

Business Briefs

Living Standards

Poverty Is on the Rise in South Asia, Says UN

The figures released on May 16 by the UN Development Program's Poverty Report 2000, show that the estimated poor population in Bangladesh, Nepal, and Pakistan registered a significant increase between the mid-1980s and mid-1990s. The number of poor in Pakistan, it said, increased from 28.9 million to 31.8 million, increasing 1.4% annually. An annual rise of 3.1% was recorded in Nepal, followed by India at 1.9%. Thus, the estimated poor population went up in Nepal from 7 million to 9.8 million, while in India it jumped from 277.4 million to 335.3 million. Sri Lanka was the only South Asian country to have kept poverty from increasing. Its poor population fell from 4.5 million to 4.0 million, marking a 2.4% annual drop.

According to the *South Asian Poverty Monitor* (Bangladesh Institute for Development Studies, 1999), a report of the South Asia Poverty Alleviation Program, faulty governance is a major reason for the failure of the poverty programs in South Asia. Too often such programs are poorly managed, with beneficiaries never receiving the funds intended for them or being allowed to participate fully, it stated.

Economic Policy

South Africa Said To Favor 'China Model'

South Africa is set on following the "China model," African National Congress (ANC) Secretary General Kgalema Motlanthe told the *Mail and Guardian*, in a May 12 interview. Motlanthe stood by his May Day speech, in which he was supportive of a strike by the Congress of South African Trade Unions (Cosatu), the labor confederation.

On May 10, an estimated 4 million workers, or 50% of South Africa's workforce, who are faced with 30% unemployment and the loss of possibly 500,000 jobs over the

last five years, joined a 24-hour nationwide strike to create jobs. Motlanthe commended the Cosatu alliance for taking its protest action against the unemployment crisis and acute poverty to the streets. "There is no revolutionary trade union movement that has ever achieved its strategic objectives in the boardroom. You must mobilize in the forefront and put pressure on business to invest solely to create job opportunities," he said. "Those who doubt the ANC's commitment to ending job losses are doing so because they labor under counter-revolutionary impressions."

On the International Monetary Fund, Motlanthe said: "It is very fashionable for people to say that the macroeconomic policy of the country is dictated by the IMF or the World Bank. These people [who make these remarks] have not even made a study of South Africa's economy. We are not accountable to the IMF or World Bank, as we have not borrowed from them. . . . There are those who take instructions from them because they owe them. In fact, South Africa [and] Malaysia are the only two countries from the developing world who can speak their minds in their [IMF and World Bank] presence."

Agriculture

Time for Phase Two of Green Revolution

Agro-scientist and regional representative of the International Maize and Wheat Improvement Program Dr. Peter R. Hobbs told the Pakistani daily *The Dawn* on May 13, that the region needs to launch phase two of the "green revolution" to meet the food needs of a growing population. But, he said, the cause is not helped "if there are political problems," i.e., the situation demands closer India-Pakistan efforts.

For phase two of the revolution, Dr. Hobbs is recommending technologies which conserve resources, reduce input costs, and increase yields. The main technology is Zero Tillage, and Laser Land Levelling and Furrow Bed are its other components. They hold tremendous benefit for farmers and coun-

tries, he said, listing the results of their application as "reduced costs, more profit, and higher yields for farmers, cheaper food for consumers, and lower fuel imports, less steel for tractor parts, less water per unit of grain, and more efficient fertilizer use for the country."

Thailand

Business Leader Says, Anti-IMF Regime Needed

A call to replace the pro-International Monetary Fund (IMF) regime in Thailand, by Amarin Khoman, the president of the Thai Star Group and a family member of former Foreign Minister Thanat Khoman, was printed by the *Bangkok Post* in its May 21 *Perspective* column. The *Post* drew attention to the piece, flagging it as "Guest Column/National Crisis: Desperately seeking another Pridi—Those who believe that Thailand is once again in the grip of unequal agreements with foreign powers await the coming of a new nationalist messiah."

Dr. Pridi Banomyong founded Thammasat University and was the leader of the Free Thai Movement against Japanese occupation during World War II. That resistance movement saved Thailand from being branded a belligerent country by the Allies, and it was Dr. Pridi who renegotiated the "unequal treaties" with colonial powers, notably Britain. Khoman compares those treaties to the contents of the eight Letters of Intent Thailand has signed with the IMF since August 1997, which, he declares, "almost surrender our sovereignty to foreign powers." He also attacks passage of the 11 "rehabilitation laws," passed under IMF pressure, which patriots call the "11 treacherous laws," aimed at selling off public sector firms, utilities, and airports.

The author criticizes current Thammasat faculty and alumni, for abandoning the university's tradition of campaigning for the national interest, preferring to be bought off with government positions and grants, including an 800 million baht Miyazawa Fund grant to study small and micro enterprises during the recent crisis. He accuses the gov-

U.S. SECURITIES Exchange Commission Chairman Arthur Levitt warned that “people are being foolish to borrow on their homes or on other assets,” for cash to play the stock markets, the May 20 London *Financial Times* reported. He was speaking at a conference of securities regulators in Sydney, Australia. “They will pay a price for it,” he said.

THE U.S. TRADE deficit hit a record \$30.2 billion in March, and overall imports rose for the sixth consecutive month to a record \$117.4 billion, up from \$113.6 billion the previous month.

THE DANUBE Commission has finally agreed on a \$21 million plan to clear the river, the Commission president told Reuters on May 18. Work is expected to begin in about five months, and focus around the city of Novi Sad in Serbia’s Vojvodina province, where NATO destroyed three bridges over the river.

TUBERCULOSIS, malaria, and other diseases once thought to have been eliminated from many South-east Asian countries, “have again emerged as a major health concern,” the *Straits Times* reported on May 1. “Even rarer diseases such as leprosy and yaws are again emerging in countries such as Thailand and Indonesia, hardest hit by the economic crisis.”

BRITAIN’S investment in rail infrastructure has dropped by such an extent under privatization, that many trips take longer today than they did a century ago, according to figures presented to a Parliamentary hearing on May 16. For example, in 1900, a train ride from Manchester to Liverpool, with steam trains, took 40 minutes; today it takes 47 minutes, because of the condition of the tracks.

UZBEKISTAN said on May 16 that it will open up its uranium sector to foreign investors, by inviting them to help develop five uranium deposits with proven reserves of 27,000 tons. The nation’s proven reserves are about 80,000 tons.

ernment of increasing public debt “from one trillion baht—of which by courtesy of George Soros—to 3.3 trillion baht,” as well as the moral decline of the country, as seen in an unprecedented number of drug users and 100,000 students forced to leave school.

Khoman invokes the “wisdom and offered guidance” of King Bhumiphol in support of his protest, declaring: “We need a new government with a strong, visionary, and honest leader who has a sense of purpose and is dedicated to the people, the country, and the Throne. We need this government do do away with the unequal commitments imposed by the IMF and others. We need it to dissolve the 11 ‘Traacherous Rehabilitation Laws.’ . . . Otherwise, there will be another Free Thai Movement.”

Globalization

Two Koreas: Those With and Without Jobs

Globalization is creating “social, economic, and regional disparities” in South Korea, and these “social paradigms are worsening, creating what Prof. Bob Gregory of Australian National University termed as ‘two nations,’ those with jobs and those without jobs,” Sohn Hong-keun writes in the May 17 *Korea Times*. The new urban unemployed, along with farmers in Korea, have become “a class of ‘work-poor’ families, and their income status is riskier now more than ever due to economic globalization, which can be viewed as an ‘ethical and moral menace.’ ”

Voters skewered President Kim Dae-Jung in South Korea’s April 13 election because of his refusal to stop globalization, according to the article.

“Professor Timothy Gorrington in his book *Fair Shares: Ethics and the Global Economy* describes that ‘globalization has the potential for destroying society.’ ” Sohn writes. “Professor Dani Rodrik writes in the book *Making Openness Work* that ‘it requires too much blind faith in markets to believe that the global allocation of resources is enhanced by the twenty-something-year-olds in London who move hundreds of millions of dollars around the globe in a matter of

an instant.’ . . .

“Egyptian President Hosni Mubarak also said in a speech that ‘there is a sense that there must be something wrong with a system that wipes out years of hard-won development because of changes in market sentiment. Years of progress are gone, because of developments elsewhere.’ . . .

“Kim Dae-jung’s Korean government must pay special attention to the ‘work-poor’ class and the neglected section of the community. Job security is gone, and young job seekers find it increasingly hard to find full-time jobs. Older job seekers are facing tougher times, and jobs in the labor market are now lower-paid or part-time positions.”

Petroleum

Minister Says Sudan Is Self-Sufficient in Oil

Sudan is no longer importing oil products, and will soon start exporting gasoline from a new refinery near El-Geili, 44 miles from Khartoum, the capital, which is operating at 80-85% of its 50,000 barrel per day (bpd) capacity, Oil Ministry Undersecretary Hassan Ali El-Tom told Reuters on May 10. The refinery was built by a subsidiary of the China National Petroleum Co. and began operation in February. Together with the 10,000 bpd from the El-Obeid refinery, Sudan can meet its domestic needs.

The official said that this constitutes a turning-point for the country, since it used to pay \$300 million a year for oil imports.

Sudan is also exporting crude oil, pumping 200,000 bpd, which it hopes to increase to 230,000 bpd by next year. The Greater Nile Petroleum Operation Co., which is developing Sudan’s oil, is made up of Talisman (Canada), Petronas (Malaysia), and China.

Sudan is planning to open up regions in the center and north of the country to prospecting by foreign firms. Sudanese Minister of Industry and Investment Dr. Abd Halim Al-Muta’afi, who recently held talks with Malaysia on developing Sudan’s oil, said he hoped Malaysia would invest \$1 billion in this sector. Trade between the two countries almost doubled from 1998 to 1999.