council was obliged to adopt these measures into EU policy. Measures currently in force include the 1996 Common Position (CP) and a 1999 CP, which cover the entire territory of Afghanistan. The new CP prohibits the sale or transfer of arms and weapons material, military vehicles, paramilitary equipment and spare parts to the Taliban. Nationals of the EU Member States are prohibited from the sale or transfer of technical assistance and military training to the Taliban. The CP calls for the withdrawal of all EU "officials, agents, advisers and military personnel" who may be advising the Taliban on military and "related security matters". Any offices of the Taliban or Ariana Afghan Airlines in the EU should be closed. Under the conditions of the UN Resolution 1333/2000, funds and financial assets of Osama bin Laden and those individuals associated with him will be frozen. The sale or transfer of acetic anhydride (a liquid used in the manufacture of cellulose and vinyl acetates for synthetic fibres) is also prohibited. Member States will prohibit the flight both to and from the Community, or transit through, to aircraft originating or destined for the territory under Taliban control. Member States will prohibit the travel of all senior Taliban officials of Deputy Minister rank or higher. The travel restriction will also apply to military officials, "senior advisers and dignitaries" of the Taliban.

Civil Protection

The Council adopted a Resolution on strengthening the capabilities of the EU in the field of civil protection. It aims at consolidating the resources of the Member States for action at Community level but also addresses action outside the Community in the field of crisis management. The Resolution, adopted on behalf of the Council and the representatives of the government of the Member States, calls for the strengthening and increase in efficiency of the EU and Member States capabilities in the field of civil protection. The Community should promote a balance of preparation and prevention. There should be co-operation at Community and Member State level in the effective collection and circulation of information and greater co-ordination in deploying the capabilities. Member States should aim for the improved integration of civil protection objectives into other policies and actions, such as, the protection of the

environment. The role of civilian protection assets should be enhanced for the civilian aspects of crisis management. Efforts to co-ordinate resources at the international level, including the UN, the OSCE and NATO, should be made to rationalise their use to avoid duplication. It would also improve the efficient use of the available expertise. The Helsinki European Council, in December 1999, indicated that, when implementing the action plan for non-military crisis management, civil protection assets may have to be used (see *EurAsia Bulletin* Vol. 4 No. 11 p25 for details). The resolution welcomes the priority given to civil protection in the study on the headline goal for the civilian aspects of crisis management, which was submitted to the European Council in June 2000, at Feira (see *EurAsia Bulletin* Vol. 4 No. 6&7 p34 for details). The Resolution "notes" but does not indicate any measure of 'welcome' for the Decision, in May 2000, by the Council to establish a Committee for Civilian aspects of Crisis Management (see *EurAsia Bulletin* Vol. 4 No. 4&5 p27 for details). However, in conclusion, the Resolution does "recommend" that civil protection resources should be used in crisis management in support of the Common Foreign and Security Policy.

Industrialised Countries of the Far East and Australasia

The Council adopted a Council Regulation concerning the implementation of projects promoting co-operation and commercial relations between the European Union and the industrialised countries of North America, the Far East and Australasia and the repealing of Regulation 1035/1999/EC. The purpose of the new Regulation is to rationalise the large number of small budget lines that promote co-operation and commercial relations with the industrialised countries. It covers, *inter alia*, Japan, the Republic of Korea and the USA. The Regulation establishes a single budget line for all the European Community's actions. While this is a Community budget line it remains the responsibility of the Member States to design and implement measures to support the efforts of their exporters to build commercial relations in the third countries. The Regulation will finance actions that educate and inform decision-makers and opinion formers of the nature of the bilateral relations between the EU and its partner countries. Activities could also strengthen

cultural and academic links. The Regulation will finance projects in science and technology, energy, transport and the environment. The Community will implement a specific programme that will complement the efforts of the Member States in the Japanese market. This could include support to collect information on trade related issues with Japan, conferences and seminars to promote trade and investment, high-level business missions and projects that promote access to the Japanese market for EU small and medium sized enterprises. The Regulation calls on the Commission to submit a report on the implementation of the Regulation every two years to the Council and Parliament. The Commission, after three years, shall submit an evaluation report on whether the programmes financed have reached their objectives. The Regulation will expire in December 2005.

EC-Sri Lanka Textile Agreement

The Council adopted a Council Decision on the signing, on behalf of the European Community, of an Agreement, in the form of a Memorandum of Understanding, between the European Community and the Democratic Socialist Republic of Sri Lanka, on arrangements in the area of market access for textile and clothing products, and authorising its provisional application. See *EurAsia Bulletin* Vol. 5 No. 1&2 p30 for details of the Memorandum of Understanding. The Agreement will apply provisionally from December 2000.

Employment and Social Policy Council 6th March

Burma & Forced Labour

Commissioner for Employment and Social Affairs, Anna Diamantopoulou, addressed the Council on Burma's continued violation of the International Labour Organisation (ILO) Convention on Forced Labour. This was, she said, the first time that the ILO had taken measures against one of the States that had ratified a Convention. This "unprecedented" action was of "great significance" and a crucial test of the effectiveness of the ILO. In November 2000, the ILO adopted a Resolution condemning the failure of Burma to implement the recommendations contained in the report of the Commission of Inquiry, established to examine the military regime's use of forced labour. The

Resolution recommends that governments should review their relations with Burma and should take measures to help prevent Burma further exploiting workers. International organisations should re-consider any co-operation they may be engaged in with Burma and should cease any activity that could aid the practice of forced or compulsory labour. At the Council meeting, Diamantopoulou said that the EU has an important contribution to make towards implementing the Resolution against Burma. The EU, she said, should be at the forefront of promoting respect for international labour standards. The ILO had written to the Commission asking what steps the Community was going to take to enforce the ILO measures. The Commission, in reply, she said, "underlines its support" for ILO efforts to uphold labour standards in Burma.

Dual-use Technology

The Council adopted a Council Regulation amending Regulation 1334/2000/EC with regard to the list of controlled dual-use items and technology when exported. The Regulation adopted in 2000 established a Community regime for the control of exports of dual-use items and technology. Annex I of that Regulation established the common list of dual-use items and technology that must comply with international agreements on dual-use controls. The Wassenaar Agreement is one such obligation on EU Member States. In December 2000, the participating States in the Wassenaar Agreement agreed to modify the control conditions for certain categories of dual-use goods. These conditions liberalise the export regime for computers, basically by increasing the processing power of the electronics they may use.

Taliban Sanctions

The Council adopted a Council Regulation prohibiting the export of certain goods and services to Afghanistan, strengthening the flight ban and extending the freeze of funds and other financial resources in respect of the Taliban of Afghanistan, and repealing Regulation 337/2000/EC. This Regulation will give legal effect to the Council Common Position adopted on 26th February (see above). The Common Position was adopted to ensure the European Community could comply with the requirements

of the United Nations Security Council Resolution, adopted in December 2000. The Regulation adopted in February 2000, No. 337, is repealed only for the sake of codifying all legal instruments into one Regulation for transparency and simplicity. Because conditions in Afghanistan are not stable, the UN Taliban Sanctions Committee (TSC) has the power to determine, on a flexible basis, the area of Afghanistan under Taliban control and, thus, subject to sanctions. Once the TSC has issued a decision, under the terms of the new Regulation, the Commission will make the necessary correction to the Community instrument. Similarly, the Commission is empowered to amend Annex I, which concerns the list of persons and entities associated with the Taliban that are subject to UN sanctions. Member States can impose sanctions of their own if the provisions of this Regulation are infringed regarding the freeze of funds and flight ban.

Weighing Scales from Japan

The Council adopted a Council Regulation imposing a definitive anti-dumping duty on imports of certain electronic weighing scales originating in Japan. In October 1997, the Commission indicated that the anti-dumping measures in force against Japan, regarding imports to the Community of electronic weighing scales for use in the retail trade (REWS), would shortly expire. Community producers, in January 1998, claimed that the expiry of the anti-dumping measures would result in a continuation or recurrence of dumping and injury to Community industry. The Commission commenced an investigation into that allegation, which covered the period April 1997 to March 1998. The Commission believed that there was no difference in the basic physical and technical characteristics of the various types of REWS on the market and no difference in the product sold by Japanese producers in either Japan or the Community. The investigation concluded that the removal of anti-dumping measures would encourage Japanese producers to take advantage of the higher retail price in the Community and, thus, could lead to dumping. If the duties were removed, then dumping would continue at much higher volumes. The Commission thus proposed and the Council adopted the conclusion that definitive anti-dumping duties should be imposed at the level of the provisional duties. For four named Japanese exporting producers, the rate varies between

15.3% and 31.6% with all other companies at 31.6%. The duties will be imposed for a period of four years. The Commission proposal for the Council Regulation was adopted on 16th February 2001.

Weighing Scales from Singapore

The Council adopted a Council Regulation imposing a definitive anti-dumping duty on imports of certain electronic weighing scales originating in Singapore. In April 1998, the Commission indicated that the anti-dumping measures in force against Singapore, regarding imports to the Community of electronic weighing scales for use in the retail trade (REWS), would shortly expire. Following a request by Community producers, the Commission launched an investigation that covered the period October 1997 to September 1998. On 16th February 2001, the Commission proposed that the removal of anti-dumping duties would lead to a recurrence of dumping and injury to Community industry. In the new Council Regulation, one named exporting producer will enjoy an anti-dumping duty rate of 15.4%. All other, non-co-operating exporting producers will have a rate of 31%. The anti-dumping duties will be imposed for four years.

ECOFIN Council 12th March

International Lead & Zinc Study Group

The Council adopted a Council Decision concerning the participation of the Community in the International Lead and Zinc Study Group (ILZSG). Although the Council adopted a Council Decision on 22nd December 2000 on Community participation, the Decision was flawed. The Decision had to be annulled, in January 2001, because it lacked the Terms of Reference for Community participation and did not formally adopt the Rules of Procedure of the ILZSG. This new Decision fulfils both obligations and allows the Community to lodge its instrument of acceptance with the Secretary General of the United Nations, Kofi Annan.

The Terms of Reference describe who may become a member of the ILZSG, as the governments of member states of the United Nations or specialised agencies attached to the General Agreement on Tariffs and Trade

(GATT). The functions of the ILZSG include organising inter-governmental consultations and making studies of the world lead and zinc market. The ILZSG can make suggestions to member governments about possible solutions to 'special problems' that may be unlikely to be resolved 'in the ordinary development of world trade'. The Rules of Procedure stipulate that the headquarters of the Group will be in London. The Group has a Chairman and two vice chairs. To be quorate, the Group must meet in session with a majority of its members. Meetings, unless decided otherwise, are held in private. Decisions are taken without a vote unless it concerns an amendment either to the budget or the Terms of Reference. Then decisions are taken by a majority of two-thirds of the members present. The working languages of the Group are English, French, Russian and Spanish.

Justice & Home Affairs Council 15th-16th March

Minimum Standards for Temporary Protection

The Swedish Presidency presented an interim report on the proposal for a Council Directive on minimum standards for temporary protection in the case of a mass influx of displaced persons. It is likely that the Council will reach political agreement on the proposal during the Justice, Home Affairs and Civil Protection Council in May. The interim report states that the Council Working Party on Asylum indicated to the Strategic Committee on Immigration, Frontiers and Asylum that there were four outstanding 'political' issues on the Commission proposal for a Council Directive. These include the definition of 'temporary protection in the event of a mass influx', the maximum duration of temporary protection, access to the asylum procedure in the context of temporary protection and, lastly, burden sharing between Member States of the refugees/displaced persons. In the Council, the debate on the definition seems to focus around whether a Member State can avoid over-loading its asylum system in the event of a sudden influx or assisted evacuation. Equally, there were divided views on the Commission proposal for a maximum length of stay at 2 years. Some Member States think that may be too long for a 'temporary protection' measure. Others believed the two years could be extended by up to another one year. With regard to burden

sharing, the Member States would be required to state, in advance, their ability to absorb displaced persons. Following the debate, the Swedish Presidency proposed that, in the event of a mass influx where the number of refugees begins to exceed the reception capacity, then the Council should re-examine the situation.

Unauthorised Entry and Residence

The Council debated the proposal for a Council Framework Decision on the strengthening of the penal framework to prevent the facilitation of unauthorised entry and residence and the related proposal for a Council Directive defining the facilitation of unauthorised entry, movement and residence. It is known that some Member States had several reservations on both proposals. The Council discussion focussed around making the offence of facilitating unauthorised entry and of residence, offences that should be subject to extradition. This was proposed by France and, while no 'political agreement' was reached at the meeting, there seems to have been a majority of Member States in favour. Other Member States raised the point that not all unauthorised entry should be classed as illegal, as some immigrants are fleeing persecution. The other point that, at the close of the meeting, remained outstanding, was the question of a minimum versus maximum sentence. While no consensus was reached, the debate has narrowed to the proposal by France of a minimum-maximum sentence of 6 years with a declaration by any Member State who intends to exceed the basic provision established by the Council Directive.

Civil Crisis Management

The Council debated progress in meeting the objectives of civil crisis management established at the European Council meeting in Feira. Javier Solana, the Secretary General/High Representative for CFSP, also took part. The debate centred around preparations for the Police Capabilities Commitment Conference, which will be held in Brussels in May. At the Conference, Member States are expected to indicate their contribution to the Headline Goal of 5000 police officers, which could be deployed, by 2003, for non-military crisis management operations around the world. The Swedish Minister for Foreign Affairs, Anna Lindh, and her Justice Minister colleague,

Thomas Bodström, on 2nd March, sent a letter to all other EU Foreign and Justice Ministers calling for contributions to the police headline goal. The police would be deployed in either EU-led or joint EU-UN operations. This matter was raised again in the General Affairs Council meeting, on 19th March, where the Council gave “strong support” to the call for contributions to the police headline goal. However, the Council noted that work on strengthening the rule of law, civilian administration and civil protection should also continue. The EU’s commitment to civilian crisis management is a key dimension of the European Security and Defence Policy.

Visas for Third Country Nationals

The Council adopted a Council Regulation listing the third countries whose nationals must be in possession of visas when crossing the external borders and those countries whose nationals are exempt from that requirement. The Regulation stipulates that the nationals of the third countries listed in Annex I are required to possess a visa to cross the external borders of the EU. These countries include Afghanistan, Bangladesh, Bhutan, Burma, Cambodia, China, Fiji, Indonesia, Laos, Nepal, North Korea, Pakistan, Papua New Guinea, the Philippines, Sri Lanka, Thailand and Vietnam. This list also includes East Timor and Taiwan as entities and territorial authorities that are not recognised as States by at least one EU Member State. Nationals of countries listed in Annex II are exempt from the visa requirement for stays, in the EU, that last no longer than three months. They include Japan, Malaysia, Singapore, and South Korea. One of the main political arguments, by the Member States, was whether the Special Administrative Regions of Hong Kong and Macau should be exempt from the visa requirement. This Regulation establishes that both regions are exempt. If any country in Annex II establishes a visa requirement for citizens of the EU, then the Council may adopt legislation imposing a visa requirement in reply. Member States may provide for exceptions to the visa requirement for countries in Annex I for holders of diplomatic passports, civilian air and sea crew, emergency flights’ crew or the holders of *laissez-passer* issued by some international organisations.

General Affairs Council 19th March

Human Rights

The Council held a debate on the issue of human rights in the run up to the start of the 57th UN Commission on Human Rights in Geneva that began on 20th March. The Council declared that respect for human rights is a cornerstone of EU foreign policy. The EU is preparing guidelines on Measures against Torture to enhance EU action promoting the end of its use. The EU already has guidelines against the death penalty. The EU will hold a conference, on 28th-29th May, on conflict prevention to strengthen the Council’s dialogue with the European Parliament and civil society and to increase the coherence of the EU’s human rights policy. The Council noted that the EU would present a series of country initiatives in Geneva on the human rights situations in, *inter alia*, East Timor and Burma.

EU-China Human Rights

The Council debated and reached a decision on the position to be taken by the EU at the 57th UN Commission on Human Rights regarding human rights in China. The Council welcomed the Chinese decision, on 28th February, to ratify the International Covenant on Economic, Social and Cultural Rights but called on China also to ratify the Covenant on Civil and Political Rights. China should bring its domestic legislation into line with these Covenants. The Council did, however, express concern at the restriction of religious and cultural rights in Tibet and Xinjiang. The Council said that the EU-China Human Rights Dialogue contributes to the reform process and the promotion of the rule of law over the long term. The mechanism facilitates discussion on issues of concern and is complemented by technical co-operation and seminars. Regarding the draft Resolution, tabled by the USA, for the 57th Session, the EU has decided to vote in favour but not to co-sponsor the motion.

EC-South Korea Trade Agreement

The Council adopted a Council Decision concerning the conclusion of the framework Agreement for Trade and Co-operation between the European Community and its Member States, on the one hand, and the Republic of Korea, on the other hand. The Agreement establishes

reciprocal 'Most Favoured Nation' trading status for both parties. The Agreement addresses many possible areas of co-operation between the EC and Korea. These include agriculture and fisheries; maritime transport; shipbuilding; intellectual, industrial and commercial property protection; technical regulations, standards and conformity assessment; drugs and money laundering; science and technology; the environment, and lastly, culture, information and communication. The Agreement states that either party may request trade consultations on any aspect of EC-Korea trade or on any aspect of the implementation of the Agreement. Each party agreed to inform the other of the initiation of anti-dumping proceedings. The Agreement establishes a Joint Committee composed of representatives from the Council and the Commission on the EC side. This Committee will oversee the operation of the Agreement and examine ways in which trade may be developed and diversified. It should meet annually, alternating between Seoul and Brussels. The Agreement enters into force on 1st April 2001 for a period of five years. Thereafter, it may be renewed annually, unless either party gives 6 months notice to terminate it.

Speaking in Seoul, on 21st February, Commissioner for Trade, Pascal Lamy, said that the EU and Korea have a very strong recent record of co-operation on all multi-lateral trade issues. Both agree on the need to advance trade liberalisation while strengthening the rules-based trading system. However, the bilateral relationship needs to make strenuous efforts to solve disputes in the areas of cars, cosmetics, pharmaceuticals, agriculture and services. However, the "most intractable problem" confronting the EU and Korea is the "non-market behaviour" in the shipbuilding sector. The EU is firmly of the view, Lamy said, that indirect State intervention has enabled Korea to maintain excess capacity that threatens the very existence of competitive European shipyards. The Korean government needs to move rapidly to find a solution, if both parties are to avoid a "controversial WTO case".

UN Commission on Human Rights 19th March-27th April

EU Human Rights Contribution

Speaking at the 57th Session of the Commission on Human Rights, which is meeting in Geneva, on 30th March, H.E. Johan Molander, Head of the Swedish Delegation, on behalf of the EU, gave a country-by-country run down of the EU's position on the violation of human rights and fundamental freedoms. He said that the Treaty of Amsterdam makes respect for human rights a core aspect of the EU's Common Foreign and Security Policy. The CFSP is pursued through dialogue and bilateral agreements with third countries. Regarding *Afghanistan*, Molander said, that in the areas controlled by the Taliban, civilians continue to be the victims of "widespread and massive" human rights violations. The absence of an independent judiciary permits the arbitrary application of religious laws. Torture, summary justice and executions are reported to be frequent. Women and girls are routinely denied access to healthcare, education and employment.

The EU, Molander said, welcomes the reduction of tension and violence in *Jammu and Kashmir*. The EU urges both parties to cease human rights violations and return to dialogue to achieve a negotiated peace. India and Pakistan should improve the access of international and non-governmental organisations to the region. *India* should implement its stated commitments to protect the rights of religious minorities. Molander expressed the EU's concern at the growing numbers of murder, assault and destruction of places of worship that occurs throughout India. Molander called for the speedy restoration of civilian rule in *Pakistan* and an improvement in the rule of law, human rights and respect for democracy. Pakistan should protect the rights of religious minorities, abolish the blasphemy laws and prevent communal and sectarian violence. Pakistan should take "appropriate steps" to stop the deplorable practice of honour killings of women and girls. The EU, however, welcomed the 30% quota of seats reserved for women in local assemblies.

Sri Lanka has established a permanent high-level Inter Ministerial Standing Committee to co-ordinate responses to United Nations mechanisms on human rights. The EU hoped that

the Committee would consider incidences of arbitrary detentions, disappearances, torture, extra-judicial killings and propose ways of strengthening the Human Rights Commission. The government and the LTTE should begin negotiations towards a peaceful resolution of the conflict. The EU, Molander stated, condemns the terrorist attacks perpetrated by the LTTE and their use of child soldiers. The EU would regret the re-introduction of the death penalty. The European Union hopes that *China* will bring its domestic legislation into line with the provisions of the Covenants on Civil and Political Rights and on Economic, Social and Cultural Rights which China has signed. Molander made particular reference to Article 8 that guarantees the right to form or join a trade union. The ongoing reform of the judicial and legal system are “positive developments”. But, he said, the EU remains concerned at excessive sentences and harassment of democracy activists, religious followers, including Falun Gong members, restrictions on freedom of expression, assembly, association and religion. The EU “appreciates” the willingness of the Chinese authorities to engage in the EU-China human rights dialogue and hopes for a more result-orientated dialogue.

The EU is “deeply concerned” at the denial of human rights and fundamental freedoms in *North Korea*. The plight of political prisoners, the absence of the rule of law and the grave humanitarian situation is worrying. The EU hopes North Korea will engage in constructive dialogue with the UN Human Rights Committee. Molander indicated that the EU has raised the possibility of establishing an EU-DPRK human rights dialogue. He welcomed the recent signing by *Laos* of the Conventions also signed by China (above). He urged the government to ratify them quickly. Laos should strengthen civil and political rights, including the freedom of expression, assembly, association and religion. There is concern, Molander stated, at prolonged detention and imprisonment of persons for their non-violent expression of human rights.

The European Union welcomed the progress made by *Cambodia* in establishing a legislative process for the Khmer Rouge Tribunal. The government should co-operate with the United Nations to ensure the prosecution of those responsible for serious crimes under the Khmer Rouge regime. Cambodia should build a society based on the rule of law and respect for human rights. There has been an improvement in the

human rights situation in *Malaysia* during the past year. Representatives have been appointed to a national commission on human rights and the commission has begun to operate. However, more efforts are needed to restore the independence of the judiciary and reduce the use of excessive force by the police. The EU is concerned at the slow rate of implementation of reforms in the legal and institutional fields in *Indonesia*. Disappearances, arbitrary detentions, extra-judicial executions and torture continue to occur, particularly in Irian Jaya and Aceh. Molander reiterated the EU’s support for the territorial integrity of Indonesia. The authorities should speed up the reform of the judiciary and establish a human rights tribunal to try suspects. The military and police force should at all time operate within the law. The EU is worried at reports of forced religious conversion and circumcision. In the 46 countries and regions referred to by Molander, he made no mention of Burma.

Declarations

Indonesia

On 2nd March, the Presidency issued a Declaration on the violence in the Indonesian province of Kalimantan. The EU was “appalled and saddened” by the violence in Kalimantan that led to the large loss of life and destruction of property. The violence also led to a large flow of displaced persons. The EU calls on the Indonesian government to restore a normal level of security and take steps to prevent further violence.

Afghanistan

On 1st March, the Presidency issued a Declaration on the Taliban edict on the destruction of all pre-Islamic statues in Afghanistan. It speaks of the “dismay and shock” of the EU on the edict by Mullah Omar, the Taliban leader, to destroy all statues and shrines. Afghanistan’s cultural heritage is of vital importance, not just to the Afghan people, but also to the world. The Declaration urged the Taliban not to implement the decision, which the EU described as “deeply tragic”. On 6th March, the Presidency issued a short Declaration, welcoming the commitment of the countries of Central and Eastern Europe, the EFTA countries and members of the European Economic Area to

the provisions of the Common Position on Afghanistan adopted by the Council on 26th February (see above). Speaking in the UN, on 12th March, the EU's Ambassador to the UN, Pierre Schori, said that EU strongly condemned the Taliban's acts of destruction and urges the leadership to take immediate action to prevent the further destruction of irreplaceable relics. Schori urged the Taliban to revoke the decision and show the spirit of tolerance "enjoined by Islam". Subsequently, on 14th March, the Ministers for Culture of the EU issued a "statement" protesting against the edict to destroy part of the global cultural heritage. It notes that the United Nations had called on the Taliban to stop acts of vandalism and damage to cultural and historic monuments.

China

On 12th March, the Swedish Presidency issued a Declaration on China's ratification of the International Covenant on Economic, Social and Cultural Rights. The Declaration welcomes China's decision to ratify the Covenant on 28th February as an important step. However, the Declaration expresses concern at a caveat adopted by China on Article 8 of the Covenant (Article 8(1)a on the right to form and join a trade union of your choice) and called on China to adopt the provisions of the Article into its domestic legislation.

Fiji

The Presidency issued a Declaration, on 22nd March, on Fiji. The interim government in Fiji has called for elections under the 1997 Constitution. The elections are scheduled for 27th August 2001. The People's Coalition Government of Fiji was overthrown in a coup, on 19th May 2000, led by George Speight, who called for the abolition of the 1997 Constitution. The Declaration calls on all factions in Fiji to "work together in a spirit of reconciliation". It makes no mention of a possible EU election observation mission, which could be sent under the basis of the European Parliament Resolution on the Commission Communication on election assistance and observation, which was adopted by Parliament on 15th March (see above for details). (See *EurAsia Bulletin* Vol. 4 No. 8&9 p40 for an earlier Presidency Declaration on Fiji).

THE EUROPEAN COUNCIL

by John Quigley

The 15 Heads of State and Government met in Stockholm, on 23rd-24th March, for the first European Council of the Swedish Presidency. Also in attendance were the High Representative for CFSP, Javier Solana, and Commissioner for External Relations, Chris Patten. The Summit adopted conclusions on economic reform, employment and social policy, the broad economic policy guidelines and on external relations. Included under external relations was a short statement regarding EU-Korean peninsula relations.

Korea

The European Council has decided to send a high level mission to both Pyongyang and Seoul before the end of the Swedish Presidency in June of this year. The mission will be led by Swedish Prime Minister Göran Persson. He will be accompanied by Commissioner for External Relations, Chris Patten, and the High Representative for CFSP, Javier Solana. While the mission comes after an invitation by South Korean President, Kim Dae-jung, Persson had signaled in advance that EU-Korea relations would be discussed in Stockholm. In a letter to other Heads of State and Government, dated 19th March, he called for discussions on how the EU could support efforts to build peace and stability on the peninsula. The European Council has given the mission a mandate to engage in talks with four conditions. These are that North Korea should continue the process of rapprochement with the South, comply with the conditions entered into under the Non-proliferation Treaty, comply with the conditions of the United Nations Conventions on human rights and, lastly, to permit the work of foreign non-governmental organisations. In November 2000, the General Affairs Council declared that progress on meeting these conditions would allow the Commission to examine measures for opening up the EU economy to products originating in the North. Currently, France and Ireland are the only EU members not to have diplomatic relations with North Korea. However, North Korea's Deputy Foreign Minister, Choe Su Hon, who was in Stockholm on 22nd March, is

expected to visit Paris between 2nd-4th April for talks with French officials on normalising relations.

It is known that Ireland does not favour granting automatic recognition to North Korea based, partly, on the experiences of Irish aid organisations that have operated in North Korea. They have, in the past, been critical of human rights abuses and the manner in which the distribution of food aid has been controlled to favour those loyal to the regime. However, in response to a letter sent, in September 2000, by the North Korean Foreign Minister, Paek Nam Sun, to the EU Foreign Ministers of those countries without diplomatic ties to North Korea, Ireland has had contacts with the North Koreans towards the possibility of meeting to discuss Ireland's concerns on human rights and non-proliferation. Satisfactory progress on these issues, the Irish Department of Foreign Affairs stated, could lead to eventual recognition. Pending the response of the DPRK, this meeting may take place in May.

AFGHANISTAN' S TALEBAN DESTROYS BUDDHIST STATUES

- Continued from Page 2 -

As Philip Hensher has observed, the state of affairs to which the Taleban has reduced Afghanistan "cannot even be described as medieval." He notes that, "It is worth remembering, in the light of this destruction, that medieval Islam in Europe was a model of religious tolerance and diversity."

Of course, most of the Taleban leaders are the products of the Islamic religious colleges, the madrasahs, many of which were funded by Saudi Arabia and provided the only form of education for young Afghan men, who were seeking refuge during the war against the Soviet occupation. The writer Robert Fisk noted angrily that, "The destruction of the great Buddhist statues in Afghanistan by the Taleban militia was as predictable as it was culpable. Saudi Arabia bears ultimate responsibility for this appalling annihilation of the world' s heritage. For it was Saudi Arabia' s rigid Wahibi sect that created the Taleban and it was Saudi Muslim legal iconoclasm that led directly to the wrecking of the Buddhas."

Mr Fisk noted that the Wahibis have a long tradition of destroying statues, including the 12th Century statues of Dhu Khalsa in Saudi Arabia itself, back in 1820. This may well be one reason for the blowing up of the Bamiyam statues but there must have been other reasons why this act should have been carried out now rather than at some point in the last few years.

Taleban under pressure

In spite of their now being the dominant military force in Afghanistan, the Taleban have failed to bring peace to Afghanistan and have seen the country slide into a steady economic decline, which has brought about a severe humanitarian crisis. At the same time, the Taleban have been facing growing international isolation.

The Taleban, who had taken Kabul in 1996, had made a major military breakthrough in the summer of 1998 with the capture of the northern stronghold of Mazar-i-Sharif, in August, and of Bamiyan in September. However, their hold on

Bamiyan was tenuous and threatened by the Hizb-i-Wahadat. Attempts at reaching a peaceful settlement, such as in the UN-sponsored talks in Tashkent, in July 1999, got nowhere. On 15 October, the UN Security Council imposed limited sanctions on Afghanistan, as a result of United States pressure, in an attempt to persuade the Taliban to give up Osama bin Laden, held to be responsible for the bombing of the US embassies in Nairobi and Dar-es-Salaam on 7 August 1998 (see *EurAsia Bulletin*, Vol. III, No. 9, October 1999).

In November 1999, the UN launched an appeal to find \$221 million to meet Afghanistan's growing aid requirements. By December, 250,000 people were dependent on bread supplies from the UN Food Programme. By early 2000, the value of the Afghan currency, the Afghani, had fallen in value from 10,000 to the US dollar in 1995, to 60,000 to the dollar. Moreover, it was estimated that 80% of Afghanistan's economy was now dependent on the production of opium, which had doubled in 1999 to some 4,581 tons, being three times more than that of the rest of the world put together. According to the UN International Drug Control Programme, 92% of the production was concentrated in just six southern provinces controlled by the Taliban, although opium was being grown in 22 of Afghanistan's 32 provinces. Afghan farmers would obtain \$310 for 10 kilos of opium (although, when processed into a kilo of heroin, this would fetch up to \$88,000 in Europe or North America).

By the summer of 2000, Afghanistan was also suffering from the effects of a major drought. In June, the UN announced that this was affecting between 3 and 4 million people severely and a further 8 to 10 million moderately. The worst affected areas were in the west and the south. The wheat crop largely failed. There was a shortage of seed for planting. Many wells ran dry and many farmers had difficulty sustaining their livestock. The World Food Programme allocated 117,891 tons of wheat for the 1.6 million worst affected people for the year beginning in August, while Afghanistan's remaining 24 million people would have to be dependent on their own resources. Largely because of the drought, opium production fell to 3,275 tons in 2000 but, on 30 July, the Taliban leader, Mullah Mohammed Omar, announced that the future production of opium would be banned from the new Islamic year.

Further efforts to bring the Taliban and their opponents to the conference table in an attempt to reach a settlement were to no avail. Talks took place in Jeddah, Saudi Arabia, in March and May under the auspices of the Organisation of the Islamic Conference, while, on 9 June, President Khatami of Iran and General Musharraf of Pakistan agreed to "supplement the efforts of the OIC by counselling the Afghan parties favourably to consider their own interests and the interest of the whole region in arriving at a peaceful settlement." In April, the Northern Alliance leader, General Ahmed Shah Masoud, announced that he was ready to open talks with the Taliban.

In spite of these efforts, the Taliban attacked the positions of the Northern Alliance in northern Takhar Province at the end of July. Heavy fighting continued throughout August, including a diversionary attack by General Masoud north of Kabul. However, the Taliban finally managed to take Taluqan, the provincial capital of Takhar, in early September.

With this further success, the Taliban now renewed their diplomatic efforts to be awarded Afghanistan's seat at the United Nations, still held by the exiled government of the former President Rabbani. However, there were numerous obstacles in the way of this. In May, Russia's Defence Minister, Igor Sergeev, was claiming that the Chechen rebels were being supported by Osama bin Laden, while the Foreign Minister, Igor Ivanov, warned, "If a potential threat emerges, various actions become possible." Then, on 1 and 2 August, a joint US-Russian Working Group on Afghanistan agreed on a plan of action to tackle terrorism emanating from Afghanistan, as well as the illicit production and trafficking of drugs and the use of drugs money to support terrorism. On 8 August, Russia claimed that there were nine terrorist training camps in Afghan territory under Taliban control and a further ten camps in Pakistan.

There was also the issue of the position of women. In January 2000, the UN and the aid agencies were reporting that international and domestic pressure on the Taliban was slowly leading to an easing of restrictions on the activities of women in Afghanistan. Some schools were opening. The UN's Coordinator for Afghanistan, Eric de Mul, said, "It's all very, very slow and many, many times inconclusive,

but the important thing is that there is a dialogue." By the early summer, it was reported that the Taleban was also relaxing limitations on women's access to employment. However, in July, an edict was issued again restricting the employment of women by the aid agencies, while, in August, another was issued to ban their employment in the bakeries run by NGO's under contract to the World Food Programme. On 14 September, Mrs Sadako Ogata of the UNHCR began a visit to Afghanistan, during which she criticised the Taleban's restrictions on women.

The UN's Credentials Committee was due to meet in early October. However, on 21 September, the US Secretary of State, Madeleine Albright, stated that the United States would oppose any recognition of the Taleban, even if they were to conquer the whole of Afghanistan, unless the concerns of the United States were met. These main concerns, of course, were the case of Osama bin Laden, the promotion of terrorism, drugs trafficking and restrictions on the position of women.

Strengthening UN sanctions

On 17 August, the United Nations issued a report on the consequences of existing UN sanctions. It said that these were both humanitarian and psychological. For all key social indicators, including infant and maternal mortality, life expectancy and vaccination coverage, Afghanistan had now fallen to one of the bottom three countries in the world. Psychologically, there was a growing feeling of victimisation among the people, which was reinforced by public statements by the Taleban authorities that the UN sanctions were the cause of Afghanistan's current economic ills.

In November, the US and Taleban ambassadors in Islamabad met but made no progress on the various issues of concern to Washington. There was some inconclusive discussion about whether Mr bin Laden might be brought to trial in a third, probably Islamic country, such as Pakistan. The US administration was still investigating whether Osama bin Laden had been behind the attack in Aden harbour, on 12 October, on the American destroyer USS Cole (although the authorities in Yemen believed he was not). Moreover, in August, there had been intense fighting near the Afghan border with Tajikistan. Russia now strengthened its military presence in Tajikistan and began laying mines on the Tajik side of the

border. In October, President Putin met with President Rakhmonov. On 10 October, a Russian border guard was killed in a clash on the Afghan-Tajik border, leading Igor Sergeev to warn that, "If the Taleban movement attempts to cross into Tajikistan, Russia will act in accordance with the collective security treaty" (with Tajikistan). Furthermore, India was concerned at what they also perceived as an Afghan-Pakistan alliance and Prime Minister Vajpayee discussed this question both in his talks with President Clinton in Washington, in September, and with President Putin in New Delhi, in October. India's particular concern, of course, was over "cross-border terrorism" into Kashmir.

Afghanistan's Foreign Minister, Wahil Ahmed Muttawahil, in October, denied Taleban involvement in sending, sponsoring or training Islamic militants to wage war in Russia or any bordering Central Asian countries, saying that his country lacked both the resources and the desire to interfere. "It is wrong," he said, "to blame Afghanistan for the internal problems of the Central Asian states. The Russian propaganda that the Taleban threatens regional peace and stability surprises me."

However, by late November, moves were afoot to strengthen the UN sanctions against Afghanistan. In December, a new Security Council Resolution was sponsored by India, Kyrgyzstan, the Russian Federation, Tajikistan and the United States. The Resolution was adopted by the Security Council on 19 December. It demanded that the Taleban cease providing sanctuary and training for international terrorists, or using their territory for terrorist camps, and instead co-operate in bringing indicted terrorists to justice, including turning over Osama bin Laden. If this was not done within thirty days, the UN member states should prevent the supply of military hardware and military assistance and training to the Taleban, including the withdrawal of military advisers, and reduce their diplomatic presence if they had any. They should also close all Taleban offices on their territory, as well as those of Ariana Afghan Airlines, freeze Osama bin Laden's financial assets, prevent aircraft flying to or from Afghanistan, restrict senior Taleban officials from travelling abroad and prevent acetic anhydride, used to process opium into heroin, from being supplied to the Taleban.

The Resolution was adopted by 13 votes to none, with China and Malaysia abstaining. The UN Secretary General, Kofi Annan, was clearly not pleased by this development. He said, "The Security Council decision is not going to facilitate our peace efforts, nor is it going to facilitate our humanitarian work." On 22 December, the Chinese government in a statement said, "In our view, sanctions will not help in the resolution of problems." Earlier, on 9 December, Pakistan's representative at the UN, Shamshad Ahmed, had warned, "We believe that new sanctions will further isolate and insulate the Taleban, with whom the world has been seeking to engage constructively, so that their policies can be influenced and moderated."

In addition, the NGO's were also alarmed. On 8 December, their Afghanistan Support Group had warned, "New sanctions will have a further destabilising effect on the economy and cost of living for ordinary Afghans. They will worsen the already difficult operating environment that assistance agencies confront in Afghanistan." The Group was concerned that the "one-sided arms embargo", applicable to the Taleban but not to the Northern Alliance, would "undermine the UN's important role as an impartial provider of humanitarian assistance in Afghanistan" and believed that sanctions had already "contributed to a profound sense amongst the Afghan public that the international community has turned against them."

In Kabul, the Taleban's Information Minister, Qadrattullah Jamal, claimed that, "There is no evidence against Osama." He said, "The United States and Russia are using the excuse of Osama and terrorism but really it is the Islamic system of the Taleban they want to destroy."

Humanitarian crisis

International attention now turned to the worsening humanitarian crisis in Afghanistan. Renewed fighting between the Taleban and the Northern Alliance near the Tajik border caused a further 10,000 to flee. Many reached some small islands in the Panj river, which divides Afghanistan and Tajikistan, but they were not permitted to enter Tajikistan. In early January, the regional spokesman for the UNHCR, Yusuf Hassan, said, "The situation there is critical." He accused the Tajik authorities of "violating international law". He said, "The victims of Afghanistan's repressive policies are being

doubly punished as they are not getting the attention they need. The lack of international support for the Afghan people is shocking and frustrating."

While both Iran and Pakistan were actively engaged in trying to return Afghan refugees to their own country, Pakistan closed its border to more fleeing Afghan refugees. Nevertheless, a further 170,000 continued to cross into Pakistan, creating an impossible situation. In addition to 100,000 refugees in the camp at Nasirbagh, near Peshawar, in Pakistan's North-West Frontier Province, there were a further 80,000 at an unofficial, or "unregistered", camp at Jalozei, where conditions were reported to be appalling. In Herat, near the border with Iran, the UN confirmed that about 500 people, mainly children and old people, had died in sub-zero temperatures in overcrowded displacement camps in the last week of January. Eric de Mul said, "We have to come to terms with the fact that we will see many people die in Afghanistan. The situation is much worse than last year." Yusuf Hasan said, "Time is running out, particularly for the most vulnerable people."

Fighting also took place in central Afghanistan. On 30 December, the opposition Hizb-e-Wahadat captured Yakawlang in Bamiyan Province in the Hazarajat. However, it was retaken by Taleban forces on 9 January. The Hizb then seized Bamiyan itself from the Taleban on 13 February, only to lose it again four days later. Then, on 19 February, Human Rights Watch published a report claiming that Taleban soldiers had massacred around 300 civilians after having re-taken Yakawlang. This claim was endorsed by the UN Special Rapporteur for Human Rights in Afghanistan, Kamal Hossain, who said, "It appears that the Taleban forces engaged in widespread summary executions and arbitrarily detained hundreds of civilians who are still unaccounted for."

Apart from the continued fighting and the severe winter cold, which had followed the earlier drought, the farmers of Afghanistan were now suffering from the ban on the cultivation of the opium poppy. In early February, the UN Drug Control Programme conducted a survey and found that huge poppy growing areas had now been cleared. However, nothing had been done to replace this. The UNDCP's Regional Head for South-West Asia, Bernard Frahi, said, "The situation now is clear. There is nothing - no

development programme - nothing. For many of the farmers, it' s purely a question of survival and that needs to be immediately addressed." He reported that farmers were selling their daughters and nieces, some as young as seven years old, to obtain a bride price. He said, "Whether we like the Taleban or not, we have to recognise that they have taken action to solve the problem," adding, "In a way, it is an historic event." Opium production for 2001 was estimated to be only 500 tons, much of this grown in areas still controlled by the Northern Alliance. The price of opium in Afghanistan had consequently risen tenfold.

Bernard Frahi lamented the fact that the UNDCP' s earlier programme of crop substitution in Afghanistan had been wound up in December for lack of funds. In early February, Kofi Annan had despatched his Under-Secretary-General for Humanitarian Affairs, Kenzo Oshima, to assess the situation in Afghanistan. On 16 February, Mr Oshima said, "Part of the desperation in Afghanistan has arisen because farmers are being forced to stop the cultivation of poppies and have nothing else to fall back on." He said, "The international community should respond comprehensively with funding to pay for the transition from drugs to crops." On 20 February, having returned to Geneva, Mr Oshima warned that a major humanitarian catastrophe was now in the making in Afghanistan. He said, "We believe that at least one million people are at risk of famine. Half the refugees are crammed in camps within Afghanistan and others are in villages where aid workers cannot reach them."

A question of statues

In January, the US ordered the closure of the Taleban' s political office in New York under the terms of the UN Resolution of 19 December. The Taleban, in turn, informed the UN to close its office in Kabul.

Then, on 26 February, Mullah Omar made his surprising announcement of the order to destroy all statues and pre-Islamic shrines in Afghanistan, including the great Bamiyan Buddhas. He said simply that this was, "Because God is God and these statues are to be worshipped and that is wrong. They should be destroyed so that they are not worshipped now or in the future." The Taleban' s Voice of Shariat Radio announced that Mullah Omar had made this order because the four hundred Islamic

scholars of the ulema had issued a fatwa. The order was surprising because, only two years before, after the Taleban had first captured Bamiyan, Mullah Omar had ordered that the Buddhas should be viewed with "respect" and as a potential source of tourism.

Widespread international condemnation came quickly. Christian Manhart, the head of UNESCO' s Asia Division, said his organisation "considers this to be a crisis." He said, "We are scandalised." He added, "I think we have to see this not only in the religious context but also in the political context, bearing in mind the recent sanctions. But UNESCO has no influence over sanctions." Kofi Anan himself urged the Taleban to reconsider and "to do all in their power to preserve the unique and irreplaceable relics of Afghanistan' s rich heritage." He said, "Destroying any relic, any monument, any statue will only prolong the climate of conflict." Italy' s ambassador to Pakistan, Angelo Gabriele de Ceglie (who is also a representative for the Society for the Preservation of Afghanistan' s Cultural Heritage), said, "It' s a great loss, a tragedy for the Afghan people and for the world." Germany, France and Russia made similar appeals. Great concern was also expressed by the Buddhist countries, such as Cambodia, Thailand and Sri Lanka, and also by the Dalai Lama.

Of particular interest, however, were the attitudes expressed in other Muslim countries. The government of Qatar, current Chairman of the Organisation of the Islamic Conference, said that it "believes that these ancient monuments, regardless of their nature, belong to a common heritage, which must be protected." Pakistan' s Foreign Ministry said, "We appeal to the Afghan government to take measures to fully protect Afghanistan' s rich historical monuments, sites and artefacts. We hope that the Afghan government will show the spirit of tolerance enjoined by Islam, as well as respect for international sentiment in this regard." In Tehran, the Iran News said, "Islam never preached the destruction of objects that depict the belief and history of millions of people throughout the world." It said the Taleban wanted "not only to erase the past and present of Afghanistan but also to strip the country of anything that may form a cultural basis for its future." In Cairo, the Grand Mufti of Egypt, Nasr Farid Wasel, said that the statues were "just a recording of history and don' t have any negative impact on Muslim

beliefs." In India, Syed Ahmed Bukhari, the Shahi Imam of the Jama Masjid of Delhi, India's leading mosque, said, "I will negotiate with the Taleban leaders to hand over the Buddha statues of Bamiyan to India if Vajpayee makes a statement accepting the Babri Masjid demolition as a national shame." He was referring to the earlier demolition of the ancient mosque in Ayodhya by Hindu militants in 1992.

Both India and a New York museum offered to take the Bamiyan and other statues if the Taleban would agree to spare them. However, all these appeals were ignored. Indeed, many came too late. On 1 March, Information Minister Qadratullah Jamal announced in Kabul that, "The implementation of Mullah Omar's order to destroy statues began this morning." An eye-witness in Bamiyan, Safdar Ali, saw the Taleban soldiers firing anti-aircraft guns at the giant statues. A UNESCO spokesman lamented, "They are destroying statues that the entire world considers to be masterpieces."

However, the old statues, though only carved from sandstone, did not yield easily. On 4 March, the Taleban began again, now using explosives, but only about a quarter of the statues was reported to have been destroyed. Another attempt was made on 8 March, this time using dynamite charges and finally the statues were completely gone, to the accompanying cries of Allah Akbar (God is Great) from the nearby Taleban soldiers. Later, the Taleban ordered the ritual slaughter of 100 cows, with their meat to be distributed to the poor, in an act of atonement because it had taken so long to destroy the statues. Moreover, it was reported that around 6,000 smaller statues, housed in the Kabul museum, had also been destroyed. Wahil Ahmed Muttawahil told Kofi Annan, during the latter's visit to Pakistan, on 11 March, that, in addition to the Bamiyan statues, "All the movable statues have been destroyed." It is ironic that it was only in the summer of 2000 that this museum had been reopened to the public after an interval of ten years. During that time, extensive and painstaking work had been undertaken to sort and record its remaining artefacts.

No regrets

Mullah Omar was quite unimpressed by the international reaction to his order. He said, "We do not understand why everybody is so worried. All we are breaking are stones." The Taleban's

ambassador to Pakistan, Mullah Abdul Salam Zaeef, was a little more explicit. He said, "The UN is concerned about the statues but is not paying any attention to the sufferings of the poor Afghans."

A few days later, the Taleban sent a 24-year old roving ambassador, Sayed Rahmatullah Hashimi, to New York in an attempt to ease Afghanistan's growing isolation. He explained in more detail the reasons for the Taleban's actions. He said that a delegation, consisting of Europeans and a representative of UNESCO, had arrived in Afghanistan in February. They had offered money to protect the Bamiyan statues at a time when there was fighting in the area. The delegation had made an offer to Afghan scholars to repair and maintain the statues. He said, "The scholars told them that, instead of spending the money on statues, why didn't they help our children, who are dying of malnutrition? They rejected that, saying, 'This money is only for statues.' They said, 'If you are destroying our future with economic sanctions, you can't care about our heritage.' And so they decided that these statues must be destroyed."

Mr Rahmutullah had further explained that Afghanistan's Supreme Court had then confirmed the edict of the scholars of the ulema. He explained, "If we had wanted to destroy those statues, we could have done it three years ago. So why didn't we? In our religion, if anything is harmless, we just leave it. If money is going to statues, while children are dying of malnutrition next door, then that makes it harmful and we destroy it. What do you expect from a country when you just ostracise them and isolate them and send in cruise missiles and their children are dying. You don't recognise their government. It is a kind of resentment that is growing in Afghanistan."

How far this description of the course of events leading up to the destruction of the statues is accurate is a matter of speculation. It is believed that the ulema had been considering the fate of the statues for some months before the decision was announced. However, the imposition of fresh UN sanctions in December, followed by the temporary loss of Bamiyan in January, added to the appalling humanitarian crisis, certainly tilted the balance of opinion among the Taleban leadership against the moderate voices and in favour of the hard-liners. It was easier for the Taleban to blame the UN, which they see as the

tool of the United States and Russia, and to undertake an act of crude defiance against the World community, rather than to look closer to home for the reasons for Afghanistan' s steady downward spiral.

It is true that Afghanistan has been badly affected by the drought. However, there are other major causes of Afghanistan' s misery for which the Taleban are themselves largely responsible. They have ensured a continuation of the internal conflict by refusing to discuss a reasonable settlement with the opposition, whom they insist must submit to a single military command run by the Taleban. They have helped to ruin Afghan agriculture, first by letting the cultivation of opium poppies run riot and, then, suddenly eliminating it without any planned attempt at crop substitution. They have also ensured the alienation of most of the world' s major powers, and particularly the US, Russia and India, by their undoubted support for groups which use violence to undermine these countries. In spite of this, the United States has remained a principle supplier of wheat for the World Food Programme' s relief efforts in Afghanistan.

No more sanctions

Kofi Annan warned the Taleban' s Wahid Ahmed Muttawahil that they would be doing themselves "a great deal of disservice" by destroying the statues. He said, "No government has told me categorically that we would not help the desperate people of Afghanistan but it' s not going to be easier now to raise money." Later, in Kathmandu, he urged that there should not be further UN sanctions against Afghanistan because of the destruction of the statues. A few days later, Mr Rahmatullah was in Washington to ask the US government "to try to be pragmatic." He said, "Trying to change our identity by UN sanctions will never work." Meeting officials of the State Department and the National Security Council, he told them that Afghanistan had complied with US and UN requests to eradicate the poppy fields. Now the Taleban needed aid to grow alternative crops like wheat and cotton.

While it is almost impossible to show any sympathy with the Taleban, it can hardly be said that the people of Afghanistan as a whole have brought this fate upon themselves. Traditionally, they have been a very conservative and rather puritanical people, deeply wedded to a style of

Islam heavily influenced by their essentially tribal society, although with significant differences varying between the several tribes (Pushtuns, Tajiks, Hazarachs, Uzbeks, Turkmen, Kirghiz, etc).

Early attempts to introduce modern western ideas were fiercely resisted and led to the fall of King Amanullah in 1929. A measure of progress came with the introduction of the 1964 Constitution by King Zahir Shah. However, the pace of change began to be forced, first after the overthrow of Zahir Shar, in 1973, and then with the dismissal and murder of Muhammad Daoud Khan, in 1978. Antipathy between the succeeding radical socialist and secular government, which followed, and the traditional religious and tribal interests provoked the Soviet intervention in 1979. This led to the last great conflict of the Cold War, with the United States providing money and sophisticated weapons to the various mujahidin groups, which successfully prevented the Soviet army from maintaining effective control over the country.

Since then, Afghanistan has been a battlefield. The Soviets withdrew in 1989, four years after Michael Gorbachov came to power and shortly before the final collapse of the Soviet Union. However, the mujahidin groups continued to fight among themselves until they were largely swept aside by the Taleban. The very narrow perspectives of the Taleban fighters, brought up largely in poverty but inspired by the harsh and rigorous teachings of the madrasahs, make the Taleban an almost impossible dialogue partner. While the United States and Russia are now combined in seeking to rid the world of the menace of the Taleban, it must be recalled that it was their former rivalry in Afghanistan, which has led to the present crisis in that country. In spite of the Taleban' s deliberate snub to the World community, by the destruction of a major part of the cultural heritage of their own country, the World community must not turn its back on the people of Afghanistan. President Bush and President Putin, as well as the leaders of the European Union, should take heed of the wise words of Mr Kofi Annan.

Editor' s Note: In preparing this analysis, the author has been aided by a number of useful sources. These include Mary Louise Clifford' s "The Land and People of Afghanistan" (1962), "Central Asia", edited by Gavin Hambly - and particularly the chapters by David Bivar - (1969)

and, especially, Peter Marsden' s "The Taliban - War, Religion and the New Order in Afghanistan" (1998). More recent information has been gleaned from the reports of the British Agencies Afghanistan Group, particularly the Situation Reviews for April-June, July-September and October-December 2000 and the Monthly Review for February 2001. Additional material has been taken from over ninety newspaper reports, principally from the *International Herald Tribune*, the *Independent* and the *Financial Times*, over the period from December 1999 to March 2001.

WILL ASEAN BECOME AN ASIAN EU?

by John Quigley

The European Institute for Asian Studies (EIAS), in association with the European Policy Centre (EPC), Brussels, hosted a talk in the Dorint Hotel, Brussels, on 23rd March, with the Secretary General of the Association of South-East Asian Nations (ASEAN), H.E. Mr Rodolfo Certeza Severino.

At the outset, the Secretary General said that ASEAN would never be like the EU. To those who felt it should, he quoted the famous lament of Professor Higgins, in ‘My Fair Lady’, when he asked, ‘Why can’t a woman be more like a man?’ ASEAN was not designed to be like the EU, he said, and would not evolve in the direction that the EU had taken. Certain unique circumstances, such as historical, cultural and ideological factors had made the EU what it was today. The EU, he said, was built on an institutional system that was the only one of its kind in the world. ASEAN, on the other hand, was a voluntary association of sovereign states that did not yield their sovereignty to a central authority. ASEAN did not have a parliament, a court of justice or a court of auditors, no common currency and no central monetary authority. Each ASEAN member state, and not ASEAN as a whole, negotiated trade agreements with other countries. The ASEAN Secretariat did not have any supra-national authority or responsibility.

However, Mr Severino said that ASEAN had gone beyond other regional organisations and was close to creating a free trade area. Within one year, tariffs on most goods, traded within ASEAN, should come down to 5% or less. ASEAN was co-operating to streamline customs procedures and negotiations on liberalising intra-ASEAN trade in services had started. ASEAN had formulated plans for an integrated power grid and a gas pipeline network that was designed to provide energy security for all member states. Co-operation in the area of financial services had been increased. ASEAN’s finance ministers met to monitor economic developments and encourage national reforms. The currency-swap arrangement had been

expanded within ASEAN and was being enlarged to include China, Japan and Korea.

Recognising the importance of information technology, the member states had launched the ‘e-ASEAN’ initiative. It sought to promote IT infrastructure development by encouraging the participation of the private sector. ‘E-ASEAN’ would also liberalise trade and investments in ICT goods and services. In the last few years, ASEAN had promoted a network of official and informal contacts between the government and the private sector, which had strengthened the sense of community in the region. This network had allowed ASEAN to deal co-operatively with the problem of haze pollution arising from forest fires, had helped conserve bio-diversity and helped the surveillance of contagious diseases and the fight against drug trafficking and drug addiction.

The Secretary General pointed out that all this co-operation, and regional initiatives between member states, had resulted in one ‘singular achievement’, namely, ASEAN’s approach to the conduct of relations between its members, which had made the likelihood of inter-state conflict unthinkable. Bilateral issues, including boundary disputes and the movements of people, were dealt with bilaterally, that is, without unnecessary regionalisation or internationalisation. ASEAN, Mr Severino said, must carefully nurture its cohesion. Its institutions and processes must evolve slowly. The building of formal institutions had been gradual because ASEAN had traditionally relied on informal understandings and voluntary arrangements. Despite being founded in 1968, ASEAN had only concluded its first binding agreement in 1976, with the Treaty of Amity and Co-operation in South-East Asia. ASEAN was holding discussions with China on a code of conduct for the South China Sea that would be a declaration of political intent, rather than a legally binding instrument.

Although ASEAN was not a military alliance, its military chiefs met regularly, informally and socially. ASEAN did not, however, have peace-keeping operations, had no armed forces at its disposal and did not undertake joint military exercises or joint planning. Equally, there was no common foreign and security policy. ASEAN did, however, initiate the ASEAN Regional Forum (ARF) to provide for consultations and dialogue on

political and security issues affecting the Asia-Pacific region. The ARF was not a military alliance but tried to develop a capacity to prevent conflicts through diplomacy. The ARF had started to study the possibility of engaging in conflict-settlement. Efforts to strengthen security and stability by ARF included publishing defence white papers, maintaining a regional registry of conventional arms, joint training in disaster relief, de-mining and search and rescue. There were also visits by high-ranking defence and military officials to ARF meetings for bilateral contacts on current political and security questions.

Thus, the Secretary General said, "ASEAN falls short of where the EU is today". However, ASEAN was moving towards closer economic integration and firmer institutionalised collaboration. Now that the ASEAN Free Trade Area was about to become a reality, some countries were talking about a possible customs union. Also, the integration of markets in services was under discussion and the idea of a common currency was no longer unthinkable. ASEAN leaders, he continued, had already called for a greater use of ASEAN currencies for the settlement of commercial transactions between member states. Eventually, he speculated, ASEAN might have to develop "norms of governance", similar to what the EU had done. In conclusion, Mr Severino commented that ASEAN would not become exactly like the EU but domestic and external forces and the imperatives of regionalisation could move ASEAN to resemble the EU more closely than it currently did.

Questions and Comments

The Secretary General of EIAS, Dick Gupwell, asked how the "ASEAN plus three" process (ASEAN + China, Japan and South Korea) would help the integration of ASEAN itself. A representative from EPC, Eberhard Rhein (formerly of the Commission), asked how the ASEAN Secretariat interacted with its member states. He wondered how the ASEAN experience of enlargement could be compared to that of the EU. He asked Secretary General Severino to speculate on where the external borders of ASEAN might lie by 2020. Jonathan Scheele, Head of Unit for ASEAN in the Commission's Directorate-General for External Relations, said that the Commission aimed to introduce a Communication this

Summer on the future of the EU's relations with Asia. He said that the supra-nationality idea had never been on the ASEAN agenda. Indeed, it had taken 25 years for the idea to be really accepted in Europe. However, the European Union did have some concerns about where Asia was going. This could have repercussions, not only for the EU-ASEAN relationship but also for relations with other Asian regional actors. The structures for ASEAN-EU co-operation did pose certain problems. It was easier for the EU to deal with one ASEAN rather than with 10 member states. The EU had expressed some frustration about the slow pace of progress in the ASEAN Regional Forum (ARF). Today, the EU had to question where the main motor for ASEAN development could be found; traditionally that role had been played by Indonesia. The EU had to examine whether it would deal with ASEAN or reinforce its 10 bilateral relationships. He asked the Secretary General for his views on the role being played by India, which had recently been admitted to the ARF process. Was it now a case of "ASEAN-plus-four" or of "ASEAN-plus-three" and "ASEAN-plus-one" (India)?

Paul Lim, EIAS Senior Research Fellow, felt that ASEAN, in the past, had been pulled towards East Asia rather than South Asia because most investment money was found in the East. He pondered on whether the Secretary General could see an "ASEAN way", whereby those disputes that could not be settled by unanimous decision were instead brushed under the carpet. He posited that this might be because of cultural factors, as Asians did not like confrontation. He asked what ASEAN would do to help Indonesia. Dr Lim said that the break-up of the country could cause an enormous outflow of refugees. H.E. Mr Ampalavanar Selverajah, Ambassador of Singapore, said that ASEAN was a group of equals. He recalled the words of former President Suharto, who had said that, if ASEAN had achieved success in the past, this was precisely because Indonesia had not taken the lead. ASEAN, he felt, could cause itself harm if it depended on just one model of integration. He compared this fear to the recent deterioration of the Franco-German alliance, which had caused some anxiety in the EU.

Julian Oliver, the Chief Executive of EPC, who chaired the meeting, noted that Singapore had established public customs standards. This was something that other ASEAN countries should emulate. A process of active benchmarking of

standards would be beneficial to all 10 member states. H.E. Mme Ton Nu Thi Ninh, Ambassador of Vietnam, noted the irony abroad, which meant that, while the external perception of the EU was that it was not clear where it was going, the EU's perception of ASEAN was similar. The less developed members of ASEAN, such as Vietnam, were trying hard to meet the demands of membership. The pace of progress in ASEAN was only as fast as the slowest member and, while some critics felt that ASEAN was moving forward too slowly, Vietnam was running as fast as it could just to catch up with the founder members. The Australian Ambassador, H.E. Mme Joanna Hewitt, asked the Secretary General for his thoughts on whether the EU's process of broadening and deepening might have any lessons for ASEAN.

Mr Severino Replies

Secretary General Severino, in reply, said that the "ASEAN plus three" process had been slow to get started but was gaining momentum. Leaders from ASEAN had been meeting annually with the leaders from China, Japan and South Korea since 1997. The process also saw meetings between finance, trade and industry, and foreign ministers. Finance ministers met for exchanges on macro-economic movements in the region. The meetings should help avoid a repetition of the situation where a crisis in one country moved unchecked to others. ASEAN could, he suggested, expand its currency swap agreement that would provide finance to any member state in balance of payments trouble. Trade ministers had identified some areas where the 13 countries could co-operate. There was talk in academic circles, Mr Severino hinted, of a possible free trade zone. However, the ASEAN way was to proceed gradually on a step by step basis.

The ASEAN Secretariat was nothing like the European Commission. It did not have any sense of executive authority. The Secretariat was the link between the various ASEAN bodies and was not a link between the member states. Traditionally, the member states would come forward with initiatives but, recently, the process had begun to evolve, whereby member states now asked the Secretariat to come forward with studies. As the function of the Secretariat was increasing, so too was the number of people working there. ASEAN leaders, back in 1997, had articulated a

vision of ASEAN for 2020 and beyond. The leaders envisaged an ASEAN that was more institution-based with closer economic integration, with increasingly open societies and devoting more attention to abolishing poverty. Then, in December 1998, the leaders adopted a plan of action to implement this vision. The process of ASEAN enlargement had given rise to some concern among leaders. Member countries did not want to exacerbate the divide between the older, more economically successful, members and the newer, less developed states. Unlike the EU, ASEAN did not have a fund to redress imbalances in the economic development of members. However, older members gave bilateral technical and research and development aid to the newer members.

Before the financial crisis, when the ASEAN countries' GNP was growing by upwards of 7-8%, in the eyes of the West, ASEAN could do no wrong. Now, ASEAN economies were again growing with surging exports. However, there was no denying that ASEAN had lost a lot of foreign direct investment (FDI). The entry of China into the WTO would have repercussions for ASEAN, not least regarding the rise of FDI in China. ASEAN did need further institutionalisation if it was to achieve its stated objectives. However, the EU might not be the most appropriate example for ASEAN when the development of European institutions had been slow and imperfect. India was a dialogue partner and, apart from the EU, was the first non-Pacific rim country ASEAN had engaged. India had a major political presence and was also now developing economically. ASEAN had scientific and technology exchanges with India. An "ASEAN plus four" process was unlikely to take off in the near future when there had not even been a mention of a Summit. For the foreseeable future, it would be an "ASEAN plus one" process.

Mr Severino commented that ASEAN had been founded at a time when all founding member states were in dispute with each other. These disputes were, however, bilateral and had not affected the development of ASEAN. He did not think that Indonesia was in any immediate danger of breaking up. Certainly, there were inter-ethnic conflicts but these were confined to specific areas. Like the EU, ASEAN supported the territorial integrity of Indonesia. During the height of the financial crisis, several member

states had supported Indonesian efforts to shore up its finances. ASEAN had traditionally looked to the East but only because the development policies of North-East Asia had been the most similar to ASEAN's. It had not been until recently that India, for example, had started to follow the policies advocated by East Asia.

There had been tension in Europe, Mr Severino believed, between the processes of deepening versus broadening. ASEAN members, however, were all convinced that there could be no other alternative than bringing all South-East Asian nations into ASEAN. Ultimately, it was a question of timing but, eventually, any differences would be settled. The only thing worse than a two-tier ASEAN, he concluded, would be a two-tier South-East Asia. <

EIAS JOINS THE STRATEGIC ALLIANCE FOR ASIAN STUDIES

- Thinking Strategically -

by Willem van der Geest

EIAS seeks to provide information and expertise to the European Union institutions, the academic world and business by disseminating concise, thoroughly researched and up-to-date material on EU-Asia relations and important developments in Asia. What would be more natural than to link up with other leading institutes across Europe in order to widen the base from which to draw on expertise and resources?

Keeping this foremost in mind, EIAS applied for membership of the 'Strategic Alliance for Asian Studies' – a far sighted initiative by the International Institute for Asian Studies (IIAS) of the University of Leiden and the Nordic Institute for Asian Studies in Copenhagen. It was taken in 1997 to promote Asian Studies in Europe and the Institute for Asian Affairs in Hamburg – Germany's leading think tank on Asia – subsequently joined. A first meeting of the now four-member alliance took place at EIAS on March 22.

EIAS in recent years

Attentive *EurAsia Bulletin* readers know about the frequent conferences and briefings, which EIAS organises, on political, economic and security issues between EU and Asia. High profile speakers, from the academic and political worlds, addressed recent meetings in Brussels, such as Sheikh Hasina, PM of Bangladesh and Mr Chen Sui Bian. The latter predicted with dignified confidence, speaking at EIAS in December 1999, that the Taiwanese electorate would return him as their President - which proved to be the case a few month later, when he defeated an internally divided KMT with a small margin in the Presidential elections March 2000. Sabre rattling across the Taiwan Straits has reoccurred, although in-depth examination at our 'China-Taiwan and Europe' conference (See *EurAsia Bulletin* Vol. 4 No. 11&12) showed that serious and fresh thinking about new solutions to reduce tensions is now taking place in both China and Taiwan.

EIAS aims beyond 'merely' providing a platform to political and academic leaders. Several EU-Asia Dialogues have brought together first and second track institutions. EIAS covered, for example, EU-Indonesia relations, as well as cooperation between think tanks in ASEAN and the EU - a collaborative programme with the Konrad Adenauer Foundation. These Dialogues brought together a wide spectrum of participants - from business, governments, NGOs and academia - for exchanges of views on key issues, such as political and economic transition in Indonesia, as well as the ways in which think-tanks can best inform official circles, without loosing academic independence and credibility.

EIAS also researches and publishes on issues of trade, adjustment and governance problems in Asia - this research teases out the implications for European policy in the areas of external relations and trade with Asia. By joining the Strategic Alliance, EIAS seeks to amplify the impact of our meetings, research and forum function through sharing information and jointly organising events. For example, speakers could make a whirlwind tour of Europe, being hosted by the several members of the Alliance across the EU. Similarly, researchers from Asia may work at the various Alliance Institutes – cumulating access to bibliographical resources and meeting with experts from all the Institutes.

Specific activities planned

At the meeting, a number of specific joint activities were planned for the next 18 months – in the run up to the ASEM IV meeting to take place in Copenhagen. Highlights of these were as follows:

- A presentation of the Alliance at the second International Convention for Asian Studies (ICAS-2), which will take place in Berlin in the second week of August 2001;
- A public lecture by External Relations Commissioner Chris Patten on EU-Asia relations at the University of Leiden – scheduled for 15 October 2001 – will be sponsored by the Alliance. This public lecture might facilitate an early public discussion of the Commission's rethinking of its 'New Asia Strategy'. Sources say that by October a communication on relations with Asia is likely to have been discussed by the College of Commissioners and be ready for scrutiny by the Council of Ministers, the European Parliament and, of course, the academic community and other interested civil society across Europe and Asia;
- The extremely successful Asia Update conference on 'Asia and the EU's Common Foreign Security Policy' – organised by the Alliance and EIAS in the European Parliament in November 1999 – will have a proper follow-up. The Alliance intends to mount a further Asia Update conference in Brussels in early 2002 – suggestions for topics and speakers are welcomed herewith and for further announcement watch this space;
- Denmark will be host of the ASEM IV meeting in Copenhagen in the second half of 2002 – but what will be the focus of the ASEM IV agenda? The Alliance – prominently represented by NIAS in Copenhagen—will examine possible agenda items through a series of seminars focusing both on the 'built-in' agenda of ASEM, as well as on 'emerging' issues.

The Alliance is to start work to realise several new initiatives. It was felt, particularly, that an annual Summer school for Asian Studies needs to be mounted – young scholars interacting with the doyens of Asian Studies (as well as practitioners) for a month or so in suitably remote locations truly to learn from each other. It was also agreed to combine efforts to find resources for 'Alliance Visiting Research Fellowships' to enable Asian researchers to spend time at the Alliance institutes across the EU –

but also to enable EU-based researchers to spend time at corresponding centres in Asia.

Finally, it was recognised that the Alliance should by no means be a closed club. Membership is expected gradually to expand and to include both EU and Asian members as time unfolds.

How EIAS members will benefit

EIAS members will, of course, find out more about the forthcoming Alliance activities through their own EurAsia Bulletin and EIAS website. But there is more to be gained:



EIAS members will as of now also be registered to receive the compelling IIAS Newsletter published from Leiden – its 25th issue will reach you in September. It will brief you about recent numerous



conferences, as well as ongoing research – indeed, some jobs and fellowships advertised may be of interest to you. Finally, information about meetings and conferences at the Alliance institutes will reach you directly once information and database sharing falls into place.



To find out more about the institutes forming the Strategic Alliance, please contact us and visit the respective websites indicated below!

INSERT HERE THE WEBSITE ADDRESSES !

SHAVEERYAM OR “TOGETHERNESS IS STRENGTH”

by Navtej Dhillon

The EU-India Network for Corporate Social Responsibility (formerly known as the Business Network for Social Responsibility), a project funded by the European Commission and backed by the Government of India, was launched in February 2001 and is now operational. The objective of the project is to promote the spirit and practice of corporate social responsibility between the EU and India. The network will also act as a forum that brings together European and Indian voices on salient issues, such as labour standards, child labour and the environment.

This project was developed by the European Institute for Asian Studies (EIAS). The network is based at the Institute. At the core of the project are the three other partners. The *Assemblée Permanente des Chambres des Métiers* (APCM), based in Paris, looks at ways in which the craft sector can be protected, preserved and advanced. The Natural Resource Institute (NRI), based at Chatham, carries out detailed studies and offers consultancy services on all aspects of trade and business practices, where social standards can be improved. The Business and Community Foundation (BCF), based in New Delhi, works mostly with large multi-nationals in developing community-based projects in India.

Each partner specialises in a different area of sustainable development. The work of each partner will be discussed in the forthcoming editions of *EurAsia Bulletin*. This issue focuses on BCF. The ideas and philosophy behind the work of BCF is particularly interesting from a European perspective.

BCF, which was established by Indian and international companies, in association with the Prince of Wales Business Leaders Forum (PWBLF) in the UK, places the idea of ‘partnerships’ at the centre of its thinking. It argues that economic globalisation, political transition and technological transformation are creating rapid changes in today’s society. There is a growing realisation that ‘partnerships’ among business, state and civil society can

positively influence the quality of life of the ordinary citizen. Barriers between various sectors should be removed, in order to resolve social issues and develop systems based on collaborative and consultative models that facilitate the feeling of synergy.

BCF is trying to revive the ancient Vedic concept known as ‘*Shaveeryam*’, as a model for developing partnerships. *Shaveeryam* is a Sanskrit word, which means ‘togetherness is strength’. The *Shaveeryam* model requires you to see yourself as a key and central player, and reflect upon your scope and limitations, and analyse how you can contribute to change the social scene. It advocates constantly aligning yourself with others to achieve a common aspiration. Based on this model, BCF is trying to facilitate new partnerships between business, the private sector and civil society organisations.

Cadbury India, one of the members of BCF, has initiated a community development programme that was launched in April last year. The project is targeting community needs in Malanpur – a village near Gwalior. Cadburys is working with the local community and raising social awareness, so that the community can become an active agent of social change. Working with BCF, and the *Shaveeryam* model, Coca Cola has taken positive steps towards fulfilling social responsibility in the town of Wada – where the company has a bottling plant. The focus of Coca Cola’s project is improving the socio-economic standards of the local population. There is a strong emphasis on local people actively participating in all stages during the implementation of the project. The responsibility for implementation of the project has been devolved to a local organisation. This is in line with BCF’s philosophy of building partnerships to achieve common goals.

The EU-India Network can benefit enormously, not only from the wealth of experience BCF has in this field, but also from its insight into the needs of India and ways in which European companies can contribute to local communities. It has an excellent grasp of the cultural complexities in India and how these translate into the workplace, and their impact on corporate social practices. <

For further information, visit the BCF website:
www.bcfindia.org