

## KMT LOSES PRIMACY

### IN TAIWAN

by Duncan Freeman

The recent Legislative Yuan elections in Taiwan are a significant political milestone. For the first time a party other than the Kuomintang (KMT) has the largest number of seats in the main legislative body in Taiwan's system of government. The emergence of the Democratic Progressive Party (DPP) as the leading party in the Legislative Yuan marks a new stage in the evolution of politics in Taiwan, but what seems on the surface to be a decisive result leaves many fundamental questions, including Taiwan's relationship with the Mainland, unresolved.

The Legislative Yuan elections, held on December 1, were the first major political test for the DPP since the victory of its candidate, Chen Shui-bian, in the presidential election of March 2000. That historic election brought to office the first non-KMT president of the Republic of China since the KMT was forced to retreat to Taiwan in 1949, after being defeated by the Chinese Communist Party (CCP) on the Mainland. Since the President is empowered to appoint the Prime Minister, the DPP was also able to form the government.

The period which followed Chen's election has been difficult both for the DPP and for Taiwan, which has suffered an economic recession unprecedented in modern times. Many observers, and certainly its opponents, had considered the new DPP government to have been a failure on many fronts. Despite its poor record, the DPP, rather than being weakened, significantly improved its position in the 225 member Legislative Yuan from 70 to 87 seats, while the KMT found its representation reduced from 123 seats to 68. Despite the dramatic nature of the gains for the DPP, the

## THE MONTH IN FOCUS

### ANALYSIS

---

Elections in Taiwan	1&58
<i>by Duncan Freeman</i>	

### VIEWPOINT

---

Chinese Ambassador Interview	3
<i>by David Fouquet</i>	
Trade Union Co-operation in South Asia	6
<i>by Bishnu Rimal</i>	

### EU-ASIA NEWS

---

New EU-Asia Strategy lacks conviction	9
<i>by Malcolm Subhan</i>	

### INSIDE ASIA

---

Afghan Peace Accord/Indo-Pak crisis	13
<i>by Dick Gupwell</i>	
Sri Lankan Elections	40
<i>by Dick Gupwell</i>	

### EU INSTITUTIONS AND ASIA

---

The European Parliament	44
The European Commission	50
The Council of Ministers	52
The European Council	56
<i>by John Quigley</i>	

### EIAS NEWS

---

Social policies and economic instability	62
<i>by Willem van der Geest</i>	

### EU-INDIA CSR NEWS

---

Where is the voice from the South	69
<i>by Navtej Dhillon</i>	



election has actually failed to resolve completely the political stalemate, which resulted from the KMT's continued dominance of the Legislative Yuan, following Chen's presidential victory. The DPP is still far from holding a majority in the Legislative Yuan and, in the immediate future, much will depend on the alliances which the DPP will be able to form with other parties.

## **Background**

The election of Chen Shui-bian and the DPP gains in the Legislative Yuan may be seen as the culmination of a process of political reform begun in the 1980s, which has moved Taiwan from dictatorship, in which the KMT was the ruling party, to open and increasingly democratic politics, which have seen the dominance of the KMT gradually eroded.

**D**espite the huge changes of the past decade, to a large extent it is true that the politics of Taiwan, as everywhere, remain firmly embedded in its past. The KMT had its roots as a revolutionary group, set up by Sun Yat-sen in the late nineteenth century, in the struggle against both Western Imperialism and also the Qing dynasty, which was overthrown in 1911. Although, by the late 1920s, the KMT was able to claim to rule the whole of China, in reality its authority through much of the country was exercised through alliances with warlords, who pledged their allegiance to the central government without ever fully accepting its authority. Most importantly, the period of KMT rule was increasingly dominated by the triangular struggle against Japanese aggression and the Chinese Communist Party (CCP). While the KMT and CCP were allies under the tutelage of the Soviet Union, following an agreement made in 1923, a decisive split occurred in 1927 when Chiang Kai-shek turned on the CCP, killing many of its members and beginning a feud, which the defeat of the KMT by the CCP on the Mainland and its flight to Taiwan in 1949 by no means ended. The claims of each side to be the sole legitimate government of all of China, of which both consider Taiwan to be an integral part, were fundamental to their perceptions of their own legitimacy. In Taiwan the confrontation with the 'communist bandits' on the Mainland was the main justification for the dictatorship maintained under martial law by Chiang Kai-shek in Taiwan after 1949.

In Taiwan, prior to the relaxation of the 1980s, all challenges to the KMT had been ruthlessly crushed. However, with the change in political

atmosphere, the DPP emerged as a coalescence of dissident politicians, many of whom had suffered imprisonment at the hands of the KMT. The party was formally established in 1986, at a time when formation of political parties was still illegal under martial law, which was only lifted in 1987. It brought together different strands of opposition politics and quickly established itself as the only serious alternative to the KMT. In the 1989 Legislative Yuan elections, the DPP was able to gain 28.2% of the vote, increasing this to 33.1% in 1992. Yet, although the DPP was able to establish a sizeable following, it was not able to come close to challenging successfully the hold of the KMT. In these elections, the KMT still received about 60% of the vote.

**I**n addition to opposition to one-party KMT rule and advocacy of democratisation of Taiwan politics, the DPP has been closely associated with support for Taiwanese nationalism, or pro-independence policies, that is to say a rejection of the basic tenet that Taiwan is a part of China. It has been widely noted that the main political divide in Taiwan is along ethnic, or national identity lines. About 15% of the population are Mainlanders, essentially those who fled in 1949 and their descendants. Apart from a small number of aborigines, the rest of the population are Taiwanese, in fact the descendants of emigrants, mainly from Fujian province just across the Taiwan Straits on the Mainland, who arrived on the island during the 18<sup>th</sup> and 19<sup>th</sup> centuries.

**W**hile it does not fully explain political allegiances, this is certainly a major factor. The KMT retains the support of many of the Mainland community who fled after the communist victory in 1949. The DPP, with its tradition of Taiwanese nationalism, draws support from the native inhabitants of the island. However, the ethnic division, or pro-reunification or pro-independence policies, do not fully explain the allegiances of voters. In fact, most opinion polls in Taiwan show that most inhabitants of the island are happy to retain the current status quo. While, to some extent, this may present some wishful thinking, a hope that the issue can somehow be evaded, it also shows that there is little support for radical pro-unification or pro-independence positions.

**Continued on Page 58**

**QUESTIONS IN  
EU-CHINA RELATIONS**

David Fouquet interviews the former Ambassador of China to the EU, H.E. Song Mingjiang.

*Does China view its relations with Europe as strategic, in the same way it regards its contacts with the United States, or primarily in an economic and trade context?*

**A**s a rising power, the EU is playing a more and more important role on the international arena. China has been viewing and developing Sino-EU relations from a strategic perspective. Both sides have established the annual summit meeting mechanism. At the fourth summit meeting held not long ago, leaders of both sides reiterated the willingness to expand and deepen Sino-EU co-operation further in various fields on the basis of equality and mutual benefit, and to advance the development of a comprehensive Sino-EU partnership further. The political dialogues and consultations of different modalities at different levels between China and the EU in various fields have a positive impact on strengthening the bilateral co-operation on international and regional issues and the Chinese side hopes to strengthen consultation and co-ordination with the EU, in such fields as global strategic stability, UN affairs, climate change and combating terrorism.

**E**conomic and trade relations are important aspects of Sino-EU relations. The EU has been China's third largest trading partner, important investor and the largest provider of technology and equipment. China is to accede to the WTO, and has started its 10<sup>th</sup> "five-year plan" for national economic and social development. China's economy is expected to enjoy a fast, healthy and stable growth. At the same time, the integration process of the EU is continuing to make new achievements. The economic and trade co-operation, which has great potential, serves as an important engine for the overall development of Sino-EU relations.

*Does China make a distinction in its relation with the West s between Europe and the United States and, if so, why?*

China attaches great importance to China-US relations. Similarly, China does the same to the EU. The world is diverse and colourful and the history, culture, political system, economic development level and advantages of different countries or regions vary from one to another. When developing relations with other countries and regions, we must take all these characteristics into account.

*Would it be possible to single out China's main European partner, perhaps Germany because of its economic influence?*

China maintained relatively good co-operation with all the member states of the EU. China and EU countries have strong complementarity in various fields and enjoy great potential for co-operation.

**O**f course, due to the diversities of the economic scales and advantages of EU countries, China's co-operation with them is diversified in terms of fields and levels. Among EU countries, Germany is the largest trading partner of China, with a bilateral trade volume of US\$19.69 billion last year. China also maintains close economic and trade co-operation with France, Britain, Italy and other EU countries. China's co-operation with Belgium has also developed very rapidly; the bilateral trade volume increased to US\$3.69 billion last year from only about US\$20 million in 1971, when the two established diplomatic relations. The well-known co-operation programmes, such as Shanghai Bell and Xi'an-Janssen Pharmaceutical Ltd, would be regarded as models of co-operation between China and foreign countries.

*Does the European Union's preoccupation with human rights pose a significant problem for China in the relationship?*

It's normal and understandable that we have different views, even divergences, on issues such as human rights, since the social systems, values, histories and traditions and cultural backgrounds between China and EU countries are substantially different. In particular, the two sides are at different economic development levels. One of the most important tasks for developing Sino-EU relations is to handle the differences properly.

After the founding of the People's Republic of China, especially since the launching of reform and opening-up, China's economy has been growing at a high speed. The questions of food



and clothing have been basically solved; the people's educational and health situation has improved by a great margin. The Chinese people are now enjoying a comfortable life. Democratic elections at the grass roots are now being popularised all over the country. We can say that the present human rights situation in China has been the best in Chinese history. Of course, we do not say that China's human rights situation is 100% perfect and no country in the world would dare to say that they do not need any efforts in the field of human rights.

**D**uring recent years, China and the EU have held several rounds of dialogues on human rights and carried out exchanges in various forms with positive results achieved. Facts have proved that dialogues carried out on the basis of mutual respect and equality are the only correct way for both China and the EU to address properly the divergence on human rights and other issues. Such dialogues are conducive to improving mutual understanding, reducing differences and broadening common understanding. They are also helpful to the smooth and healthy development of Sino-EU relations.

*Does China support the EU's recent contacts with the Democratic People's Republic of Korea? Is there a possibility of joint EU-Chinese actions or influence in the country?*

We have all along held that the two sides from the North and South are the major actors in the affairs on the Korean Peninsula. The eventual solution of the Peninsula affairs will depend mainly on dialogues and co-operation between the two sides. The relevant countries should play positive roles and create favourable conditions constantly to this end.

**T**he Chinese side welcomes and supports the EU's improvement of relations with the DPRK. We are willing to strengthen contacts and exchanges of views with the EU and to make joint efforts to maintain peace and stability on the Korean Peninsula.

*How do you regard the emergence of a European Common Foreign and Security Policy, including a defence dimension?*

We have noted that the EU has made important progress in developing the Common Foreign and Security Policy and strengthening defence integration during recent years. This is the logical outcome of the constantly deepening EU integration.

The EU, an important force in the present world political and economic arena, has been playing an increasingly important part in international affairs. We welcome a more positive role by the EU for maintaining the security and stability of Europe and the world as a whole.

*Would China encourage a greater European political, strategic and economic presence in Asia in general and China in particular?*

Since the first ASEM meeting held in 1996, the co-operation between the two continents of Asia and Europe has gained great progress in terms of scope and depth. Last September, the European Commission issued a Communication entitled "Europe and Asia: a Strategic Framework for enhanced Partnerships", which raises many specific and positive proposals for the future co-operation between the two continents. China welcomes and supports EU efforts to strengthen relations with Asian countries and hopes the EU could play a positive role in promoting Asia's peace and stable development, as well as pushing forward Asia-EU's co-operation.

**C**hina is expected to enter the WTO. Its reform and opening up policy is developing in depth and the strategy of developing China's Western Region has been launched. All the above factors will provide unprecedented opportunities and broad space for China and the EU to make full use of the complementary strengths to seek more significant mutual interests. We hope the EU countries can participate more actively in China's modernisation drive. At the same time, the political dialogues between China and the EU have helped broaden common understanding by the two sides on international and regional issues, thus enhancing overall co-operation. This will play a positive part in building more balanced and more stable international relations.

*In which Asian issues would you particularly support a greater European role?*

Situations in Asia are generally stable at present but destabilising factors do exist. In particular, terrorism, which has become an international public hazard, poses a serious threat to world stability. In the Asia-Pacific region, attempts, such as strengthening bilateral military alliances and developing missile defence systems, are not helpful to maintaining regional peace. The countries of Asia and Europe, which hold the same and



familiar views on many major issues concerning Asia's peace and development, may and should support each other, co-ordinate with each other, further enhance contacts and exchanges of views, seek common ground while setting aside the divergences, constantly deepen co-operation in various fields and make joint efforts to maintain peace and stability in Asia and the world at large and to build a peaceful and harmonious planet.

**E**conomic co-operation between Asia and Europe boasts of great potential and enjoys promising prospects. European countries with highly-developed economies possess rich resources, in terms of technology, capital, talent and management, while Asian countries, among which most are developing countries, have large markets and are rich in natural resources. So both sides from the two continents have strong complementarity. In the context of an acceleration of economic globalisation, the EU is absolutely able to play a positive part in supporting the recovery and development of Asian economies through ASEM and other existing mechanisms.

*What does China regard as the major benefits and problems arising from its expected entry into the World Trade Organisation?*

The expected entry into WTO, which marks China's total integration into the world economic and trade system, will be surely a significant event to both China and the world as a whole. We are looking forward to finalising the historic process at the ministerial meeting soon to be held in Doha.

**T**he entry into WTO will provide new opportunities to China's economic development. Firstly, China's economic environment will, therefore, improve substantially. The opening-up policies, which China has been implementing over the past 20 years and more, will experience three "transfers". The first is to transfer the opening adopted only in limited scopes and fields at present into the all directional opening; the second is to transfer the experimental and government-policies-directed opening into the law-guided and predictable opening; the third is to transfer the unilateral and self-opening into the mutual opening with other WTO members.

Secondly, following the lowering of tariffs on imports and exports and the relaxation of restrictions on investment, China's foreign

trade will increase rapidly, which will offer new motive forces to the development of the national economy.

Thirdly, China will have chances to participate in the formulation and implementation of the world's economic and trade rules and regulations. This, on the one hand, will be helpful to connect China's laws and regulations governing business relations with foreigners with global economic rules and regulations, and, on the other hand, be convenient for China to settle trade disputes with other WTO members by adopting WTO multilateral dispute-settlement mechanism.

**F**ourthly, entry into the WTO will make it possible for China's enterprises to have more opportunities to enter into international markets and contact enterprises from other countries, so as to upgrade those enterprises' capabilities to participate in international competition and to make a better subsistence and development through international competition.

Of course, China will also face some problems and challenges after entering the WTO. China's traditional industries, such as agriculture, services and some state-owned enterprises, will face sharp international competition and some industries will even suffer seriously from negative impact for a period of time.

At present, the Chinese government, at different levels and enterprises, is endeavouring to make all necessary preparations for WTO accession. After the accession, China will undertake corresponding obligations, while enjoying rights according to the principle of balance between obligations and rights. As a big responsible nation, China will abide strictly by WTO rules and honour its commitments and make contributions to the development of the multilateral trade system and the world economy. ■

### **Editor's Note:**

For details of a farewell address by H.E. Song Mingjiang, on 2<sup>nd</sup> October, see *EurAsia Bulletin* Vol. 5 No. 10&11 p56.



## THE NEED FOR TRADE UNION CO-OPERATION IN SOUTH ASIA

by Bishnu Rimal

In South Asia, only around 10% of workers are unionised. The general trend in the labour market is a denial of basic labour rights, particularly in the informal sector. The process of *informalisation* in the industrial sector is increasing day by day. Globalisation of capital has resulted in a steady increase in unemployment and a drastic deterioration in the living and working conditions of labour. It has resulted in privatisation, closures and retrenchments of companies and led to massive job losses.

Sub-contracting of work by companies to small family or home-based units is also increasing simultaneously with sub-contracting and the *casualisation* of labour. Another impact of globalisation is *de-unionisation* in the work place. The result is a reduction in membership and a weakening of the bargaining capacity of the trade unions. This process has intensified the exploitation of the toiling masses. The rich are becoming richer and the poor poorer.

Therefore, the central trade union demand today is to put an end to the adverse effects of globalisation. These are typified by massive job losses, the creation of poorly paid jobs in the informal sectors, the restructuring of enterprises to face competition, the slowdown in industrial growth with growth limited mainly to the service sector, and growing industrial sickness, all resulting from a system of globalised finance capital.

This is not happening by accident. We cannot simply conclude that this is the fault of the IMF, the World Bank and the WTO, the main promoters of globalisation. Moreover, while global competition motivates employers to adopt new strategies, private employers alone cannot be held responsible. Government, which is itself a big employer, should not escape from its social responsibility towards the working masses. Large employers, engaged in *downsizing* and *right sizing* the work force, disguise these activities with new methods like early retirement, voluntary retirement, flexibility, mobility, the golden hand shake, and so on. The pattern of employment is changing rapidly.

By this strategy, employers want to cut down the cost of production. They call for flexible labour arrangements. They resort to lay-offs, retrenchment, sub-contracting and *casualisation* - all to reduce costs. They seek to replace or substitute unskilled workers with skilled, hi-tech employees. They adapt their Human Resource Development (HRD) or industrial relations to increase labour productivity. The essence of their HRD policy is to minimise the number of their permanent employees.

Two different segments of the industrial workforce are affected by this process of *informalisation*. First, hiring takes place only in the skilled, technical or professional and non-unionised segment; here, loyalty is the main consideration. For the semi-skilled and unskilled mass of workers, jobs are only casual. The scenario is marked by a large, non-regular work force and a small percentage of regular workers.

### **The Nepali Context**

Nepal is a least developed country with 50% of its 23 million population living below the poverty line (official statistics put it at 42%). The high disparity in the distribution of income and wealth is ever widening with the intensification of the new economic policies of globalisation. Land is the major asset and agriculture still occupies 80.2% of the labour force. Around 88% of the population live in rural areas and most of them are engaged in subsistence farming.

The total labour force is 11 million and the annual growth rate is 2.4%. Women constitute 47% of the total workforce but 62% in agriculture. However, in the formal sector, only 4% of employees are female. 87% of female and 67% of male workers are engaged in the informal sectors. Unemployment is officially 4.89% but a more realistic figure is 15%. Underemployment is most severe and accounts for 45% of lost human working days.

The Nepali labour market is largely unfair. Working hours, leave and benefits vary between different business and government services. There is still a prevalence of bonded labour and different patterns of forced labour. Contract labour is a serious issue. Gender discrimination is rampant. The serious violation of labour law and international labour standards is a common phenomenon. The sudden imposition of the Essential Services



Act, which aimed to ban workers' strikes in 10 different services sectors, including the hotel, restaurant and catering industry, is one recent example. Social security is almost non-existent in Nepal.

**T**he feudal mentality of employers, in treating their workers not as partners but as servants, is a major hurdle, which needs an overall attitudinal change. On the other hand, the state machinery, even after almost five decades of membership of the ILO, is still less than sensitive on labour issues. For instance, in the government bureaucracy, the Labour Ministry is considered as one of the neglected departments. As a result, labour administration is too weak to implement the laws and regulations in an effective manner. In addition, the government machinery is less socially responsive and does not care about developing a sound social welfare, protection and security system.

In this context, we feel that the conflict between labour and capital continues to play an essential role for most workers and their unions. However, there are additional factors, some of which have become more visible and relevant in recent years. For example, there are the wide differences between the "North" and the "South", between rich and poor countries. Secondly, new questions come up related to gender, the formal and informal sectors, the relationship between the economy and the environment, tradition versus modernity, and so on.

**S**hould trade unionists see the world through the old concept of the division between workers and capitalists or as a regional division between a privileged "North" and an underprivileged "South"? The answer is crystal-clear! We will find the privileged, as well as the underprivileged, both in the "North" and the "South". Thus, the unions, whatever the circumstances, should try to represent the underprivileged from all corners of the world, irrespective of where they work.

### ***South Asia and the Social Charter***

The 10th SAARC summit, of July 1998, developed a Social Charter, which focuses attention on poverty, ill health, illiteracy, malnutrition, population control, HRD, empowerment of women, protection of children and the proper mobilisation of youth. However, it does not include the components related to workers and, thus, differs from the

European Social Charter, which was designed to establish common standards concerning employment, working conditions and social security for the workers of the continent.

**H**owever, the proposed South Asian Social Charter, by not addressing the working class directly, may not prove fruitful. Hence, in addition to its present scope, the South Asian Social Charter should cover at least the following:

- the establishment of basic labour rights in all South Asian countries, in conformity with the 8 ILO core conventions, including conventions nos. 102, 103, 107 and 141;
- a national, need-based minimum wage and the formulation of wage policy in each SAARC country;
- the formulation of a SAARC Trade Union Alliance;
- migrant workers' rights; and
- the inclusion of a labour charter, as one of the SAARC areas of activity.

Moreover, consultations among South Asian trade unions, human rights organisations and NGO's, following the establishment of the WTO, on the issue of the Social Clause, particularly from 1995, led to the demand for a three-fold charter, namely a Human Rights Charter, a Labour Charter and an Environment Charter.

### ***Regional Trade Union Co-operation***

In this age of globalisation, and in this context of the Social Charter, the issues of social protection and social security constitute the core agenda for trade unions both in the developed and underdeveloped world. The major components of a social security system are old age benefits, unemployment benefits, compensation for workplace injuries, medicare, sickness benefits, maternity, invalidity and family benefits, which should not be curtailed but rather expanded to cover workers in both the informal and the self-employed sectors of work. It may be implemented in stages, based on the level of socio-economic development of the country in question.

Regional blocks of various levels of integration have now been developed everywhere. Yet, we in South Asia, in spite of our commonalities, are far behind in this process. Our trade union network is also one-sided. Neither the ICFTU-



based SAARTUC, nor the WFTU's SAARC Council of Trade Unions is functioning well. The WCL exercise is unproductive. While effective, independent trade union centres are also on the scene, they are outside these networks. While recognising the efforts made by each of these internationally based groupings, it is now necessary to form a broad alliance of all South Asian trade unions. The focal points for this Alliance will be the following:

- It will raise the adverse impact of globalisation on a practical level and not just on theoretical grounds.
- It will try to develop common responses against anti-worker moves and activities by multi-national corporations (MNCs), big trading houses and their joint ventures.
- It will try to develop issue-based action through unity among the existing numerous and diverse South Asian trade unions.
- It will develop a sound system of networking among South Asian trade unions.
- It will take up the issue of the Social Charter for South Asian countries and will continue lobbying at the sub-regional level.
- It will try to implement an officially guaranteed minimum wage for all wage earners, irrespective of their nationality, in order to regularise sub-regional labour migration and to protect migrant workers rights.
- It will try to build a strong social movement in co-operation with other groups, such as the peasant movement, the women's movement, the *Dalit* movement and other forms of human rights movements. ■

### Editor's Note:

*Bishnu Rimal is the Secretary-General of the Nepalese trade union organisation, GEFONT. This article is condensed from a larger document, prepared in association with Umesh Upadhyaya, the head of GEFONT's Foreign Affairs Department. Mr Rimal recently visited the European Institute for Asian Studies, as part of a group of visiting trade unionists from South Asia.*

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**NEW EU-ASIA STRATEGY  
LACKS CONVICTION**

*by Malcolm Subhan*

Now that the European Union Council of Ministers has adopted its Conclusions to the European Commission's new strategic framework for relations with Asia, it is possible to assess the broad outlines of the EU's policy towards Asia in the coming years. The first of the following two articles looks at the effects on this policy of the events following the September 11 terrorist attacks on New York and Washington; the second at the conclusions reached by Commission and Council over the EU's relations with Asia from a wider perspective.

***The EU's new Asia strategy: overshadowed by terrorism***

On September 4, 2001, the European Commission adopted a Communication, setting out a new strategic framework for the European Union's relations with Asia in the first decade of the new century. The 27-page document, entitled "Europe and Asia: A strategic framework for enhanced partnerships," was duly forwarded to the EU Council of Ministers and the European Parliament. On 27 December 2001, the Council, representing the 15 EU governments, adopted its Conclusions to this Communication by written procedure.

The dates are important. The European Commission finalised its Communication a month or so before the terrorist attacks in the United States, on September 11. The wording of the Council's Conclusions indicates that they were drafted while the war against the Taleban regime in Afghanistan was drawing to a close and an interim government had been installed in Kabul. As you would expect, there is a marked shift in emphasis in (1) the attitude to terrorism and (2) to relations with Asia.

There are references to terrorism in the Commission's document but they are relatively few and the term "international terrorism" is never used. Among the numerous "action points for the region as a whole," the Commission lists the need to "strengthen our dialogue and co-operation with Asia in relation to **global challenges** and, in particular, the

fight against transnational crime, against terrorism, corruption, xenophobia, racism and fundamentalism of all kinds, and against epidemic diseases..." The EU should co-operate in these areas with Asia, "while working also to enhance the access of the poorer countries in Asia to the **global opportunities** offered by new technologies, and helping diminish the knowledge and digital divides." Terrorism is also listed as a feature of the "dark side of globalisation," along with transnational crime (which includes trafficking in women and children, the smuggling of illegal migrants, the drugs trade and money laundering).

There is a reference to terrorism in the section on South Asia. The Commission notes that "the continuing tensions between India and Pakistan...as well as the threat to regional stability posed by terrorism, religious fundamentalism and ethnic conflict (notably for Afghanistan and Sri Lanka), illustrate the importance of political and security issues in the sub-continent." For the Commission, the important issues in India-Pakistan relations are "the imperative need to encourage progress towards nuclear disarmament and the peaceful resolution of the Kashmir issue." Indeed, Indian attempts to include terrorism among the subjects for discussion with the EU were brushed aside by the latter as an attempt to secure its support for the Indian position on Kashmir. However, a working group on terrorism was set up in early 2001 under the 1993 EU-India co-operation agreement.

The Commission did not see terrorism as an important problem in the EU's relations with Asia. It justified a mention in the South Asian context but not in relation to South-East or East Asia. Chris Patten, the external relations commissioner, whose directorate-general produced the report, did not even mention terrorism when commenting on the report. "Asia's importance for the EU is beyond question, whether economically, politically or culturally, or in relation to regional and global challenges, such as poverty, environment, or democracy and human rights," he said.

The Council of Ministers, in its Conclusions, "agrees that Asia is a crucial economic and political partner for Europe," and sees "the deepening and broadening of its relations with Asia, in a partnership characterised by equality, as the overarching global objective of the Asia Strategy." The Council notes that the



Communication was drafted "before the terrorist attacks of September 11. Since then, the Council has made a commitment to a comprehensive review of all third country relations in the light of the support they might offer to terrorist groups."

**A**fghanistan, which barely rated a mention in the Commission's document, is now accorded priority status. In its Conclusions, the Council states that it "has agreed to intensify relations with the countries neighbouring Afghanistan, in order to contribute to the stability of the region, and focused in particular on political dialogue with Pakistan and neighbouring countries." Afghanistan and Pakistan are the only two countries mentioned by name in the Conclusions. There is a reference to the People's Republic of China and Taiwan but it is in the context of the WTO's decision to admit them as members. With the exception of Pakistan, therefore, none of the "countries neighbouring Afghanistan" is specifically mentioned, nor is there any explanation of how they will contribute to the stability of the region.

Afghanistan, on the other hand, is the subject of Point 3 of the Conclusions 13 points. The Council "stresses the priority given by the EU to Afghanistan," notes that, "in the longer perspective, the EU will participate in the sustainable reconstruction of a democratic Afghanistan." The Conclusions also stipulate that "the territorial integrity of Afghanistan must be respected," and that "the UN continues to play a central role."

**T**he Council's political aims in Asia are not entirely dominated by concerns about terrorism. It "broadly endorses" the six general objectives set out in the summary of the Communication. The first of these is to "contribute to peace and security in the region and globally, through a broadening of our engagement with the region." To this end, the Council "supports the Asian partners in the ASEAN Regional Forum, in developing ARF into a more effective instrument for regional peace and stability." It notes that a key to more effective inter-regional relations includes "good governance and a strong commitment to human rights," as well as "adherence to key international instruments, such as relevant UN Conventions against terrorism, core international treaties and Protocols and relevant International Conventions."

The Council's Conclusions suggest that the EU's Asia policy has been "hijacked" by the current preoccupation with terrorism. Or, at the very least, those who drafted the Conclusions were too concerned with terrorism to take a long-term view of the EU's relations with Asia, insufficiently concerned with the significant political changes in both Asia and in the EU since 1994, the year of the Commission's first Communication, "Towards a new Asia strategy."

### ***Accent on Economics***

Relations between the European Union and the countries of Asia are driven by economics. This was true in 1973, when Britain, Ireland and Denmark joined the then 6-nation EEC, and it is probably truer today. There have been significant political changes both in Asia and the EU since the Commission published its first Asia strategy in 1994, as the Commission points out in its recent Communication on EU-Asia relations. Yet the changes which are having the greater impact on these relations are economic. They include the onward march of the free market, this time at the global level, on the one hand, and the creation of the European single market, the adoption of the euro - and the coming enlargement of the EU, on the other.

**I**n its Communication, the European Commission lists a number of developments of a political nature. It notes that, since 1994, the "political dialogue with key partners in the region has developed considerably, with new Summit dialogues in the Asia-Europe Meeting (ASEM) and with China, India, Japan and (soon) Korea." Other key elements of this political dialogue include the ongoing EU-ASEAN dialogue and active EU participation in the ASEAN Regional Forum (ARF), as well as the "important human rights dialogue with China."

**T**he Commission claims "these are solid foundations on which we can build in enhancing our dialogue with the countries of the region." There is no attempt to list, however briefly, what these very high level meetings have achieved as regards EU-China (or India, or ASEAN) relations. There is good reason to believe that most summits are used by the two sides to discuss bilateral issues (the EU is represented at these summits by the Prime Minister of the country holding the EU's rotating presidency). This is true also of the ASEM summits; as a participant at one of these summits pointed out, the *formal*



proceedings are dominated by 25 set speeches by the 25 European and Asian prime ministers and presidents; the *informal* ones are the more important. As for the joint *communiqués* issued at the end of summit meetings, they traditionally are drafted by senior civil servants in advance of the meetings.

**I**t is understandable that Commission officials responsible to the external relations commissioner, Chris Patten, should push for a closer political relationship between the EU and individual Asian countries and regional groupings. However, of the six general objectives which the Commission has set before its political masters, the Council, the two political objectives are the least credible. They are: (1) to strengthen the EU's engagement with Asia in the political and security fields and (2) contribute to the spread of democracy, good governance and the rule of law throughout the region.

The effort to strengthen political relations with Asia is misplaced, given that the EU has no effective common foreign and security policy on matters much closer to home, while a *single* foreign policy remains a distant dream. Asian countries may agree to a political dialogue with the EU but it is largely in order to needle the United States. The Asian countries know, and resent, the fact that the only political (and even economic) power which counts is the US. This is a country, however, which finds no mention in either the Commission's paper or the Council's Conclusions, although the EU will not be taken seriously in Asia until it can demonstrate that it has a foreign policy of its own.

### ***Main Objectives***

**T**he Council's Conclusions are as vague as the Commission's general objectives. Thus, "the Council recalls that, in 2002, Europe will host the ASEM Summit and 4 ministerial meetings and will strive to make the ASEM process more effective." The Council also "looks forward to the next EU-ASEAN ministerial meeting, which is due to be held in Europe in 2002." As for ARF, the Council supports its Asian partners "in developing ARF into a more effective instrument for regional peace and stability." It "considers that the EU has a significant role to play in this area." As for good governance and human rights, the Council concludes that a "strong commitment to human rights will be a key to effectiveness."

Of the Commission's six general objectives (the Council "broadly endorses" all six), the most credible is to "further strengthen our mutual trade and investment flows with the region." The Commission notes that the EU's trade and investment relations with Asia "have expanded substantially, notwithstanding the substantial medium-term impact of the 'East Asian crisis' which erupted in 1997." Indeed, Asia accounted for more of the EU's external trade than the Mediterranean, South and Central American, the Gulf and ACP countries combined in 2000. Moreover, Asia was in fourth place as regards its share (6.8%) of the EU's outward foreign direct investment.

**T**he Commission calls for the further development of bilateral economic relations with Asian countries, "in particular by strengthening our efforts to improve market access and investment conditions on both sides, and by helping those countries which are seeking to build a business climate conducive to trade and investment." The Commission also wants "intensified efforts to reduce technical barriers to trade and to promote transparency and predictability in the legislative and regulatory context." Market access for the poorest developing countries should be enhanced, through continued improvements to the EU's generalised preferences system, including its "Everything but Arms" initiative, for example.

The Commission notes that strengthening private sector co-operation between Europe and Asia is in their mutual interest. This can be done "through support for contacts between economic operators in Europe (particularly small and medium-sized firms) and in Asia." Particular attention should also be paid to the high technology sectors (information and communications technology, transport and energy), "which will help determine our common future." Finally, the EU and Asia should strengthen their dialogue on economic and financial policy and encourage sound policy reform in the financial and corporate sector.

**I**n its Conclusions, the Council "welcomes the emphasis in the Communication on investment and trade liberalisation, with increased access to markets and the new GSP regulation." It agrees that "in enhancing the mutual trade and investment flows, the bilateral economic relations between Asia/Pacific and the EU should be further deepened." The Council "recalls, in particular, the need to reduce non-tariff barriers to trade



and to create favourable general conditions for investments." It points out, in this connection, that "the promotion of transparency and predictability in the legislative and regulatory context will be of particular importance for the economic operators in both regions." The Council also undertakes to support the private sector co-operation between Europe and Asia/Pacific.

The Council also "welcomes" the entry of the People's Republic of China and Taiwan into the WTO. It "acknowledges the importance of the early launch and successful completion of a broad-based new round of multilateral negotiations in the WTO, launched at Doha." It sees the early accession to the WTO of Asian/Pacific countries and economies that are not yet members as "an important objective," although "we will need to ensure that countries implement their WTO obligations."

More unexpected, is the Council's observation that "the impact of WTO accession on poor people, women and specific sections of the people, in particular small farmers, should be monitored carefully." The Commission had referred to "the dark side of globalisation." The Council notes that "inequalities of economic opportunities and income should be reduced...so that rapid growth of economic disparities does not undermine political stability, essential for economic growth and development." It "welcomes the WTO decision that the next round should give particular attention to the needs of developing countries."

Do these two documents - the Commission's Communication and the Council's Conclusions - set out the broad outlines of "a new strategic framework for the European Union's relations with Asia in the coming decade"? Hardly. Both documents set out roughly the same "wish list," both limit themselves to a re-statement of well-known positions. Both documents would have been more convincing had they listed some of the differences between the EU's stand on bilateral and global issues and the stand taken by Asian countries and regional groupings.

The Council's Conclusions, in particular, would have carried greater conviction had they reflected a political will on the part of the EU Member States to broaden and deepen their relations with Asian countries and regional groupings *as the EU*. However, the very manner in which the Conclusions were adopted by the Council points to a virtual

absence of political will. They were adopted by what is known in EU jargon as "written procedure." This means that the Conclusions were drawn up and agreed to by the Member States' permanent representatives - or ambassadors - to the EU. They were then circulated to the 15 governments for approval in writing. As none raised any objections to the text, it was considered to have been adopted by the EU Council on 27 December 2001. It is interesting to speculate on which of the 15 foreign ministers actually read the handiwork of their senior civil servants. ■

### POLITICAL SETTLEMENT IN AFGHANISTAN AS INDIA AND PAKISTAN GO TO BRINK OF WAR

by Dick Gupwell

The US-led campaign to oust Afghanistan's Taleban regime, and the *Al-Qa'ida* international terrorist movement which it was harbouring, which had gained sudden momentum after the fall of Mazar-i-Sharif, on 9 November, continued after the Taleban evacuated Kabul five days later. The Taleban's remaining stronghold of Kandahar surrendered on 7 December, with the regime's leader, Mullah Omar, going into hiding. Meanwhile, a peace conference had opened in Germany, on 27 November, under the auspices of the United Nations. After long and hard discussions between the four Afghan factions present, an Agreement was concluded, on 5 December, on a multi-stage plan towards the restoration of constitutional government, of which the first stage would be the setting up of an Interim Administration under Hamid Karzai.

However, before this body was formally set up, on 22 December, the US bombing campaign continued, now focussed on the Tora Bora area of eastern Afghanistan, where a large *Al-Qa'ida* force was ensconced in a fortified cave complex near the White Mountains. It was suspected that the leader of *Al-Qa'ida*, Osama bin Laden, was personally directing operations. By mid-December, this force had been routed by the now familiar combination of heavy US bombing and anti-Taleban Afghan troops operating on the ground. Many *Al-Qa'ida* fighters were killed, others were captured and yet more fled over the White Mountains to Pakistan, some perishing in the snow and others being picked up by Pakistani Army patrols on the other side.

While the war was practically over, therefore, by the end of December, save for some minor mopping up operations, two aspects of the prosecution of the war aroused controversy. One was the growing number of civilian casualties, mostly resulting from the US bombing. The other was the way in which both Taleban and *Al-Qa'ida* prisoners were being treated.

Afghanistan's new Interim Administration was faced with a number of urgent matters. In

addition to preparing the constitutional provisions of the peace Agreement, decisions had to be taken quickly on the deployment of an international force to provide security in Kabul and, possibly, other cities, while new Afghan national forces were established and trained. Security was seen as the prerequisite for easing Afghanistan's critical humanitarian situation and beginning the long task of economic and social reconstruction.

However, as one war in South Asia seemed to be drawing to a close, there was suddenly fear that another might break out, this time between Pakistan and India, both of which countries now possess nuclear weapons. A rapid escalation of tension was sparked off by a suicide terrorist attack on India's Parliament, on 13 December, which the Indian authorities quickly traced to a militant Islamic group based in Pakistan. While both sides deployed forces along their border and India took a number of non-military measures as well, Pakistan's President Musharraf began to make some conciliatory gestures and Western countries urged calm. By the end of the year, it did not appear that an outbreak of hostilities between these two rivals was imminent.

### ***A short sharp war***

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Following the *Al-Qa'ida* attacks of 11 September on the World Trade Centre in New York and the Pentagon in Washington, US military planners had been very concerned at how *Al-Qa'ida* and its Taleban supporters might be defeated. They were worried both by the size and terrain of Afghanistan and its distance from US naval forces in the Indian Ocean. In fact, while the bombing began on 7 October, it was only when the campaign started to focus on attacking Taleban troop concentrations and operating in liaison with the ground forces of the opposition Northern Alliance that the sudden collapse of the Taleban occurred. Within the space of just four days, the Taleban, which had controlled 90% of Afghan territory (with the Northern Alliance restricted mostly to the north-east corner of the country), were reduced to controlling only 20% and a mere handful of provinces neighbouring Kandahar in the south. The Northern Alliance was now in control of the rest of the country, including the capital, Kabul. Much of this rapid progress was due to the fact that large contingents of Taleban forces, many of which were only local allies and not genuine Taleban supporters, defected to the Northern Alliance rather than face them



in battle. Moreover, this remaining area under Taleban control was in the Pashtun-speaking heartland, from which the Taleban movement had sprung in 1994.

**W**hile the United States and its allies in the international coalition against terrorism were prosecuting the war, the United Nations had been active in promoting a settlement for Afghanistan for the post-war period. This involved bringing together representatives of the Northern Alliance and other Afghan groups, in particular those supporting the former King of Afghanistan, Mohammed Zahir Shah, in a peace conference. For this purpose, the UN Secretary General, Kofi Annan, had designated a Special Representative, Lakhdar Brahimi, who convened such a meeting in the German town of Königswinter, near Bonn, on 27 November. (For a detailed account of the War in Afghanistan up to the end of November, 2001, see *EurAsia Bulletin*, Vol. V, Nos. 10 and 11, October-November 2001, pp. 10-33.)

### ***Petersberg conference***

The peace conference took place in the elegant Petersberg hotel, a former castle overlooking the river Rhine. The four Afghan delegations consisted of 11 delegates representing the Northern Alliance, heavily tilted towards its Tajik faction, a further 11 delegates representing the "Rome group", considered close to ex-King Zahir Shah, four delegates representing Pashtun exiles based in Peshawar, in Pakistan's North-West Frontier Province, and four more delegates from the "Cyprus group", representing exiles from Afghanistan's Shia Hazara minority. Together with Mr Brahimi, his deputy Francesc Vendrell, and other UN staff, they were all seated at a very large round table. There were also a large number of observers from numerous interested countries (the United States, Germany, Britain, France, Russia, India, Iran and Pakistan).

**L**ittle progress was made during the first few days. One of the Northern Alliance delegates, the Pashtun, Haji Abdul Qadeer, a former Governor of Nangarhar Province (around Jalalabad), staged a walk-out, claiming that the Pashtuns were under-represented. Moreover, Professor Burhanuddin Rabbani, the leader of the Northern Alliance and still recognised internationally as the legitimate President of Afghanistan, who had stayed behind in Kabul, seemed to play a disruptive role. He felt that the delegates were in Bonn merely to discuss and not to take

decisions. He was also opposed to the provision of anything more than a token international peace-keeping force of a few hundred soldiers being sent to Afghanistan. At the end of November, he called for a ten-day suspension of proceedings to allow time for delegates to refer back on Mr Brahimi's outline proposals. Clearly, he considered that his own position, both as titular President and head of the victorious Northern Alliance, could only be weakened by a successful outcome in Königswinter.

**H**owever, it was reported that Professor Rabbani had upset two of his main lieutenants. He had met secretly, late in November, with the new head of Pakistan's military intelligence service, the ISI, Lieutenant-General Ehsan-ul-Haq, in the United Arab Emirates, against the advice of his military commander, General Fahim, and of his foreign affairs spokesman, Dr Abdullah. There were also clear tensions during the Conference between Yunus Qanuni, head of the Northern Alliance delegation in Königswinter, and Professor Rabbani in Kabul.

Mr Brahimi then presented the four delegations with a seven-page detailed plan for the establishment of a new government in stages. Mr Brahimi also ruled out any suspension of proceedings. Nevertheless, the German hosts quietly changed the back-cloth in the conference room from "November 2001" to "November-December 2001". Delegates were informed that the conference would have to end before 7 December, as the hotel was then booked for a convention of dentists.

**T**he delegates discussed Mr Brahimi's text in detail during a long meeting, which lasted from 7.30 p.m. on 2 December until 2.30 a.m. the following day. The UN spokesman, Ahmad Fawzi, told journalists, "We are going sentence by sentence, comma by comma. Everybody has amendments on every single sentence. There are four groups and four opinions within each group. It is painstakingly tedious." The UN officials then spent much of 3 December incorporating the many changes and translating them from the original English into the main Afghan languages of Pashtu and Dari, with help given by some of the Afghan delegates. Agreement on the revised text was then reached early on 4 December.

The main sticking point now was the lack of agreement on the names of the people who



would constitute the members of the Interim Administration to run Afghanistan for an initial period of six months. Again, it was the Northern Alliance delegation, which held back on the submission of names. On the other hand, agreement came relatively easily on deciding on the Chairman for the Interim Administration, especially after Abdul Sattar Sirat, the Uzbek leader of the Rome group, withdrew in favour of Hamid Karzai, on 4 December. Mr Karzai, a Pashtun and a distant relative of the King, was currently leading a force of 3,000 men against the Taleban in the neighbourhood of Kandahar.

In the end, Lakhdar Brahimi received a total of 150 names from the four delegations, including the Northern Alliance list, which Professor Rabbani had approved only in the small hours of 4 December. Mr Brahimi then presented a proposed list of 29 names, with posts indicated, to the delegates. The Conference began discussing the list at 4.00 p.m. on 4 December. The negotiating was very tough, especially as the Northern Alliance held out for having 20 of the 29 posts until 3 a.m. on 5 December. This was to try and satisfy all the various factions within the Northern Alliance, of which there were thought to be at least eight. Mr Brahimi suspended proceedings and held a private meeting in his suite with Yunus Qanuni, the observers from the United States, Britain, Germany, Russia, India and Iran being also present. Mr Brahimi wanted Mr Qanuni to accept only 16 posts. At length, a compromise was reached by which the Northern Alliance was awarded 17 posts and the membership of the Interim Administration was raised to thirty. The Conference then resumed and final agreement was reached at 6.45 a.m. After a break of only three hours, to enable everyone to freshen up, the signing ceremony then took place in the presence of the German Chancellor, Gerhard Schröder.

Mr Brahimi was clearly delighted. He said, "Nowhere is the feeling of hope greater than among the people of Afghanistan, who, during 23 years of tragedy and loss, have maintained the hope that peace and stability could be restored one day in their country." However, he warned that "the real work starts now and the real difficulties will start when the Interim Administration, agreed on here, moves to Kabul." Yunus Qanooni remarked that, "This agreement is proof that, if the Afghans know how to fight well, they also know how to make peace." The British observer at the Conference, Robert Cooper,

paid tribute to the Conference chairman, saying, "The skills of Lakhdar Brahimi, his charm, his clarity of mind and his tenacity, have made possible an agreement that is little short of miraculous."

### ***The Königswinter Agreement***

The Agreement worked out at the Petersberg Hotel was for "provisional arrangements in Afghanistan pending the re-establishment of permanent government institutions". In a preamble, it first expressed the determination of the delegates "to end the tragic conflict in Afghanistan and promote national reconciliation, lasting peace, stability and respect for human rights." The "independence, national sovereignty and territorial integrity" of Afghanistan was reaffirmed, while acknowledging the right of its people "to freely determine their own political future in accordance with the principles of Islam, democracy, pluralism and social justice." Appreciation was expressed both to the Afghan *mujahideen* for their sacrifice over the years and to President Rabbani "for his readiness to transfer power to an interim authority." It recognised that ensuring broad representation would mean including groups "not adequately represented" at the Conference. The interim arrangements were both a "first step" towards establishing a "broad-based, gender sensitive, multi-ethnic and fully representative government" and were "not intended to remain in place" beyond the specified time.

The "provisional arrangements" consisted of setting up an "Interim Authority" to which power would be officially transferred on 22 December. It would have three organs, namely an Interim Administration, a Special Independent Commission and a Supreme Court. (Mr Brahimi's original idea to have a fourth body, a 120-200 member Consultative Council, to act as a sort of interim parliament, was dropped early on in the Conference, as it was felt that it would be impossible to reach agreement on so many names.) The Interim Authority would be the "repository of Afghan sovereignty" and occupy Afghanistan's UN seat, which had been held throughout the Taleban period by President Rabbani's administration.

Within six months, the Special Independent Commission would convene an Emergency *Loya Jirga* (literally, a "great meeting", a sort of national convention), to be opened by the former King, Zahir Shah. This would decide



on the setting up of a "Transitional Authority", which would include a broad-based Transitional Administration, which would take over from the Interim Administration and run Afghanistan until such time as "a fully representative government can be elected through free and fair elections." However, a time limit was set for these elections, which were to be held within two years of the convening of the Emergency *Loya Jirga*. Meanwhile, within two months of its establishment, the Transitional Authority would set up a Constitutional Commission, with UN help, and, within eighteen months, convene a Constitutional *Loya Jirga* which would adopt a new Constitution.

**I**n the meantime, the Constitution adopted in 1964 would apply, except where it was inconsistent with the new Agreement and in relation to the old provisions on the monarchy, the executive and the legislature. Similarly, existing laws and regulations would apply but could be repealed or amended by the Interim Authority. The new Supreme Court would be independent and the Interim Administration could also establish other courts. In addition, the UN would help the Interim Administration to set up a Judicial Commission "to rebuild the domestic justice system in accordance with Islamic principles, international standards, the rule of law and Afghan legal traditions."

**T**he Agreement then went on to describe the Interim Administration, noting that the Conference participants had "invited" Zahir Shah to chair the body but that His Majesty had indicated his preference for "a suitable candidate acceptable to the participants." As mentioned, Hamid Karzai was chosen as Chairman. The other members are listed in Annex IV of the Agreement. Of the five Vice-Chairs, the Northern Alliance obtained three, including General Muhammad Qassem Fahim, a Tajik, who retained responsibility for defence, and General Mohammed Mohaqqueq, a Shia Hazara, who takes over planning. The Rome Group obtained the other two posts of Vice-Chair, namely with Dr Sima Samar, one of only two women members, who takes responsibility for women's affairs, and Hedayat Amin Arsala, who was put in charge of finance. Of the 24 other members, the Northern Alliance gained 14 and the Rome Group 5 seats. Others, mostly described as "Independents" filled the remaining four seats. The ethnic division was reported to be 11 Pashtuns, 8 Tajiks, 5 Shia Hazaras, 3 Uzbeks and three others, which

roughly represents the actual proportions of the Afghan population. The second woman member is Dr Suhaila Seddiqi, an Independent, who was given responsibility for public health. It was clear, however, that the Tajik Rabbani faction of the Northern Alliance had gained many of the key posts. Apart from General Fahim, Dr Abdullah Abdullah retained responsibility for foreign affairs and Yunus Qanooni that of the interior. All three are from the Panjshir Valley and were close associates of the late General Ahmed Shah Masood. The Agreement also describes briefly the procedures and functions of the Interim Administration. It is charged with setting up a Central Bank, a Civil Service Commission and a Human Rights Commission.

**T**he Special Independent Commission, to be convened within the first month of the setting up of the Interim Authority, will have 21 members. These should have expertise in constitutional or customary law and will be selected by the participants at the Peace Conference, "as well as Afghan professional and civil society groups." The UN will provide assistance to the Special Independent Commission, which will have "final authority for determining the procedures for, and the number of people who will participate in the Emergency *Loya Jirga*." The criteria to be drafted will cover both Afghans (settled and nomadic) living within Afghanistan and those refugees living in Iran, Pakistan and elsewhere and "Afghans from the diaspora". Civil society organisations and prominent Islamic scholars, intellectuals and traders will also be covered, while attention will be given to including "a significant number of women". The Commission will ensure that the nomination process is "transparent and fair." Once established, the Emergency *Loya Jirga* will elect a Head of State for the Transitional Administration.

**A**mong the final provisions to the Agreement was the statement that, "upon the official transfer of power, all *mujahideen*, Afghan armed forces and armed groups in the country shall come under the command and control of the Interim Authority, and be reorganised according to the requirements of the new Afghan security and armed forces." This provision is linked to Annex I of the Agreement dealing with the "International Security Force." Although stating that the responsibility for providing security and law and order "resides with the Afghans themselves", the participants requested international assistance "in the





establishing and training of new Afghan security and armed forces." While these became "fully constituted and functioning", the UN Security Council was asked "to consider authorising the early deployment to Afghanistan of a United Nations mandated force" to assist in maintaining security "for Kabul and its surrounding areas." Tentatively, it was suggested that "such a force could, as appropriate, be progressively expanded to other urban centres and areas."

**A** second Annex dealt with the "role of the United Nations during the interim period" and specified the responsibilities to be undertaken by the Special Representative of the UN Secretary General. A third Annex, which, unlike the first two, had not been included in Mr Brahimi's draft text, was a "request to the United Nations by the Participants". This request to the UN and the international community was for a guarantee of Afghanistan's "national sovereignty, territorial integrity and unity" and for "non-interference by foreign countries in Afghanistan's internal affairs." It also urged a strengthening of commitments to assist with the "rehabilitation, recovery and reconstruction" of Afghanistan and asked the UN quickly to conduct a registration of voters and a census of the population. It asked for help to reintegrate the heroic *mujahideen* into the new security and armed forces. It also called for a fund "to assist the families and other dependants of martyrs and victims of the war, as well as the war disabled." Finally, it strongly urged international and regional co-operation "to combat international terrorism, cultivation and trafficking of illicit drugs and provide Afghan farmers with financial, material and technical resources for alternative crop production."

### ***Reactions to the Agreement***

Francisc Vendrell noted that the Agreement had been reached "under a certain amount of pressure." Indeed, not only was there pressure of time but it was made quite clear to the delegates that money for reconstruction would only be made available if the Conference resulted in a successful outcome. A high-level meeting of donors would begin in Berlin on 6 December. Mr Vendrell also noted that the many warlords (local commanders) in Afghanistan would not be happy with the commitment now made to bring all armed forces in Afghanistan under central control. Referring to the chaos which ensued after the *mujahideen* administration had been formed

under Mr Rabbani, following the Peshawar Agreement of 1992, he warned, "This agreement must be implemented and there have been agreements in the past that have been signed but not implemented." He said, "I hope the warlords will realise that they have everything to lose." The UN Under-Secretary for Humanitarian Affairs, Kenzo Oshima, added that only a "very fast" implementation of the Agreement "will end the general lawlessness and allow us to distribute food where needed." Joschka Fischer, the German Foreign Minister, added, "If help doesn't come for the needy within a few weeks, in spite of the new circumstances, many people will die."

**W**hile considerable dissatisfaction was expressed at the ethnic distribution of seats on the Interim Administration, Lakhdar Brahimi explained that "No ethnic group is happy because there are no precise statistics and every ethnic group thinks that they are much more numerous than anybody else thinks. That is why they have asked the United Nations to do a census as soon as possible." Indeed, General Abdul Rashid Dostum, the main victor at Mazar-i-Sharif, who now controlled five provinces in the north, complained that the Uzbeks had been inadequately represented. He said, "We announce our boycott of this government and will not go to Kabul until there is a proper government in place." He also said that he would deny the new government access to the north of Afghanistan (where, *inter alia*, he controlled Afghanistan's natural gas resources). In Peshawar, Sayed Ahmad Gailani (whose son Hamid had been a member of the Peshawar Group at the Conference) said that, "injustices had been committed in the distribution of ministries." President Rabbani's old rival, the Pushtun, Gulbuddin Hekmatyar, also complained. (At a meeting held earlier in Mazar-i-Sharif, General Dostum, the Shia Hazara General Mohammed Mohaqiq and the Tajik General Mohammad Atta, had all expressed dissatisfaction with the Königswinter Agreement, which they said did not conform to agreements made earlier.) Mr Brahimi said that he was not concerned by these complaints.

**H**amid Karzai, in a BBC interview, said that his first priority as Chairman of the Interim Administration would be to bring about "peace and stability for Afghanistan and the chance for Afghans to return to a normal life, and being sure people get the opportunity to earn and work." The 44-year old Mr Karzai was a good choice for the



post of Chairman. He is both a Pashtun and a member of the Popalzoi clan, to which the royal Durrani family also belong (the Durrani's ruled Afghanistan from when Ahmed Shah Durrani took power in 1747 until Zahir Shah was deposed in 1973). His father, Abdul Ahad Karzai, had been the President of the National Council (parliament) for two terms until 1973 but was later assassinated by the Taliban in 1999 when aged 75. Hamid studied in India, where he took two degrees, including a masters in political science, and served briefly as Deputy Foreign Minister from 1992 to 1994. During the years of Taliban rule, he lived modestly in Quetta, in southern Pakistan, and maintained contacts with tribal dignitaries and Taliban dissidents. An associate of Abdul Haq, he also re-entered Afghanistan in October, after the start of the US bombing campaign, and began to recruit his fellow Pashtuns to fight against the Taliban in the provinces around Kandahar. Before he could take up his new position in Kabul, however, the Taliban's grip on Kandahar had first to be broken.

### ***The struggle for Kandahar***

The Taliban forces had fallen back on Kandahar, the birthplace of their movement where their reclusive leader, Mullah Omar, had retained his headquarters. It was widely expected that this would be the site of a great last stand against the growing forces now ranged against them. The Taliban were thought to have assembled a force of 17,000 troops, with a large number of tanks. Mullah Omar addressed his troops by radio saying, "The fight has now begun. It is the best opportunity to achieve martyrdom."

**T**he Northern Alliance forces were still far from Kandahar. Their front line had advanced only 14 kilometres since they had taken control of Maidanshah, just east of Kabul, on 25 November. They were clearly reluctant to advance into Pashtun territory, although they were reported to have sent 20 of their Pashtun commanders to their respective areas in Kandahar, Oruzgan and Helmand Provinces. They were also engaged in secret talks with certain Taliban commanders, who favoured a negotiated surrender, in the hope of avoiding further conflict.

Moreover, other anti-Taliban Pashtun groups were steadily building up their forces in the south. Apart from Hamid Karzai and his troops, who were advancing towards Kandahar from Oruzgan Province to the north, Gul Agha

Shirzai, the former Governor of Kandahar Province, also had around 3,000 men, who were advancing from the south towards Kandahar airport. They had captured 80 Taliban troops, equipped with tanks, pick-up trucks and rocket launchers, without a fight, on 30 November. By 2 December, they were only 3 kilometres from the airport, which they now began to attack with 2,000 men. They were also astride the main highway running south-eastwards from Kandahar to Spin Boldak (from whence the road continued to the Pakistan border at Chaman and on to Quetta). Gul Agha said that he did not need nor want any support from the Northern Alliance. There was also a third force of several thousand men under Mullah Naqibullah, a former *mujahideen* commander

**I**n addition, the US had now built up a force of about 1,000 Marines installed at a small airport at Dolgani, about 90 kilometres south-west of Kandahar, which had been seized on 25 November, a base which they named Camp Rhino. The Marines were equipped with Super Cobra, Stallion, Sea Knight and Huey helicopters, as well as light armoured vehicles. Ten C-130 transport planes, and a few C-17s, were flying in every night with more supplies and troops of the 15<sup>th</sup> and 26<sup>th</sup> Marine Expeditionary Units. British, Australian and German liaison officers were reported to be operating in the region. US planes bombed Taliban defences at Kandahar airport.

The growing likelihood of a major clash led to a flood of refugees leaving Kandahar. Peter Kessler of the UNHCR said 8,000 had gone to Pakistan in just one week. "It would appear that 2,000 people or more are leaving Kandahar province every day and are seeking assistance."

**W**hile the US continued to bomb targets in and around Kandahar, the Northern Alliance complained that this was hampering efforts to bring about a peaceful solution. Some Taliban commanders were concerned at the fate, which had befallen those who had surrendered in the north (especially in the incident at Qala-i-Jangi fort). Meanwhile, Mullah Omar was said to have deployed some of Osama bin Laden's Arab and Chechen forces to forcibly prevent groups of Taliban fighters from defecting or surrendering. They, in turn, had the problem of deciding to which of the three anti-Taliban Pashtun forces they should surrender. Co-ordination between the three groups was not



good (as had initially been the case earlier with the anti-Taleban forces around Mazar-i-Sharif). As for the Americans, they appeared to be more concerned with hunting for elements of *Al-Qa'ida* than with providing help on the ground to the anti-Taleban Pashtun troops.

The Americans suffered a setback on 5 December. US Special Forces personnel, operating with Hamid Karzai's troops, called for air support against opposing Taleban forces and a B-52 bomber dropped a satellite-guided 2,000 pound "joint direct attack munition" (JDAM) bomb just over 100 metres from the US and anti-Taleban forces. A safe distance would have been more like 1 kilometre. Three US Special Forces troops were killed (one dying en route to hospital) and another twenty were injured. Five Afghan allies were also killed and US sources said that Hamid Karzai had also been slightly injured, although he denied this.

The same day, Hamid Karzai, speaking from Dahla, about 16 kilometres north of Kandahar, said that he was hoping to negotiate the surrender of the city. He said, "I have had serious negotiations beginning this morning. A delegation of senior Taleban officials had visited him, although he declined to identify them. Mr Karzai, who had made most of his advances in the south as a result of deals rather than fighting, said he hoped that the situation would be resolved. He refused to comment on a report that the Taleban officials had sought an amnesty for Mullah Omar in return for the surrender of Kandahar. The US Defence Secretary, Donald Rumsfeld, had already said that there could be no safe passage for Mullah Omar. Meanwhile, a band of 250 to 300 Taleban fighters, half of them Arabs, attacked some of Gul Agha's troops about 80 kilometres south-east of Kandahar but were repulsed.

The following day, 6 December, the question of the surrender of Kandahar became more heated. Hamid Karzai announced that the "Taleban have agreed to surrender Kandahar and to hand over power to me." They would give up their weapons to Mullah Naqibullah and Sher Agha. He told CNN, "In return, we have offered them amnesty and that they can go to their homes without any trouble. I have offered amnesty to the common Taleban." The Taleban's former Ambassador to Pakistan, Mullah Abdul Salam Zaeef, confirmed this, claiming that Mullah Omar had taken this decision for the welfare of the people. He also said that Mullah Omar's life would be saved "and he will be allowed to

live in dignity." To this, President Bush's spokesman, Ari Fleischer, said, "Whatever form justice takes is a form that will meet with the satisfaction of the President," and Donald Rumsfeld said, "I do not think there will be a negotiated solution that's unacceptable to the United States". He added that allowing Mullah Omar to live in dignity in Kandahar would not be consistent with his earlier statement and warned, "To the extent that our goals are frustrated and opposed, we would prefer to work with other people." He said, "If senior Taleban and *Al-Qa'ida* figures were treated too leniently, our co-operation and assistance would clearly take a turn south. We want to bring them to justice or bring justice to them." However, Hamid Karzai had not referred specifically to Mullah Omar's treatment, saying that "those are the details we still have to work out," but he added, "Omar must distance himself completely from terrorism, from foreign terrorists in Afghanistan." He said, "He must condemn terrorism. If he doesn't do that, he will not be safe."

### ***Fall of Kandahar***

At stake was not just the surrender of Kandahar but also the provinces of Helmand to the west and Zabul to the north-east, that is, most of what remained under Taleban control in the south of Afghanistan. The Taleban had already surrendered Ghazni Province, to the north of Zabul, in return for an amnesty and the former Taleban commanders had merely changed sides and remained in control. Now, on 7 December, the Taleban surrendered Kandahar to Mullah Naqibullah. However, many Taleban fighters did not hand in their weapons but fled with them. In addition, between 500 and 600 Arab fighters fled towards Qalat, the capital of Zabul, spreading terror in the villages through which they passed. Lashkar Gah, capital of Helmand Province, as well as the border town of Spin Boldak, were also surrendered, although there were conflicting reports as to whether or not the Taleban had given up Zabul. Hamid Karzai announced that, "The Taleban rule is finished. As of today, they are no longer a part of Afghanistan." However, the US did not suspend its bombing, the US commander, General Franks, saying, "We have engaged forces who are leaving Kandahar with their weapons." Mr Karzai also said, "I have no idea where Mullah Omar is but, of course, I want to arrest him. I have given him every chance to denounce terrorism and, now, the time has run out. He is an absconder, a fugitive from justice." He also reported that, in the last two



days, Mullah Omar had faced a popular uprising. "Everything around him was collapsing."

No sooner were the Taleban out of Kandahar than Hamid Karzai was faced with another difficulty over a major dispute over who should now run the province. Gul Agha Sherzai, whose forces had now taken control of the airport (although 200 Taleban were holding out, surrounded, in one section), was very upset at not having been consulted over the future of Kandahar. He now marched into the city and took over the Governor's palace without warning, forcing Mullah Naqibullah to flee. On 9 December, Hamid Karzai came to Kandahar and brokered an agreement whereby Gul Agha was appointed Governor and Naqibullah Deputy Governor. Mr Karzai said, "Naqibullah was very gracious. He never was a contender for anything."

Hamid Karzai also released 1,800 political prisoners whom the Taleban had been holding in Kandahar gaol. A few days later, the people of Kandahar celebrated the *Eid* Festival, marking the end of the holy month of Ramadan. A concert of live music was given in the centre of the city, something inconceivable under the Taleban. Then, on 19 December, a conference of more than one hundred teachers, both men and women, met in Kandahar to plan the restoration of education in the city which, before Taleban rule, had a population of some 400,000. Most of the schools had closed during the period of Taleban rule and the education of girls was forbidden. The teachers agreed to re-open one co-educational primary school, as well as one eminent high school for girls, where many of the women teachers had themselves studied. Provision was also to be made by the new government for the education of young married women, who had been deprived of schooling, in cooking, sewing, reading and writing.

### ***Tora Bora campaign***

Once Kandahar had fallen, the focus of attention of the US-led coalition, and of the anti-Taleban Afghan forces, turned to the Tora Bora area, south of Jalalabad. Shortly after the fall of Kabul, a popular uprising against the Taleban had broken out in Jalalabad, the main city on the road from Kabul to the Khyber Pass, on the route to Peshawar, and the Taleban had abandoned the city. These included an estimated 2,000 Arab-Afghans.

Many of these withdrew southwards towards a great complex of fortified caves near Tora Bora, a village lying above the Meleva Valley on the lower slopes of the White Mountains, which here form the border between Afghanistan and Pakistan's North-West Frontier Province. At the same time, the anti-Taleban Afghans had constituted the Eastern *Shura* (or Council). Their various forces, all Pashtuns, were also collectively referred to as the Eastern Alliance.

These natural caves had been fortified during the war against the Soviet occupation, in the 1980's, as a refuge for *mujahideen* forces. Osama bin Laden, who at that time was operating in association with the CIA in helping to recruit and train Muslim volunteers to join the *mujahideen* in the anti-Soviet *jihad*, was thought to have used his own expertise as an engineer, as well as resources from his family construction company, to strengthen the caves. They were yet further developed by Mr bin Laden, as a bastion of ultimate defence, after he moved his *Al-Qa'ida* movement to Afghanistan, in 1996, and established the International Islamic Front for *Jihad* against Jews and Crusaders, together with his friends in the Egyptian Islamic *Jihad* group and others, two years later. There were now a number of reports that Osama bin Laden had gone to the Tora Bora area to take personal charge of the defence of this last *Al-Qa'ida* redoubt. He was reported to have been seen there as recently as 30 November.

That day, US aircraft had begun night and day bombing of suspected *Al-Qa'ida* sites in the Tora Bora area. There were reports by local Afghans during the following days of US bombs having hit several villages in the Tora Bora area, resulting in heavy civilian loss of life. This was denied by the Americans, who claimed to have hit an *Al-Qa'ida* base at Agom, some 24 kilometres south of Jalalabad, on 2 December. It was also reported that several hundred more *Al-Qa'ida* fighters were heading towards the Meleva Valley, pursued by local anti-Taleban forces, who were themselves accompanied by a small number of US Special Forces.

At this point, the leaders in Jalalabad convened a *Loya Jirga* from the Province of Nangahar, to which representatives came from all of the province's 22 districts and met in Jalalabad's Sher Afzal mosque. The province has a population of 2.5 million (about 12% of Afghanistan's total population). The meeting issued a declaration, which was an appeal to



both the *Al-Qa'ida* and to the Americans. It said, "To those foreigners living in the mountains of Afghanistan, we say to you, leave our country. Because of you, our innocent countrymen are suffering. Our demand to the United States government and its coalition: stop the bombing in the name of humanity. Please stop bombing our innocent people. We say to all civilised nations that this bombardment is cruelty." In both cases, this appeal fell on deaf ears.

**T**he forces of the Eastern Alliance now advanced on the Tora Bora area. They were grouped under three main commanders. Hazarat Ali commanded the largest force of about 1,000 *mujahideen*. Secondly, there was the Eastern *Shura's* defence chief, Haji Zaman Gamsharik. The third was Haji Zahir, whose father, Haji Qadir, was the provincial governor. In all, this came to about 2,000 soldiers. They also had 13 old Soviet T-56 tanks. Hazarat Ali said, "We will follow our own strategy of guerrilla warfare. If we have to cut off their food and water, we will do that." His chief intelligence officer, Sohrab Qadri, said, "We have blocked all of the roads" but *Al-Qa'ida's* resistance, he said, "is hard, very tough." One of Commander Hazarat's field commanders, Commander Aleem Shah, said, "We are trying to surround them. There is no opportunity for them to cross into Pakistan. The passes are snowed in." Indeed, snow had started falling on the White Mountains, on 2 December. This range rises up to peaks of 4,750 metres (15,000 feet). There are no roads across the passes, only smugglers' tracks which can be crossed on foot or by mule. General Fahim was not sure that Osama bin Laden was at Tora Bora. He said, "Even with the snow, the way to Pakistan is open. Bin Laden is constantly changing his location. He can cross the border between Afghanistan and Pakistan and go back again."

**B**etween 3 and 4 December, there was a fourth night of bombing and reports of more civilian casualties. Many refugees were heading out of the area towards Jalalabad. It was also reported that Eastern Alliance troops had been hit by US bombs for the third day running but suffered no casualties. The following day, Eastern Alliance forces advanced towards the lower caves around Tora Bora. One group under Commander Jan Shah came across 40 abandoned *Al-Qa'ida* four wheel drive pick-up trucks with the keys still inside. The first skirmish of the campaign followed as a US B-52 bomber circled overhead.

After a seventh consecutive night of bombing, the main body of Eastern Alliance troops advanced, at 7.00 a.m. on 6 December, towards the lowest of the caves on the slopes of the Meleva Valley. Through the entrance of one cave, some of the *mujahideen* saw children playing on bicycles but they were beaten back by fire from the *Al-Qa'ida*. When they advanced again, at 11.30 a.m., they captured these caves but found them abandoned. 22 foreign troops were killed in the Eastern Alliance advance and their bodies were found in the caves. The advance had been very slow, as the tracks were very bad, enabling them to make only 1½ kilometres in 1 hour in their 4x4 vehicles. The Eastern Alliance lost 4 men killed and 12 injured in the ground fighting but 15 others had been killed by US bombs. The *Al-Qa'ida* withdrew to 10 or 12 other caves situated higher up the valley. The Eastern Alliance forces advanced a further 3 kilometres on 7 December and there was some hand-to-hand fighting.

**B**ombing continued on the night of 8 to 9 December with raids coming every 30 minutes. Three more Eastern Alliance fighters were killed, in the third friendly fire incident in 8 days. Commander Zaman said, "I sent them up two days ago to observe from that ridge. At midnight, the Americans dropped bombs there and killed them." A frontline commander, Paluwan Sayed Mohammed, said, "The American co-ordinators were too far away but today they moved closer." About 20 US Special Forces had been acting as "forward air controllers" to co-ordinate the air strikes. There was no ground advance on these days. Commander Zahir, said, "*Al-Qa'ida* has well placed military posts, with wide fields of fire. They control their area at the moment. They're spread over a large area and control high peaks. We will need about 2,500 soldiers. We know the territory well and we know how to fight. If we sent any more, there would just be more casualties."

**R**ivalry was now reported between the troops under Commander Zaman and those under Hazarat Ali. In one incident, troops from the different groups nearly began shooting at each other on the frontline. It was also reported that Commander Zaman wanted to postpone the main attack until the end of Ramadan. Moreover, the *Al-Qa'ida* troops were clearly frustrated at the prospect of confronting other Muslims rather than Americans. One radio message said, "Please leave us to fight the American troops. You are also Muslims and you should not fight



us." While the *Al-Qa'ida* stoutly defended their caves, they made no attempt to counter-attack the *mujahideen*.

The early actions by the Eastern Alliance had been limited by shortages of supplies and ammunition. However, by 6 December, Jalalabad's airstrip had been repaired and more supplies were being brought up to the front line. This enabled preparations to be made for a major advance beginning on 10 December. The *mujahideen* were now given 7 days supplies of food and ammunition. Late on 9 December, Eastern Alliance troops dislodged *Al-Qa'ida* fighters from the strategic peak of Zar Kandahar. Heavy bombing had been employed for the previous few days to soften up the *Al-Qa'ida*. This had included the use of a 15,000 pound "daisy cutter" bomb, so large that it is dropped from a cargo plane rather than a bomber. It was only the third used so far in the war. These fearsome weapons are usually employed in flat areas and will destroy everything within a radius of 600 metres. Here, however, it was used to try to provoke the collapse of a cave and to demoralise the inhabitants.

### ***Collapse of Al-Qa'ida***

On 10 December, further intensive US bombing began at 7.00 a.m. This was followed, at 1.30 p.m., by a co-ordinated, 3-pronged attack involving 600-700 fighters, with Hazarat Ali advancing from the north, Abdul Zahir from the east and Zaman Gamsharik from the south-west. Hazarat Ali reported that the *mujahideen* had stormed the caves but found them abandoned. Only four dead bodies were found. Hazarat Ali now claimed, "We control all of Meleva and Tora Bora, except one place, and we captured all the *Al-Qa'ida* places with heavy weapons." *Al-Qa'ida* was now left controlling only an elevated area called Regan, high above Tora Bora. By the following day, the Eastern Alliance had advanced 10 kilometres in 20 hours. Haji Zahir said, "We have captured 12 or 13 caves since yesterday." He said that *Al-Qa'ida* women and children had been allowed to pass through the Eastern Alliance lines unharmed. Journalists taken to one of the caves said everything inside had been destroyed.

The US bombing continued as the *Al-Qa'ida* withdrew upwards from the valley. Some of the *Al-Qa'ida* now made contact with the Eastern Alliance by radio and pleaded for mercy. Thus, on 11 December, Commander Zaman declared a

truce, calling on the *Al-Qa'ida* fighters to surrender by 8.00 a.m. the following day or face renewed attacks. Hazarat Ali said, "They will surrender tomorrow morning at 8.00 a.m.. They will all come out of the caves then." Engineer Rafar, the mayor of Jalalabad, said, "We have agreed the surrender with all the remaining *Al-Qa'ida*." However, the US military advisers were opposed to a negotiated surrender and urged their Afghan allies to renew their attack. A problem was that the *Al-Qa'ida* had asked to give themselves up to United Nations officials or to diplomatic representatives of their own countries and not to the Americans. Hazarat Ali said, "The Americans won't accept their surrender. They want to kill them." Moreover, Donald Rumsfeld said, the same day, "We go on. We have yet to achieve our objectives." The US wanted to interrogate any member of *Al-Qa'ida* and all senior Taleban officials.

There was, however, no surrender on 12 December and the bombing continued, using B-52's and 1,000 pound bombs. It was reported that several more "daisy cutters" had been dropped and that AC-130 gun-ships were also being used. Commander Zahir complained that the *Al-Qa'ida* had lied about surrendering. He said, "It was a cheat to give them time to escape." However, they were offered a new deadline of 13 December to surrender but only if the top *Al-Qa'ida* leaders, including Osama bin Laden, handed themselves over. Hazarat Ali said, "We have a condition that we want Osama alive." Also, the Eastern Alliance agreed to resume the fight but only on condition that the US and British Special Forces operating with them (now about 60 British and 40 Americans ) fought with them on the front line. Commander Zaman had been angered that the US had resumed bombing while the cease-fire had been in force and one of his field commanders, Amin Jan, said, "It's not good manners to stop a cease-fire." The US was clearly showing frustration that only about six of the top 30 *Al-Qa'ida* leaders had so far been killed. Dr Ayman al-Zawahiri, the leader of the Egyptian Islamic *Jihad* and Osama bin Laden's second-in-command, had been reported as injured or, possibly, killed around Tora Bora, on 4 December, by Commander Aleem Shah but this could not be confirmed. (Mohammed Atef, the third-in-command, had earlier been confirmed killed in one of the air raids on Kabul)

It was now felt that the number of *Al-Qa'ida* still in a position to fight had, in the past few



days, dropped from 1,500 to between 300 and 800. A junior frontline commander, Karim Khan, said, "They are surrounded on all sides. They have very little food and water and all their sources of supply have now been cut off." He complained that, "one of my *mujahideen* was killed last night by the American bombing and two more were injured." A colleague, Shamus Hamid, added, "Before, the US bombing was good but now they are killing our people." He also said of the *Al-Qa'ida*, "The most important people have run away." Hamid said that three of his soldiers had recently been killed in clashes with *Al-Qa'ida* and that 12 dead Arabs had been found. There was no response to the extension of the cease-fire and so, on 13 December, Commander Zaman said, "There will be no more negotiations. The attack begins now." Local residents complained that the massive US bombing had disrupted the local water supply and destroyed wide areas of forest from which they gained their living. On the other hand, there was now a good supply of scrap metal which could be collected and which would fetch a good price in the local markets. (15 rupees per kilo).

**T**he new ground assault began on 13 December with yet more "daisy cutters" dropped beforehand. At first, there was no resistance but the Eastern Alliance troops were then pinned down by heavy machine gun and mortar fire. By the following day, Hazarat Ali could claim that, "*Al-Qa'ida* is finished in Meleva and Tora Bora. We have got them surrounded and they can't get away." A field commander, Mohammed Pahlawan, explained, "There is a special cave that is safe from bombardment. We have seen the place and we're trying to reach it. We've blocked all the routes to Pakistan and now they are surrounded completely. The Arabs are gathered on that ridge. We've trapped them on the peak and we will clear the area." It was thought that Osama bin Laden might be in this cave. Hazarat Ali said, "We are going to search the cave and we hope to capture Osama."

**T**he last bloody battle came on 16 December, when the remaining *Al-Qa'ida* were routed. The Eastern Alliance captured all the remaining caves. There were several hundred *Al-Qa'ida* casualties but no trace of bin Laden. Zaman Gamsharik said, "This is the last day of *Al-Qa'ida* in Afghanistan. We have done our duty. We have cleansed our land of all the *Al-Qa'ida*." About 200 *Al-Qa'ida* fighters were reported killed, including Chechens, Pakistanis

and Saudis. 25 had been captured, some of whom were badly wounded. They would be sent to Kabul. It was also reported that some *Al-Qa'ida* fighters had blown themselves up with hand grenades rather than be captured. Hazarat Ali said, "There is no cave which is not under the control of the *mujahideen*." He said that the rest had "escaped into the snowy mountains", adding, "There is nothing there. It's cold and they have few weapons and nothing to eat, so how can they survive?" Commander Zaman said, "They are far, far up there, close to Pakistan. In this area they are finished." However, he was frustrated that Osama bin Laden had not been found. Later, answering repeated questions from journalists and pointing towards Tora Bora, he said, "If he was there, it would be our duty to find him; but he's not there, so how could we catch him? He's not there, he's not there, *il n'existe pas la!*"

**O**ver the weekend of 15 and 16 December, US planes had dropped more than 200 bombs on the area. Commander Zaman felt that this should now stop. "There is no more need for American bombing," he said. Some of the captured *Al-Qa'ida* (about half Afghans and half Arabs, including a Syrian) were displayed to journalists in the nearby village of Meia Kelay. A local villager, seeing the state of the Afghan prisoners, lamented, "This pains my heart. Some of these people were on our side in the *jihad* against the Soviets. This is not right. This is not *Pashtunwali*," referring to the Pashtun ethical code. Commander Hakim Shah said that, around the caves "the dead are lying on the ground all over. There are five in one place, ten in another." Haji Zahir, said, "There are still a few people in the Tora Bora area but they have lost their confidence, they have no supplies and they are not in a position to keep fighting." Journalists found that the statements made by the main Eastern Alliance commanders were often at variance with each other. One, Barry Bearak, said, "Their remarks, even when translated, are rampant with contradictions."

### ***Flight to Pakistan***

Attention now moved to Pakistan. Back on 5 December, Pakistani security forces had arrested 23 Arabs, including 3 women and 2 children, who were described as "not ordinary people" and who were thought to be connected to Osama bin Laden. On 6 December, General Fahim said that bin Laden may have crossed to Pakistan and said Pakistani assistance was now



necessary. Although Pakistan sent extra troops to the border, General Fahim said that, in the neighbouring tribal areas of Pakistan's North-West Frontier Province, "The tribes in this region are free. They do not belong to Pakistan and they are not under the control of Afghanistan." There are 172 possible entry points along the Afghan border into Pakistan. Major-General Rashid Qureshi, a spokesman for Pakistan's President, General Musharraf, said, "So far, there is no information that we have, or anyone else has, which is credible, which says that Osama bin Laden or his partners or supporters have entered Pakistan. We are utilising all assets, which means vehicles, manpower, as well as helicopters, assets for increased surveillance. All that is needed to be done has been done." He said fleeing Taleban, who had been intercepted at Chaman, had included 2 Turks and 4 Macedonians. Several thousand Pakistani troops were now deployed, especially along a 40-kilometre stretch of border behind the White Mountains.

**A**fter the early Eastern Alliance assaults in the Tora Bora area, many *Al-Qa'ida* fighters had decided to try their chances and cross the White mountains to escape. Pakistan set up 300 checkpoints to intercept fleeing *Al-Qa'ida*. On 15 December, Pakistani patrols captured 31 *Al-Qa'ida* fighters, mostly Yemenis. Many others followed. Of the first 108 captured, 60 were Arabs or other non-Afghans. On 18 December, 156 prisoners were captured in the "Parrot's beak" (an area of Pakistani territory which juts out into Afghanistan) and were taken to Parachinar. They included many Yemenis and some Chechens. The following day, while being transferred by road to the town of Kohat, some of these prisoners overcame their guards and escaped. Several were killed on both sides (17 by 20 December). Pakistani patrols also detained about 300 Pakistanis fleeing home. 60,000 extra Pakistani troops were deployed in this operation, in addition to the 65,000 Frontier Corps. Pakistan was offered extra helicopters by the US to help with surveillance. Some Pakistani patrols also crossed the border into Afghan territory. On 28 December, one French *Al-Qa'ida* fighter, identified as Hervé Djamel Loiseau, was found frozen to death in the White Mountains. A Scot, James Alexander McLintock, was also arrested by the Pakistani patrols.

By late December, around 200 *Al-Qa'ida* suspects were already held by Pakistan and being interrogated by the FBI at Kohat, 65

kilometres south of Peshawar. Between 27 and 30 December, the FBI questioned 139 Arab prisoners at Kohat, who had been captured by the Pakistanis after fleeing from the Tora Bora area. Several prisoners had frost-bitten feet and respiratory and intestinal diseases. However, they remained defiant and their morale was high. They yielded little information. The US and Pakistani intelligence officers were joined by others from Saudi Arabia, Egypt and other Arab countries. The Saudi investigators were shocked to learn that up to 2,000 young Saudis had been trained at the *Al-Qa'ida* camps in Afghanistan. Two of the 139 were French nationals. Many said that they were expecting another major attack like the one on 11 September. Between 17 and 25 December, over 300 non-Afghans had been caught in Pakistan fleeing from Tora Bora.

**Y**unus Qanuni accused Pakistan's ISI of helping bin Laden to evade capture. It was thought that some ISI officers, who had worked particularly closely with the Taliban and *Al-Qa'ida* before 11 September, might have arranged shelter for bin Laden and some of his senior associates with sympathetic Pashtun Islamic militants in the tribal area, in contradiction to the policy of the Pakistani government. The question of "safe houses" was raised. Moreover, the Pakistani troops sent to the border were deployed on crossing points and observation posts on high peaks and patrolled using helicopters. However, there were no house-to-house searches, which would have seriously upset the local Pashtun population, especially if Punjabi rather than Pashtun troops were involved.

### ***Hunt for bin Laden***

Back in Afghanistan, the US reduced its air campaign in the Tora Bora area from 17 December onwards. Some attacks continued around the White Mountains, where Eastern Alliance troops were pursuing fleeing *Al-Qa'ida*. US troops, aided by Eastern Alliance fighters, were now employed in sifting through the rubble inside the caves and looking for clues about the *Al-Qa'ida* and the whereabouts of Osama bin Laden. Hazarat Ali now had only about 200 fighters operating in the Tora Bora area (he had previously had 1,000), and the two other commanders had even fewer. On 21 December, Mr Rumsfeld approved the sending of more US ground troops to join in the search and Australian forces were now reported to be working with US and British Special Forces in the area. However, by the end of December, they were no longer searching caves. Mr





Rumsfeld described the findings as "relatively modest". Most US bombing then ceased, although 50-60 sorties continued each day looking for targets or in case air support was called for. An Afghan Defence Ministry spokesman, Mohammed Habel, said, "The campaign will continue until the last remaining pockets of terrorism have been eliminated," adding that some districts in eastern Paktia Province "have not yet been totally cleared, so the bombardment and our ground attack should continue until they are eliminated."

**A**s for the whereabouts of Osama bin Laden, an Eastern Alliance commander, Nawaz Khan, said that one captured prisoner, Abdar Rahman, had said that bin Laden had been in Tora Bora until 11 December but had then disappeared. On 26 December, the *Pakistani Observer*, a newspaper considered to be close to the ISI, reported that Osama bin Laden had died in the middle of November of a lung infection and had been buried. Of course, there was no confirmation of this. One local Afghan, Dr Hamid, who claimed intimate knowledge of the cave complex, claimed that tunnels had been dug through parts of the White Mountains. "You could go to Pakistan by walking, not by car," he said. "You do not have to go over the mountain top."

**T**hus, by late December, with Kandahar fallen and the *Al-Qa'ida* routed in Tora Bora, it could be said that the War in Afghanistan was over. There were still small pockets of resistance here and there but, overall, the Taliban had been defeated and the *Al-Qa'ida* had been eliminated as an effective organisation in Afghanistan. The War had witnessed the remarkable and awesome power of the United States in the execution of a campaign based on the most modern technology. Yet, the US bombing campaign, though vital to the success of the anti-Taliban Afghan forces operating on the ground, had been seen to be far from perfect. Apart from the occasional unfortunate occurrence of troops being killed by "friendly fire", there was a lot of evidence that the number of civilian casualties had been heavy.

### ***Civilian Casualties***

From the very beginning of the bombing campaign, there had been reports of serious incidences of Afghan civilians being killed by US bombing. Early on in the campaign, there were the victims at the village of Karam, near Jalalabad, where survivors and eyewitnesses

said that 45 out of 60 houses had been destroyed and 150 people killed. There had been the accidental bombing of an old people's home near Herat. Then, there were substantiated reports that 100 villagers had been killed in the town of Khanabad, during the fighting in the north.

**T**here were further civilian casualties during the campaign to drive the Taliban from Kandahar. In Kandahar's Mir Wais hospital, Dr Faisal Rabi said, "We did not have many injured here. We heard there were some civilians killed but I don't really know how many." However, it was likely that dozens of wounded civilians were taken to Quetta, 130 km from Kandahar, for treatment. It was also reported that 21 members of one family were killed when a bomb hit their village. However, in general, there was little sign of a large number of civilian casualties in Kandahar, while there was evidence of the high degree of accuracy of most of the bombing. For example a target house would be destroyed but neighbouring houses would be quite undamaged. However, some bombs hit targets which were quite unrelated to the Taliban, others hit buildings which the Taliban or *Al-Qa'ida* had already abandoned. In one case, the building of the Taliban's Department for the Promotion of Virtue and the Prevention of Vice in Kandahar received an accurate hit. One Taliban official then ran out of the building to seek refuge in a tailor's shop opposite. This was then bombed in turn and three brothers who worked there were killed. In another incident, three families numbering 17 people were killed by a bomb, although the nearest possible target was an old fort used by the Taliban, which was several streets away. In addition, after the fall of Kandahar, several truck and bus drivers complained that their vehicles had been targeted by US aircraft on the roads from Kandahar to Herat and from Kandahar to Kabul.

**T**he situation was more serious around Tora Bora. After early bombing on 1 and 2 December, there were reports of many civilian casualties in villages surrounding Tora Bora. An initial figure put the number killed at 200. Barry Bearak, a journalist, visited the area on 16 December. In the hamlet of Madoo (sometimes referred to as Kama Ado) there had only been 15 houses but 55 inhabitants were killed. All the houses were obliterated. Paira Gul, whose sisters and their families had been killed, said, "In the night, as we slept, they dropped the bombs on us. There



were never any Arabs here, never any Pakistanis. We are farmers." Tor Gul, an old man, said, "Most of the dead are children." A local farmer, Abdul Hussain, said of the burials in the local cemetery, "Things were done in a hurry. Some people were in pieces. Some graves have more than one body. Now there is no way to know." He added, "Only Allah knows what happened to us and only Allah cares." In several other hamlets and villages around there were similar stories.

Later, between 15 and 20 tribal elders were reported as having been killed by US bombs, on 21 December, on their way to the inauguration ceremony for the Interim Administration. This was denied by the US, who claimed to have evidence that the target consisted of members of the Taleban leadership. The US said that its aircraft had first been attacked by surface-to-air missiles. It emerged that the US might have deliberately been fed false information. Another figure for this convoy attack was 65 dead. All 24 vehicles in convoy were hit. The attack took place near Soto Kondu, 80 kilometres west of Khost on the road to Gardez, in eastern Afghanistan. This was a sensitive area just south of the White Mountains. The US Central Command announced that it was looking into the incident. Dr Abdullah said, on 26 December, that the matter was still under discussion between US and Afghan military officials.

When the three US Special Forces were killed near Kandahar, the Pentagon said that this could have been caused by either a flaw in the guidance system of the bomb, or by an error in the co-ordinates transmitted from the ground, or because of a mis-programming of these co-ordinates by the aircrew. It is probable that many of the civilian casualties were due to faulty intelligence rather than defective technology. However, the scale of this led to a widespread view that the US felt indifferent towards civilian casualties.

According to one source, the number of civilian casualties was alarming. Professor Marc Herold of the University of New Hampshire estimated that the total civilian death toll in Afghanistan between the beginning of the bombing campaign, on 7 October, and 19 December was nearly 3,800. He based this figure on an assessment of reports from news agencies, newspapers and first-hand accounts. He has listed the number of casualties, the location of the incident, the type of weapon used and the

source of his information. His figures have been published on his comprehensive web site (<http://pubpages.unh.edu/mwherold/>). If correct, this figure compares rather sadly with the latest estimates of the death toll from the destruction of the World Trade Centre in New York, which, by late December, was 1,432 in the North Tower and 599 in the South Tower.

### ***Death of prisoners in custody***

The other controversial aspect of the war concerned the treatment of prisoners. The Geneva Convention requires that "prisoners of war must at all times be humanely treated". Two serious problems here concerned the chaotic treatment of the thousands of prisoners taken by the Northern Alliance after the fall of the northern cities, particularly Kunduz, and, later, the question of the treatment of those prisoners who were handed over to the United States.

The first major incident took place, following the battle to take the Taleban stronghold of Kunduz, which had fallen to the Northern Alliance on 26 November. A former Taleban commander, Amir Jan, who had earlier defected to the Northern Alliance, had negotiated the surrender of a large body of Taleban and *Al-Qa'ida* troops with Mullah Faizal, the Taleban commander in Kunduz. Mullah Faizal informed these foreign fighters that they would be required to give up their weapons but had not told them that they would be detained afterwards. They believed, therefore, that they would then be set free. It had first been arranged that they would be taken to the town of Erganak, about 20 kilometres west of Kunduz, to give up their weapons. Instead, however, they were taken overnight to Mazar-i-Sharif. Here, General Dostum intended that they would be held at the airport but the Americans objected, saying that the airport was too busy with air traffic. General Dostum then suggested that they could be taken to his fortress base of Qala-i-Jhangi, which is near to Mazar. The Americans concurred, although both were aware that General Dostum maintained a large weapons store inside the fort.

Before being transferred to the fort, General Dostum's head of security, Said Kamal, arranged for the prisoners to be searched, and General Dostum returned to Kunduz. The prisoners were to be transferred in five lorries. By the time that the prisoners for the first three lorries had been searched, darkness was falling and the others were not searched. Upon arrival,



a senior officer, Nader Ali, began a search of the other prisoners but one detonated a grenade, killing himself and Nader Ali. The guards then herded all the prisoners into some lock-up stables but several more blew themselves up overnight. The next morning, Amir Jan decided that it would be safer if the prisoners had their hands tied and placed in a basement. Meanwhile, two CIA agents, known as Mike and Dave, arrived to begin interrogating the prisoners to find who might be connected to *Al-Qa'ida*. Also, an official of the International Committee of the Red Cross, Simon Brooks, arrived to register the prisoners' names, while two television crews from Reuters and the German company ARD came to take pictures.

Thus, at 11.25 a.m., the prisoners were brought out onto the central compound of the fort. As guards began to tie up some of them, the CIA agents began interrogation. One prisoner turned out to be a 20-year old American, John Philips Walker Lindt, from Fairfax, California (who had become a Muslim under the name Abdul Hamid and gone to Pakistan). During interrogation, Mike appeared to be threatening John Walker's life if he didn't co-operate. Many of the prisoners now feared that they would be shot. Several prisoners then attacked one of the guards and one grabbed his gun, while another detonated a grenade, killing himself and Mike. As the prisoner with the gun shot five other guards, Dave shot one prisoner before making his escape, as did the other guards and the television crews. The prisoners whose hands had already been tied were quickly shot dead. The Taleban and *Al-Qa'ida* prisoners then broke into the arms store and helped themselves to more guns, mortars and rocket launchers. Dave then borrowed a satellite telephone from the ARD crew and called to the US embassy in Uzbekistan to say that they had lost control of the situation in the fort and calling for air support and troops. At 3.30 p.m., US aircraft arrived and fired ten missiles at the prisoners' positions. In the confusion, several prisoners managed to escape. The following day, US and British Special Forces arrived and the battle continued. A photographer from Associated Press, who was also present, claimed to have seen 50 dead prisoners whose hands had been tied. In all, the battle lasted for three days and the prisoners were only defeated with the use of more aircraft and heavy weapons, including a tank. Many of the prisoners sought refuge from the shooting in a cellar and, after vain attempts to flush them out, the cellar was

flooded, causing many deaths among the prisoners.

An estimate of the number of people killed during the battle at Qala fort was 233 prisoners, 40 Northern Alliance guards and the one CIA agent, known as Mike. A later figure said that 344 prisoners had been killed. Amnesty International asked that an official inquiry be made into this incident but the British and American governments refused. Mary Robinson, the UN Commissioner for Human Rights, also called for an inquiry, as did Human Rights Watch, on 4 December. It was reported that 80 prisoners survived the flooding in the basement and 100 others were injured. The ICRC sought interviews with them.

On 7 December, Mary Robinson said that her staff were "mapping out patterns of massacres" of Arab prisoners elsewhere in Afghanistan. 4,000 prisoners had to be dealt with after the fall of Kunduz. This was clearly many more than the Northern Alliance could cope with. After the incident at Qalah-i-Janghi, it was decided to transfer all the prisoners to Sebarghan, further to the west. In view of the risk involved in transporting such highly dangerous men, the prisoners were transported in shipping containers on the backs of lorries. Many, perhaps more than a hundred, died on the way, many from asphyxiation, others from cold or from their injuries. Various prisoners interviewed said that 7 had died in one container, 13 in another and 35 in yet another. One prisoner, a 30-year old mechanic from Peshawar called Ibrahim, simply said, "No oxygen, no oxygen." This death-toll was confirmed in interviews with the drivers.

General Jurabek received 3,000 prisoners at Sebarghan. These included the survivors from Qalah-i-Janghi. General Jurabek claimed that 43 prisoners had died in transit in the containers. All the prisoners had now been registered and questioned and the seriously injured were transferred to hospital. He had told the prisoners that they would not be harmed and that the wounded would be treated. He had also explained to them that Osama bin Laden and Mullah Omar were hard-line terrorists who wanted to destroy Afghanistan. He believed that some of the prisoners were now changing their minds. By 30 December, of the 3,000 prisoners at Sebarghan, 900 were non-Afghans.



There appeared to be a general tendency of the anti-Taliban Afghans to treat Afghan prisoners leniently and foreigners harshly. This sometimes extended to Pakistanis and, during the fighting south of Jalalabad, 100 pro-Taliban volunteers from Pakistan's Punjab Province were released on 13 December. Concern, however, was expressed by some at the US reluctance to accept the cease-fire and surrender of the *Al-Qa'ida* fighters at Tora Bora and it was pointed out that the refusal to accept the surrender of combatants is illegal under international law.

**B**y 21 December, the anti-Taliban Afghan forces were holding some 7,000 Taliban and *Al-Qa'ida* prisoners, who were being screened for intelligence. 300 non-Afghans were captured in the week up to 23 December. By 27 December, the ICRC had visited over 2,400 prisoners in more than 30 detention centres in Afghanistan. Among the prisoners was a 26-year old Australian, David Hicks. He had first volunteered with the Kosovo Liberation Army, in 1999, then joined *Lashkar-i-Taiba*, in Pakistan, in November 1999, and then been sent to Afghanistan for intensive training by *Al-Qa'ida*. Some Afghan commanders, who captured Pakistani volunteers, sought to ransom them back to their families in Pakistan - the going rate being \$1,600-3,500 per head. This led to threats being made against Tajik and other non-Pashtun refugees in the camps in Pakistan.

### ***US Holds Prisoners***

On 30 November, US Defence Secretary Donald Rumsfeld announced that the United States wanted all Taliban and *Al-Qa'ida* leaders to be delivered into US "physical custody". On 7 December, he said that *Al-Qa'ida* fighters could be returned to their own countries to face trial. He said that the US objective was that "remaining *Al-Qa'ida* fighters do not leave the country and go off to conduct additional terrorist attacks on other nations, including the US, and that Afghanistan not be a nation that harbours terrorists."

On 10 December, it was reported that the US had established a detention centre at Camp Rhino. So far, only 1 prisoner, John Walker Lindt, was held there. Then, on 17 December, the US transferred 5 prisoners to the amphibious helicopter carrier, *USS Peleliu*, in the Arabian Sea. The following day, agents of the Federal Bureau of Investigation (FBI) arrived in Afghanistan to assist with the

interrogation of the prisoners, especially on the whereabouts of Osama bin Laden. By this time, 15 screened prisoners had been moved to the US holding centre near Kandahar and were being interrogated by CIA and FBI agents. On 28 December, it was officially announced that these prisoners would later be transferred to the US base at Guantanamo Bay in Cuba. Moreover, the US refused to call these detainees "prisoners of war", which would have entitled them to certain rights, and it was reported that the US planned to set up military tribunals to try the prisoners. These announcements provoked concern among human rights groups. By 30 December, the US was holding 136 prisoners, of which 125 were held near Kandahar, 2 more at Bagram, 1 in Mazar-i-Sharif and 8 on board the *Peleliu*. Nearly all of these were non-Afghans. The FBI had also questioned 139 detainees held at Kohat District prison in Pakistan.

### ***Interim Administration installed***

Following the conclusion of the Agreement in Königswinter, on 5 December, it was crucial for the designated leader of the Interim Administration, Hamid Karzai, to shore up his position. He was keen to secure the support of the United States. In an interview, on 10 December, he stressed that the US should never again "walk away from Afghanistan". Afghanistan would be "a good friend, a trusted friend and an ally" in the fight against terrorism. Hamid Karzai had spent much time in the US during the 1980's. On 16 December, he met Mr Rumsfeld briefly at Bagram air base during a brief stop-over by the Secretary of Defence.

**A**t home, there was the delicate matter of his relations with President Rabbani, who had resumed his former occupation of the Presidential Palace. During a press conference, on 12 December, Mr Rabbani said that he would hand over power to the Interim Authority but described the Petersberg Agreement as "an offence to the leaders and the people of Afghanistan" orchestrated by foreign powers. Mr Rabbani endorsed the choice of Hamid Karzai as head of the Interim Administration but said that he should not have had his ministers foisted upon him by the delegates in Bonn. He said, "When we sent the delegation to Bonn, we didn't send them to sign the agreement. We just sent them to discuss and negotiate." They had signed, he said, because of "pressure by the international community." Later, Hamid Karzai had a brief meeting with Zahir Shah, on 18 December,



while in Rome. The ex-King also endorsed Mr Karzai taking over as leader of the Interim Administration.

**O**n 13 December, it was stated that Professor Rabbani, now 61, would resume his teaching post at Kabul University. However, Sayed Najibullah Hashimi, said that Mr Rabbani would also now work to make the Northern Alliance into a political movement, which would propel him to the Presidency in a future election. He said, "He wants to form a broad-based party taking in all the different ethnic groups, Shias and Sunnis. This is a transitional administration and we shall have elections in the future and Mr Rabbani wants to run in that." Mr Rabbani planned to visit Herat, Kandahar, Mazar-i-Sharif and Jalalabad. Mr Hashimi was serving as the official spokesman of both Mr Karzai and Professor Rabbani.

Yunus Qanooni, on returning to Kabul, said, "I hope the agreement we reached in Bonn will bring peace to Afghanistan and end the war in our country," adding, "If we could not have reached an agreement in Bonn, then there would have been a big fight in Afghanistan." Apart from General Dostum and Sayed Ahmad Gilani being dissatisfied by the Agreement, Abdurrah Rasul Sayyaf, a Pashtun hardline theologian in the Northern Alliance, was upset at not obtaining the interior ministry, while the Shia Hazara Hizb-i-Wahdat party felt that its interests had been under-represented.

**H**owever, on 9 December, General Dostum changed his position and announced that he would co-operate with the Interim Administration. He was present at the swearing in ceremony, on 22 December, and was then brought in as Deputy Defence Minister two days later. He said, "This is a great honour for me. We promise the government that we support them and, what we can do for them, we will - not just in the North but everywhere in Afghanistan." General Dostum and the Defence Minister, General Fahim, said that this arrangement would help Afghanistan to build a united national army. James Dobbins, the US Ambassador, said that the US had offered to help Afghanistan develop a more modern Afghan force. (General Dostum had had a chequered career, having first served as an army officer under the pro-Communist President Najibullah. He defected to the *mujahideen* to help them take Kabul in 1992. Later he turned against President Rabbani and was eventually defeated by the Taliban in his

stronghold of Mazar-i-Sharif, in 1997, only to regain the city and then lose it again. After that, he had gone into exile in Turkey but had returned to Afghanistan early in 2001 and joined the Northern Alliance.) There was also concern about the position of Ismail Khan, who had been given no position in the Interim Administration. From his western base in Herat, Ismail Khan controlled the neighbouring provinces of Bagdhis, Ghor and Farah and was reported to be making separate arrangements with various aid agencies.

**O**n 23 December, the day after the swearing in ceremony, the first meeting of the Interim Administration took place and lasted 2 hours. It focussed mainly on security issues. Outside, demonstrators, including many women, called for "Equality, Democracy and Peace." Many members of the Interim Administration arrived accompanied with truckloads of armed guards. Hamid Karzai was now using the Presidential Palace as his official residence. For the time being, Mr Rabbani was also staying there. The UN spokesman, Ahmed Fawzi, said that a first amount of \$20 million was arriving in Kabul to help the new government begin its work. Each Minister would be given a desk, a chair, a computer, a telephone, office supplies and a car provided by the UN. Hamid Karzai said that, while in Rome, Silvio Berlusconi, the Italian Prime Minister, had promised to provide money and equipment to improve Afghanistan's television service and provide Italian police to train an Afghan police force. He had also promised help to train Afghan athletes to train for the forthcoming Olympic Games. Mr Karzai said, "There is really no area in which Afghanistan will not require assistance."

**O**n 10 December, several former Taliban leaders, including the Deputy Chief Justice and the former deputy ministers of culture, education, refugees and rehabilitation, had met to revive the Khuddamul Furqan Party, which had been founded in 1966 but which later merged with the Taliban. Pir Ahmad Amin Mojaddi was named as party president. Other prominent members include Abdul Hakim Mujahid, Maulvi Abdal and Sattar Siddiqui. The old party had formerly been active in the south-east of Afghanistan.

There were early developments on two issues. At his first press conference, Dr Abdullah said that the government would set up a high level commission to deal with drug trafficking. He



said that he expected to receive international help for this task. Secondly, the Interim Administration appointed Amina Afzali to head the revived Afghanistan Women's Movement. She had earlier founded a women's self-help movement in Herat before fleeing to Iran when the Taliban took over. She had been tipped to become a member of the Interim Administration. In a radio broadcast, on 30 December, she advised women not to wear the *burqa*, explaining that the Koran only called on them to wear a headscarf and not to cover their faces. However, the major problems facing the Interim Administration were those of security and the question of establishing a multinational peace-keeping force endorsed by the United Nations and the problem of bringing in aid for immediate humanitarian relief and longer term reconstruction

### **Security Issues**

Pockets of resistance remained in various parts of Afghanistan. For example, about 80 Taliban fighters were holding out at Balkh, near Mazar-i-Sharif. Some injured *Al-Qa'ida* fighters had taken over part of the hospital in Kandahar. Elsewhere, bands of armed men were roaming round and acting like brigands. While Ismail Khan controlled half the road from Herat to Kandahar, local Taliban armed bands control the rest of the way to Kandahar. Also, about 1,000 Taliban fighters were still at large to the west and south of Mazar-i-Sharif. A meeting took place, on 7 December, at Mazar airport between the Uzbek General Dostum, the Tajik General Atta Mohammed and the Hazara General Mohammed Mohaqiq. The French commander of the Marine Infantry unit at Mazar airport, Colonel Jean-Marc Salliard, was also present, as was a representative of the US Special Forces. General Mohaqiq said, "The world is concerned about security threats, which are delaying the arrival of aid, so we held this meeting with some urgency."

On 26 December, Hamid Karzai said that the war was not yet over and that the US-led coalition was still needed. "They need to fight terrorism right now, physically, inside Afghanistan, to bring them out of their hideouts and deliver them to justice - to international justice and to Afghan justice." Dr Abdullah added that US forces would be welcome in Afghanistan for as long as it took for the "eradication of terrorism in Afghanistan completely." He said, "We don't want to see the job half done." However, on 28 December, General Fahim said that there was

no need for a continuation of US bombing as the remaining border areas had been cleared. The US Commander, General Tommy Franks, said, "We will take as long as it takes." President Bush said he was waiting for General Franks to say, "Mission complete, Mr President," before the US would move its troops out.

### **Peace-keeping force**

By end of November, British, French, Canadian, Turkish and Jordanian troops were on stand-by waiting for the formation of an international peace-keeping force. Britain had already sent 100 Marine Commandos to Bagram base to secure the airport. France had 250 troops ready to deploy to Mazar airport for the same purpose (an advanced party of 60 had been waiting in Uzbekistan since 19 November). 40 French Marines finally arrived on 2 December from Khanabad. Kevin Kennedy, the head of the UN emergency relief agency, said that lack of security was "one of the major impediments to the relief operations in Afghanistan."

The US Secretary of State, General Colin Powell, attended the meeting of the NATO Council on 6 December. It was now probable that Britain would provide the leadership for the force. Three days later, US and British representatives discussed the setting up of an interim security force of 4,000 troops for Kabul to be in place by 22 December, pending a full multinational force deployment within three months, when the UK could hand over leadership to Turkey. While potential contributors could probably include Turkey, Jordan, Egypt, Bangladesh and Pakistan, only Britain, France, Germany and Italy were likely to be able to deploy forces so quickly. Britain could provide 3 battalions, or around 3,000 troops, for such an interim force. On 11 December, officials in Berlin said that Germany was prepared to send up to 1,000 troops. The French Prime Minister, Lionel Jospin, said that France would send several hundred (the French Defence Minister, Alan Richard, later put this at 800). In addition, *El Pais* reported, on 11 December, that Spain would send 500 troops.

The same day, General Fahim said that the UN mandated force should not exceed 1,000 and that its role should be limited to guarding government installations and meetings. They could also help the Afghan security forces maintain peace. Under the Petersberg Agreement, the forces of the Northern Alliance



were supposed to withdraw from Kabul once the multinational force was deployed. However, General Fahim said that his forces might not withdraw entirely. Lakhdar Brahimi came to Kabul, on 7 December, and met General Fahim (and Mr Rabbani). Describing his talks as "very encouraging," Mr Brahimi said, "The force will not come to fight anyone or oppose anyone but to help increase stability and security for the people of Afghanistan."

**O**n 14 December, the first London Conference on the multinational force took place. Britain proposed Major General John McColl to be the commander of the new force. Offers of contributions came from Argentina, Australia, Canada, the Czech Republic, Denmark, France, Germany, Greece, Italy, Jordan, Malaysia, the Netherlands, New Zealand, Norway, Spain, Turkey, the UK and the US. The UN Security Council was due to meet that day to discuss a resolution to endorse sending the force but the five Permanent Members were still in negotiations on the text.

Also on 14 December, the leaders of the EU met at the Laeken Summit, near Brussels. Most EU member states offered to contribute to the force. The EU took a decision in favour of participation. The EU Council President, the Belgian Foreign Minister, Louis Michel, said, "I think this is of capital importance for Europe's Security and Defence Policy." While Mr Michel called this a "turning point", British European Affairs Minister, Peter Hain, cautioned that, while the new EU force would become operational on 15 December, they were discussing an "international force". The European Rapid Reaction Force would not be ready or able "to undertake an action like that." The Spanish Foreign Minister, Josep Pique, nevertheless said that it was important that "the EU, as such, has decided to participate in this intervention force under the umbrella of the United Nations."

**O**n 16 December, Donald Rumsfeld met General McColl during his stopover at Bagram air base. General McColl had gone to Afghanistan with a team of British, French, Italian and Canadian officers to discuss the details for the deployment of the force with Hamid Karzai, Dr Abdullah and General Fahim. Compared to General Fahim's figure of only 1,000, Mr Rumsfeld said that he envisaged "a relatively small force, taking 3,000 to 5,000 at most." He said that these would come from four or five countries but would not include a US contribution. General Fahim also objected to

the proposed name for the force ("International Security Assistance Force"), preferring use of the word "mission" to "force". General McColl said, "This is an immensely complicated task and I do not underestimate the level of difficulty in such a deployment, by air, over such distances." General McColl's mission returned, on 19 December, to undertake the detailed planning for ISAF. This included settling the precise roles to be undertaken by the troops, the rules governing the use of force and the time-scale for the operation.

**O**n 17 December, Peter Hain said that ISAF would have up to 1,500 troops, a part of which would be deployed by 22 December. He said "The imperative is to get a force in there quickly and get it properly organised." The US contribution would be to provide air cover for the force (as Britain's Defence Minister, Geoff Hoon, later put it, to offer ISAF the "essential enabling support to deploy and sustain the force"). The British Prime Minister, Tony Blair, said that, apart from EU troops, contributions might come from Argentina, Australia, Canada, the Czech Republic, Jordan, Malaysia, New Zealand and Turkey. Hamid Karzai met senior British Foreign Office officials at Heathrow Airport, outside London, on 17 December, during a brief stop-over on his visit to Italy and the Middle East.

**A**t this point, a further difficulty emerged. Donald Rumsfeld attended the NATO Defence Ministers meeting, on 18 December. The Security Council P-5 group felt that the US should have overall control of all foreign troops in Afghanistan, including ISAF. Germany wanted a clear separation between the peace-keeping mission and Operation Enduring Freedom and insisted that ISAF be independent of US control. The German Defence Minister, Rudolf Scharping, said, "There must be strict separation between the ongoing US military operation and the UN force." This view was not held by all. The British Foreign Minister, Jack Straw, in a letter to UN Secretary General Kofi Annan, said that the US Central Command would have the authority "to ensure that International Security Assistance Force activities do not interfere with the successful completion of Operation Enduring Freedom". It was later agreed that the US Central Command would have "ultimate authority" over ISAF, "if things blow up in Afghanistan", as one diplomat put it.



Also on 18 December, Hamid Karzai, speaking in Rome, gave backing to ISAF. He said that he envisaged a force of 3,000-5,000 authorised to use force only in self-defence but also to keep the peace until an Afghan Defence Force can take over. He said, "If it takes the use of force to keep the peace, why not? The basic element is to keep the peace." Two days later, the UN Security Council unanimously adopted the Resolution, which authorised ISAF to help the Afghan authorities maintain order. The Resolution provided for the deployment of 1,000 troops initially, rising to around 5,000. The force would be operationally limited to Kabul with a six-month mandate. Also, the mandate for the Force would come under Chapter VII of the UN Charter, which allows the use of force, rather than Chapter VIII. Dr Abdullah said that his government approved the use of Chapter VII.

By now, however, it was rather late to have the force in place for the handing over to the Interim Authority, on 22 December. A first British contingent of ISAF arrived on 19 December. 30 Marines from B-Company of 40 Commando were flown from the amphibious assault ship, *HMS Fearless* in the Arabian Sea by Sea King helicopters to a base in the Persian Gulf and from there to Bagram by C-130 transport aircraft. 53 more arrived late the following evening. They joined the 42 Royal Marines of C Company, who had already been guarding the Bagram base for four weeks. A number of armed intruders had recently been caught at the base and handed over to the Northern Alliance. The new arrivals would be based at the recently re-opened British Embassy in Kabul. General Fahim said the Marines "are here because they want to be but their presence is as a symbol. The security is the responsibility of the Afghans." He added, "They have no right to disarm anyone." An initial task for the new arrivals would be to act as guards at the swearing-in ceremony. Britain was expecting to send 300 Royal Marines as the advance guard, to be followed by the 2<sup>nd</sup> Battalion of the Parachute Regiment. Britain would also set up the headquarters for ISAF to be provided by the 16<sup>th</sup> Air Assault Brigade.

A second meeting was held in London to make further preparations for ISAF at which 21 countries were represented. On 20 December, Jack Straw said that the initial contributions would now come from Britain, Italy, Spain, Canada and Jordan. Contributions from Germany and France would take longer. The same day, the Czech Senate approved sending

a contribution of 200 troops and Greece offered to send over 100 troops. The German Cabinet now agreed to contribute up to 1,200 troops, and this was endorsed by a special session of the German Parliament on 22 December.

General McColl now had to settle the details with the Afghan leadership. On 28 December, he conferred with General Fahim, who commented, "Now, around 3,000 people are supposed to come. Around 1,000 are for security and the rest will be for logistical and humanitarian purposes." General McColl said of the meeting, "It was very helpful, very supportive." Further talks took place on 30 December. Dr Abdullah said that an agreement on the deployment of the force was almost complete but, late that evening, Yunus Qanuni, after meeting with General McColl, said, "The talks are over. There is no agreement. There is nothing to sign." An agreement should have been initialled at the meeting. Although no date was set for a resumption of these discussions, Dr Abdullah said, "Very soon, we will be able to see multilateral forces. We are not going to discuss details but the agreement has been finalised." General Fahim said that, under the agreement, 300 troops would be based in Kabul and the rest at Bagram. Dr Abdullah said that the talks had taken "longer than what was expected." The first joint patrol between British Marines and Afghan troops took place in Kabul on the night of 29-30 December. However, Ismail Khan said that no international troops would be allowed to deploy in Herat.

## Reconstruction

Hamid Karzai had in no way been exaggerating when he said that "There is really no area in which Afghanistan will not require assistance." The country was literally on its knees. There were now an estimated 4 million external refugees and 1.4 million internally displaced people.

Half of Kabul's 1.5 million population were on the breadline, although some money was still available and many people were now buying television sets to be able to watch programmes after so many years of being deprived of this. However, there was also severe unemployment. There had been 200 factories in Kabul, in 1992. Under Taleban rule, the number fell to about 40. Now only 6 were still operating. The steelworks, which once employed 3,000 workers, now had only





150, who came for a few hours each day to operate the one remaining foundry, even though they had not been paid for the last five months. However, they scraped a living by making things and selling them in the bazaar. The Army factory was still open but, again, no salaries had been paid. The civil servants also had not been paid for several months. The electricity company still had 900 un-paid employees but only one remaining vehicle, as the others had been taken by the Taleban. 10 of Kabul's fleet of 48 refuse lorries were out of commission with flat batteries.

**O**n 8 December, the WFP began distributing 50 kilo sacks of wheat but this was suspended the following day as too many people turned up and fights broke out. One aid worker said, "People were beaten and punched. I saw two women staff members practically torn apart." Afghan women behaved more aggressively than the men. The distribution resumed on 10 December at 16 distribution points with soldiers present. The WFP planned to feed 1.3 million people in Kabul in this way. The programme would be extended to other cities as the security situation improved. Aid was also being delivered in Herat but none in Kandahar. About 10,000 people, who had fled Kabul during the bombing, had now returned. The UNHCR provided 1,500 of these families with sacks of coal and other supplies.

North of Kabul, on the fertile Shomali Plain, the Taleban had brought about great destruction, burning villages, blowing up irrigation channels, cutting down thousands of fruit trees and letting vines wither and die. The Plain was for long a much fought over frontline between the Taleban and the Tajik forces under General Masood. 200,000 people had fled from the plain into Kabul, while another 15,000 or 20,000 had fled northwards into the Panjshir Valley. Kabul's breadbasket had been transformed into a wasteland. One 48-year old farmer, called Khanjam, returned to his land. "I went back two days ago to look," he told Victor Mallet, but everything had been burnt and there was nothing left to start again with. They even bombed the irrigation system. I had a good house, wells, vineyards and trees - mulberries, walnuts, peaches and pomegranates. They destroyed everything three years ago."

The Salang Tunnel, on the new main road built by the Russians, from Kabul to the north, was still blocked. The British charity, the Halo Trust, which specialises in de-mining

operations, was beginning the slow and dangerous task of clearing it of rubble. The 3 kilometre long tunnel, built between 1958 and 1964, under the high Salang Pass, had been blown up by General Masood in 1998 to impede the Taleban's advance on the north. Tom Dibb of the Halo Trust explained: "The concrete ceiling has collapsed for several hundred metres at each end because anti-Taleban soldiers exploded several aerial bombs above the tunnel to block the entrance and exit. In addition to the rubble inside, which prevents all but pedestrians from picking their way through, there are also about 80 anti-tank mines on or beside the steep approach road from the north. Above that, an overhead gallery, designed to protect the road from avalanches, has also collapsed." Halo was employing 150 local people to clear the rubble. Bulldozers could not be used as the ventilation system was broken. In addition, most of the approach bridges to the south of the tunnel had been destroyed.

**T**he old route to the north passes through Bamiyan Valley. Here the plight of the people was despicable. Many Shia Hazaras were now living in niches in the rocks, near where the Taleban had blown up the ancient Buddha statues. The Taleban systematically destroyed the homes of the Shia Hazara people living in and around Bamiyan and pursued what one commentator called a "scorched earth policy" there. In the local hospital, there remained only one doctor and no medicine. The beds, generator and X-ray machine had all been stolen by the Taleban. Dr Ali Khan Sharifi said, "So many are suffering from pneumonia and grippe and depression. People have no possessions, no pillows, no mattress, no house, no wheat to harvest."

**B**y 5 December, only the ICRC and MSF had come to Afghanistan. There were 500,000 internally displaced people in northern Afghanistan alone, most without proper shelter. 19 had died in the Nasarji camp, in November. There were 8,000 refugees in a camp at Dasht-i-Shor and a further 20,000 at a group of camps at Nasarji. All these displaced people were without sanitation or water. There was insufficient food and much of the aid was blocked at Termez, only 65 kilometres or 45 minutes drive from Mazar-i-Sharif. The government of Uzbekistan was still refusing to open the Freedom Bridge across the River Amu Darya, closed in the late 1990's, after the Taleban had seized Mazar. The Uzbek authorities feared further infiltration from the Islamic Movement of



Uzbekistan, an ally of *Al-Qa'ida*. Western frustration at dealing with Uzbek officials included the slow paperwork required. At Termez, aid supplies were being carried across the river on barges, requiring a lot of loading and unloading. This was also costly. Each barge could make only one trip per day. Nevertheless, the bridge had recently been re-painted, as if reopening was imminent. The ICRC and MSF were bringing in aid in a round about route via Turkmenistan, which required a 20-hour round trip. Mazar's airport runway had now being cleared. At last, following a meeting between Colin Powell and President Karimov, the Friendship Bridge was re-opened and the first train of 15 wagons, carrying 1,000 tons of grain and flour, supplied by Uzbekistan, crossed on 9 December, enabling aid operations to resume. On 26 December, it was reported that 1,000 refugees had returned to Mazar from Pakistan. 83 lorries and minibuses had brought the refugees, according to the Mazar bus station supervisor, Amidullah Popal.

There was also a serious problem of mine clearance to be tackled in the north, where 400 mine clearance experts arrived, on 19 December. Many mines had been planted by the Northern Alliance as they retreated first from Kunduz to Taloqan and then from Taloqan towards their only remaining city of Feyzabad, in the far north-eastern province of Badakhshan. The Halo Trust said that a lorry carrying refugees had hit a mine-field on the Kunduz-Taloqan road leaving 64 people killed or injured. 600 anti-tank mines placed on the road from Taloqan to Feyzabad had blown up 15 vehicles, leaving 25 people dead or wounded. About 88 mine casualties were reported each month, not including those killed outright. The Halo Trust said that there were about 640,000 mines hidden in Afghanistan. This problem had now been complicated by much unexploded ordinance resulting from the bombing campaign. Some observers have put the figure of unexploded mines at about 20 million. The 400 staff being deployed by Halo Trust were all Afghan volunteers. They received training and \$105 per month (although Halo hoped to increase this to \$130). Contributions towards the cost of mine clearance had included \$7 million from the US, \$3 million from Britain and \$1 from Canada.

In western Afghanistan, it was reported that five or six children were dying each day in the refugee camps, although food was stockpiled across the border in Iran. In Nimruz Province,

in the arid south-west, there were just 8 doctors for 300,000 people spread out over an area of 45,000 square kilometres. An official of MSF said, "In the desert, with no help, they cannot survive." The border with Iran remained closed. Nevertheless, on 18 December, the UN reported that 33,000 Afghan refugees had returned from camps in eastern Iran since the Taliban had been expelled from Herat, on 12 November.

The work of the aid agencies was further complicated by a shortage of transport. Most of their vehicles had been stolen by the Taliban and subsequently captured by the Northern Alliance, who regarded them as "spoils of war". A more positive aspect was that the United Nations were actively seeking to hire women for their various projects.

Of crucial importance to Afghanistan was the early deployment of staff from the main donor countries and agencies. On 10 December, the EU appointed Klaus-Peter Klaiber, formerly the Assistant Secretary General for Political Affairs at NATO, as its Special Envoy to Afghanistan. His role would be to co-ordinate the EU's humanitarian aid and reconstruction efforts. He left for Kabul on 17 December and would be housed in the embassy building of the former German Democratic Republic. He would be assisted by ten professional staff. He would report to Javier Solana and work closely with the UN mission under Lakhdar Brahimi. He said, "I have no alternative but to be cautiously optimistic but the task in Afghanistan will be much harder than any of the crisis-management missions taken on by the international community before."

The US Envoy to Afghanistan, James Dobbins, reopened the US embassy, already reclaimed by the Americans on 10 December, one week later. He said, "With the reopening of the United States Mission in Kabul today, America has resumed its diplomatic, economic and political engagement with this country. We are here and we are here to stay." He admitted that the US and the world in general had "largely ignored" Afghanistan after the Soviet withdrawal, in 1989, and said, "The Afghan people paid a great price for this decade of neglect and abuse." He described Afghanistan as having become "an international black hole" and said, "On September 11, the United States and the rest of the international community also paid a great price." The chief guests at the reopening were Yunus Qanuni and General Fahim. US Marines then hoisted the same stars and



stripes, which had been taken down from the Kabul embassy in January 1989 and stored in Washington ever since. Remarkably, the US diplomats found a photograph of President Reagan still hanging on the wall inside and the wine cellar untouched. They were even able to re-start several of the vehicles abandoned in the motor pool.

**O**n 21 December, after a two-day meeting of donor countries, international aid organisations and NGO's in Brussels, Mark Malloch-Brown of the UNDP said that the cost of reconstruction for Afghanistan in the medium term (i.e. over the next five years) would amount to \$9 billion. Of this, \$582 million had already been earmarked for "quick impact" projects over the next 30 months. He said that this did not include the cost of providing security. The Brussels meeting agreed that funds would be provided both bilaterally and through a trust fund set up for longer term reconstruction, which would be organised by the World Bank, UNDP and the ADB. Smaller donors could contribute through the trust fund. The "quick impact" projects would include children's education (reopening schools), energy production, health care, rural development, repairing water distribution and irrigation systems and the campaign against drugs. The donor countries pledged \$17 million to finance the restoration of Afghanistan's civil administration. The EU Commission's Director for Asia, Fokion Fotiadis, called this package a "peace dividend for Afghanistan".

### ***Attack on Indian parliament***

Just as the War in Afghanistan was gradually winding down, a suicide attack was launched against the Indian Parliament in New Delhi, on 13 December. Five terrorists drove up to the Parliament building in a white Ambassador car, similar to those used by Indian Government ministers and officials. It was carrying an official red warning light on the roof and a Parliament pass affixed to the windscreen. One of the terrorists wore a bomb strapped to his waist. Their aim was clearly to kill the guards at one of the entrances and then sprint into the debating chamber. They aimed to hold out for some time because they were carrying food and portable telephones. Hundreds of MP's were inside and the Prime Minister, Mr Vajpayee, was scheduled to answer questions in the Upper House.

The attack, which was filmed by nearby camera crews, began at 11.45 a.m. as the

terrorists arrived at the entrance, dressed in the uniforms of Indian Army commandos, and began firing AK-47 assault rifles at the guards and throwing grenades. However, one guard, though fatally wounded, managed to close the heavy entrance door and sound the alarm on his radio, after which all the other entrances were shut. There ensued a 30-minute shoot-out. Four of the terrorists were killed and the last one, who tried to escape, was shot and killed about half-an-hour later. Five police guards were killed, as well as an MP's bodyguard, Jagdish Yadav, and a gardener called Deshraj, who was tending the flowers outside. 25 others were injured. The MP, Najma Heptulla, said, "My God, it was close!"

**A**lthough no group claimed responsibility for the attack, it was soon thought to be the work of a militant Islamic group based in Pakistan. It was similar to the attack, in October, on the State Legislative Assembly of Jammu and Kashmir, in Srinagar, for which the *Jaish-e-Mohammad*, an organisation based in Pakistan and linked to *Al-Qa'ida*, was held responsible. India's Foreign Minister, Jaswant Singh, described Pakistan as being "the epicentre of terrorism." The Home Affairs Minister, L.K. Advani, said that the group responsible would pay dearly. George Fernandes, the Defence Minister, said, "If Pakistan is behind this attack, then a fitting reply will be given to them soon." There were demands for Indian forces to go in "hot pursuit" of the terrorists. A spokesman for the Government of Pakistan immediately condemned the attack.

**O**n 14 December, Jaswant Singh said that he had lodged a formal complaint with the Pakistani authorities and claimed that India had "technical evidence", which was "highly credible", that the Pakistan-based *Lashkar-e-Taiba* had been involved. Moreover, this information had been shared with the US. A few days later, New Delhi's police chief, Ajay Raj Sharma, accused Pakistan's ISI of being behind the attack. He said that *Lashkar-e-Taiba* and *Jaish-e-Mohammed* were responsible. He said that the ringleader of the attack, a certain Mohammad Afzal, had revealed in custody that he had been trained at a camp in Muzaffarabad, in Pakistani-administered Azad Kashmir, which was run by the ISI. He said "The ISI connection is very clear. It now seems the ISI ordered *Jaish-e-Mohammed* and *Lashkar-e-Taiba* to launch a combined attack." He said that all of the attackers, who had been killed, had been identified as Pakistanis. He also said



that four suspects had been arrested, two in Delhi itself and two more outside. In addition, the police in Jammu and Kashmir said that they had arrested three people in connection with the attack. In Kashmir itself, fighting across the Line of Control had continued, with 320 people killed during the month of Ramadan.

**O**n 15 December, Pakistan's President, General Musharraf, warned that if India were to take "precipitous action" over this affair, then Pakistan would meet any Indian adventure with force. However, he also promised to take action against any Pakistani group, which was proven to have been involved. On 17 December, an Indian spokesman said that one of the terrorists killed in the attack had been identified as one of the team which had hijacked the Indian Airlines flight from Kathmandu to Delhi, in 1999, which had been diverted to Kandahar. Mr Vajpayee referred to the earlier confrontation with Pakistan, during the Kargil episode in 1999, and said, "We have shown a lot of patience but there is a limit."

**T**he following day, Mr Advani made a statement to Parliament. He said, "It is now evident that the terrorist assault on Parliament House was executed jointly by Pakistan-based terrorist outfits, *Jaish-e-Mohammed* and *Lashkar-e-Taiba*. All the five terrorists that formed the squad were Pakistani nationals. Terrorism in India is the handiwork of Pakistan's ISI." He also described India's neighbour thus: "Pakistan - a theocratic state with an extremely tenuous tradition of democracy - is unable to reconcile itself with the reality of a secular, democratic and steadily progressing India." He said, "The terrorists and their mentors across the border had the temerity to try to wipe out the entire political leadership of India." However, Mr Advani did not refer to any military action, which the Government might be contemplating. President Musharraf's spokesman, Major-General Quereshi, responded by saying, "Rhetoric and irresponsible statements are being issued without a shred of evidence."

Public opinion polls in India showed that 80% of the population favoured military retaliation against Pakistan. One delicate problem was that *Lashkar-e-Taiba* had its headquarters at Muridke, just outside Lahore, the capital of Pakistan's Punjab Province. Any retaliatory action by India, therefore, would hit Pakistan in its heartland. It was announced that Colin Powell had telephoned Jaswant Singh, on 18

December, to urge caution on the Indian Government. Many Indians accused the United States of employing double standards and a cartoon in one Indian newspaper depicted President Bush piloting a large American bomber emptying its load over Afghanistan, while he shouted over to India to exercise restraint. Even so, on 19 December, Mr Vajpayee told the Upper House, "All options other than conflict should be explored and evaluated." He said that the Government was trying to solve the problem through diplomatic channels.

### ***India puts pressure on Pakistan***

On 20 December, India had handed evidence about the events of 13 December to the Pakistani High Commission in New Delhi (and to the FBI) and announced that it would begin extradition proceedings against the leaders of *Jaish-e-Mohammed* and *Lashkar-e-Taiba* in Pakistan. Both organisations denied responsibility for the attack. India then recalled its High Commissioner. The Foreign Ministry spokesman, Nirupama Rao, said, "Since the 13 December attack on Parliament, we have seen no attempt on the part of Pakistan to take action against the organisations involved. In view of the complete lack of concern on the part of Pakistan and its continued promotion of cross-border terrorism, the Government of India has decided to recall its High Commissioner in Islamabad." This was the first time that such action had been taken since the War for Bangladesh Independence, in 1971. When Pakistan offered to conduct a joint investigation into the affair, India rejected this. Pakistan said it would not withdraw its High Commissioner from New Delhi but complained of large Indian troop movements near the Line of Control (which divides the two parts of Kashmir) and threatened to respond with "appropriate counter-measures". Then, at the height of the crisis, General Musharraf left on a five-day visit to China.

**A**s shelling continued across the Line of Control, on 23 December, George Fernandes announced that Pakistan had deployed some reserve divisions and other forces nearer to the border. He said that Indian troops had been placed on "high alert", with the Army's Strike Corps being moved nearer to the Pakistani border in Punjab and Rajasthan. He said, "It came to such a point that India had to take notice." However, he added that Pakistani troops had "not taken up any battle position." India now closed all railway links to Pakistan and suspended the bus service



between Delhi and Lahore. On 26 December, Mr Fernandes said that, after General Musharraf had announced an alert, India had placed its missile system "in position" and that its jet fighters were waiting on the Pakistani border.

On 21 December, President Bush had added to the pressure on Pakistan by calling on General Musharraf to close down the two militant Islamic organisations. (George Tenet, the Director of the CIA, had earlier met President Musharraf, at the beginning of December, and urged him to crack down on militant Muslim clerics.) On 25 December, Maulana Masood Azhar, the founder and head of *Jaish-e-Mohammed*, was detained in Pakistan. He was released after questioning but held under house arrest. The following day, Colin Powell announced that both *Jaish-e-Mohammed* and *Lashkar-e-Taiba* had been placed on the US list of terrorist organisations, which it was illegal to support financially. On 27 December, after a meeting of India's Cabinet Committee on Security, it was announced that over-flights by Pakistan International Airways over Indian territory had been banned. Although Pakistan reciprocated, this would cause more disruption for PIA than for Indian flights. India also ordered Pakistan to reduce by half the 110 staff of its High Commission in New Delhi, saying that it would do the same with its staff in Islamabad. They would also be restricted to the respective capital cities. Jaswant Singh, in a message to Pakistan, said, "If you have joined the international coalition against terrorism, please act in accordance with the principles that you have stated."

In reply to US demands that this crisis should be resolved by talks between the two parties, Pakistan's Foreign Ministry spokesman, Aziz Ahmed Khan, said that Pakistan was ready for talks "anytime, anyplace, anywhere, at any level," adding, "It is up to India to respond." However, Jaswant Singh said that India would first have to see evidence of Pakistan's action against the militants. He said, "It's not practical at the moment, nor possible for talks."

On 27 December, the leader of *Lashkar-e-Taiba*, Hafiz Mohammed Saeed, resigned. His organisation's headquarters near Lahore was closed, to be moved to Azad Kashmir. Jaswant Singh said that India had taken only "minimal measures" so far and that the Government "remained ready to take such further measures as are considered necessary." It was reported that this

might include India withdrawing Pakistan's "most-favoured nation" trading privileges, given that Pakistan had not reciprocated these in its trade with India. Pakistan still appealed to be given more concrete evidence of the implication of the two organisations in the attack of 13 December.

The following day, after more heavy shelling across the Line of Control, President Bush said that the US was working to bring calm to the situation. General Musharraf said that Pakistan would never initiate war and pointed out that Pakistan had not moved back the 60,000 troops it had sent to guard the border with Afghanistan. (A further 25,000 troops of its 600,000 man army were guarding US installations in Pakistan. By comparison, India's army was 1.2 million strong.) He declared that he would be prepared to meet Mr Vajpayee for talks during the summit meeting of SAARC to be held in Kathmandu, in January. Both the US and the EU urged India and Pakistan to use the SAARC meeting to try to resolve their differences. However, Indian diplomats ruled this out, pointing to the SAARC Charter, which excludes discussion of contentious bilateral issues. Further pressure on Pakistan came from the meeting of the foreign minister of the G-8, in Moscow, who called on Pakistan to arrest and prosecute the leaders of the two militant groups thought to be responsible.

On 30 December, Mr Vajpayee held a meeting with opposition leaders, including Mrs Sonia Gandhi. Earlier, the Government of India had introduced a new Prevention of Terrorism Ordinance, which was hotly contested by opposition parties. Now, there was broad agreement on the measures, which the Government had taken. Mr Vajpayee said, "I firmly believe this will put sufficient pressure on Pakistan and it will be forced to act against the terrorist groups. Promod Mahajan, the Parliamentary Affairs Minister, said that there had been "an excellent show of Indian unity" but added that, "None in the government or in the opposition is keen for any kind of war... No sane person will go to war." Jaswant Singh said that India would hand Pakistan a list of militants it wanted arrested. Pakistan's Foreign Minister, Abdul Sattar, said "At the moment, we are hearing accusations from across the border. We want actionable evidence so that we can begin judicial process. We are ready to move but you cannot proceed without any evidence." However, President Bush asked General Musharraf to take "additional strong, decisive



measures to eliminate the extremists who seek to harm India, undermine Pakistan, provoke a war between India and Pakistan and destabilise the international coalition against terrorism."

All this pressure was clearly helping to force President Musharraf's hand. On 30 December, Hafiz Mohammed Saeed, the head of *Lashkar-e-Taiba* was arrested. 50 other militants had already been arrested, including Maulana Masood Azhar. The President said, "Pakistan stands for peace... Let the relationship between Pakistan and India move towards peace and amity and friendship in the future." The General had also said that, "We have undermined Islam to a level that people of the world associate it with illiteracy, backwardness, intolerance, obscurantism and militancy."

Behind President Musharraf's albeit limited moves against the militant groups is his determination to steer Pakistan back on the road to economic recovery, which requires remaining on good terms with the mostly western donor countries and the international financial organisations which they control. While the War in Afghanistan was running its course, important moves were being made to provide further financial assistance to Pakistan. On 6 December, the IMF agreed to extend \$1.3 billion to Pakistan, which may be borrowed over three years, starting with an immediate instalment of \$109 million at 0.5% interest. The US also recently gave \$600 million of foreign aid to Pakistan. James Wolfensohn, the President of the World Bank, said, "The reason we're supporting them is because we see them doing the right things." Moreover, a few days later, the Paris Club agreed to restructure all of Pakistan's \$12.5 billion sovereign debt, two-thirds of which would be over a period of 38 years, with a 15-year grace period. Pakistan's total external debt is a massive \$38 billion. Moreover, the EU recently granted Pakistan better access to its markets under its revised GSP scheme. In addition, Pakistani business interests are hoping to benefit from the large amount of aid that will be pouring into Afghanistan, e.g. to meet requirements for cement.

General Musharraf has also been made aware of the improving relations between India and the US, which have now begun to include defence co-operation. In November, after a meeting between Donald Rumsfeld and George Fernandes in Delhi, the US and India agreed to hold joint military exercises, while

India has agreed to purchase US military equipment. They will also set up an India-US Defence Policy Group. Just to clarify the picture further, on 12 December, India conducted a flawless test of its new Prithvi missile, with a range of 250 km., which is designed for the Air Force. The 150 km range version is already in service with the Army.

## **A Peaceful New Year**

By the end of December, there was some cause for optimism. In the aftermath of the 13 December terrorist attack on the Indian Parliament, tension had risen between India and Pakistan. Military preparedness had been stepped up by both sides and a number of significant non-military measures had been taken by India to exert pressure on Pakistan to take serious action to curtail the two main Islamic militant organisations. With added international pressure and the benefits to Pakistan of its massive new international economic assistance, President Musharraf had taken enough measures to make war seem unlikely, even though this was not yet enough to satisfy India. Moreover, the holding of the SAARC Summit in Kathmandu, which had been postponed largely at the insistence of India ever since General Musharraf had seized power from Mr Nawaz Sharif, would still go ahead in January. The Indian Government will certainly maintain pressure on Pakistan until it obtains further satisfaction with regard to pursuing the Islamic militant organisations, which have been responsible for acts of terrorism.

In part, the Indian Government will be influenced by the forthcoming elections in four states, in March, which will include, which is not only India's most populous state but one of crucial importance for Mr Vajpayee's BJP. However, the degree of outrage felt across India by the attack on the Parliament cannot be disregarded. Perhaps because of a sense of insecurity or perhaps with the promised national and provincial elections in mind in October 2002, General Musharraf had now made approaches to contact Mrs Benazir Bhutto, former Prime Minister and leader of the People's Party, which is the nearest thing Pakistan has to a genuine secular political party.

Meanwhile, the situation in Afghanistan had improved dramatically. Although there were still pockets of fighting around the country, this is on a comparatively minor scale, and there has been a great reduction in the aerial



bombing. Following the Petersberg Agreement, the Interim Administration has been established and begun to function, so far with very meagre resources. Yet help is now on its way in the form of substantial aid for humanitarian relief and reconstruction. The essential matter now is to get food to the hungry and to begin the repair of the country's infrastructure. It is also vital that Afghanistan's long-suffering people are given the means to help themselves. In addition, the innocent victims of the war must be compensated, in accordance with the clause included in the peace agreement.

There remains, however, the problem of *Al-Qa'ida*. It is likely that Osama bin Laden's organisation has been largely eliminated from its power base in Afghanistan. However, it has now been seen to be a very entrenched international organisation. The question is whether it is better to confront this phenomenon merely by meting out harsh punishment to those who have fallen under its influence or also to attempt the re-conversion of these people by softer means. A short, sharp campaign in Afghanistan was ultimately necessary because the civilised world could not afford the risk of seeing repeat performances of the tragic events of 11 September. However, the question should be asked as to whether the solution now is more bombing campaigns and a particularly harsh treatment for the prisoners, other than the ringleaders, who have been caught.

Joe Bidden, the Chairman of the Foreign Relations Committee of the US Senate, posed the question a few days before the bombing campaign began. He asked, "Are we really sure we are not going to be creating more Osama bin Ladens by what we will do?" Why is it that young men, not only from Saudi Arabia, Egypt and Pakistan, but, as has been seen, also from Europe, the United States and Australia, have been drawn into this world of an international terrorist crusade against the western countries? The father of Hervé Djamel Loiseau, the French-Algerian boy who perished in the snow while attempting to cross the White Mountains, lamented what *Al-Qa'ida* had done to his son. "They deformed him, they did something to him, they brainwashed him. My son wasn't aggressive. He was just easy to influence, a real sheep." ■

## Note on sources

Most of the information for this article has been gleaned from reports in a number of newspapers and periodicals. Also, most helpful, has been the *Afghanistan Monthly Review* for December 2001, published by the British Agencies Afghanistan Group.

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## ELECTIONS IN SRI LANKA AND THE ETHNIC PROBLEM

by Dick Gupwell

A general election was held in Sri Lanka on 5 December. President Chandrika Kumaratunga's People's Alliance was defeated by the opposition United National Party, whose leader, Ranil Wickremesinghe, has now become the new Prime Minister. Thus, Sri Lanka's President and Prime Minister now come from opposing political parties and will have to learn the art of "political co-habitation". An important part of this exercise will be to see whether, together, it may finally be possible to resolve Sri Lanka's intractable ethnic problem.

Mrs Kumaratunga, who had been re-elected as President for a second term in December 1999, in a close contest against Mr Wickremesinghe (see *EurAsia Bulletin*, Vol. IV, No. 1, January 2000), had fought parliamentary elections as recently as October 2000, where her People's Alliance had re-emerged as the largest party in Parliament but fell short of a majority, gaining 107 seats, as against 89 for the UNP, out of a total of 225 seats (see *EurAsia Bulletin*, Vol. IV, No. 10, October 2000). She was dependent for a government majority, therefore, on support from the small Sri Lanka Muslim Congress (SLMC). However, the SLMC later had a dispute with the President and left the coalition to join the UNP in opposition, on 20 June 2001. Under normal circumstances, a general election would have followed at that time. However, the President had then suspended Parliament for two months and, in the interval, concluded a new alliance with the radical Sinhalese party, the JVP (see *EurAsia Bulletin*, Vol. V, Nos. 8-9, August-September 2001).

This, however, afforded the President only a brief respite. A number of her own People's Alliance supporters were concerned at the price which she had paid for this new alliance, not only in that the PA was now linked in government to a party which had launched a violent insurrection against the then government of Sri Lanka, in the late 1980's, but also because of the policy changes which the JVP had insisted upon in return for supporting the government. This included dropping the constitutional reforms for regional devolution, which had been seen as

the most likely means of achieving a peaceful settlement to the long-standing ethnic problem in Sri Lanka between the majority Sinhalese people and the minority Tamils and, in addition, of ending the armed conflict between the government's security forces and the Liberation Tigers of Tamil Eelam (LTTE). Thus, when President Kumaratunga's Minister for Justice and Constitutional Affairs, Professor G.L. Peiris, who had been the author of the constitutional reforms, left the government, together with 7 other PA members of Parliament, and crossed the floor to sit with the UNP, the President had again lost her majority. This time, she had no alternative but to call fresh elections.

### ***The Campaign***

During the campaign, President Kumaratunga accused the UNP of supporting the LTTE, alleging that Ranil Wickremesinghe had concluded a secret pact with the Tamil Tigers to divide Sri Lanka. The UNP leader denied this, although he does support the continuation of international mediation to pursue a peace process with the Tamil rebels. Professor G.L. Peiris said that the President had sabotaged his attempts to develop a consensus with the UNP on the devolution reforms, essential to obtain a sufficient parliamentary majority to amend the Constitution, by repeated personal attacks on Mr Wickremesinghe. He said, "Chandrika has many merits but she is no consensus builder. That's what the country needs and it's exactly what we cannot get from her. She goes for the jugular at every point." In response, the President accused the respected Professor Peiris and the other defectors of having taken bribes from the UNP with money obtained from the LTTE.

In turn, Mr Wickremesinghe accused the President of economic mismanagement. Indeed, Sri Lanka was now in its weakest economic position for thirty years. There had been negative economic growth for the last six months, exports in October were 20% down on the previous year's figures, the budget deficit had deteriorated by 22%, foreign remittances were down by 3% and income from tourism was down by 6.5%. With the continuing high costs incurred by the prosecution of the war against the LTTE, the Sri Lankan Treasury was reported to be nearly empty. Moreover, the IMF refused to release the second *tranche* of the \$253 million stand-by loan, which had been negotiated with the government in April.





Apart from the two main political parties - the People's Alliance (in effect, a grouping of centre-left parties based on the Sri Lanka Freedom Party) and the more conservative UNP, both of which draw most of their support from the Sinhalese community - there were other smaller parties contesting the election. In addition to the Sinhala-based JVP (People's Liberation Front) and the SLMC, there were several Tamil parties, four of which fought the election together as the Tamil National Alliance.

Mrs Kumaratunga tried to shore up support for her party by increasing the salaries of State employees and pensioners and confirming 40,000 of them in their jobs. For example, over 3,300 personnel in the Education Ministry received promotions. Also, hundreds of new appointments were made to State institutions.

### ***Election Violence***

The election took place with the same heavy incidence of violence as had been encountered in the election the previous year. 49 people were killed up to and including election day, as a result of specific election violence, with a further 700 injured, in around 1,200 major incidents. Paikiasothy Saravanamuttu, the head of the independent Centre for Monitoring Election Violence, said, "We are convinced that today's election has been severely marred by widespread incidents of violence, rigging and other malpractices. We will call for an annulling of the vote in several areas." The Centre considered that the People's Alliance had escalated the violence and that the UNP had retaliated, rather than remain docile victims as before.

One particular complaint was that, while no polling stations were open in areas occupied by the LTTE, the check-points into government-held territory were closed on election day. It was estimated that this had prevented some 75,000 Tamils from reaching a polling station and exercising their vote. The EU's Chief Election Monitor, the Irish MEP John Cushnahan, said, "That will have a significant impact on the outcome in these districts."

Other reported election abuses included the removal of State-owned vehicles for election-related use by Ministers, Deputy Ministers and government supporters and the use of government personnel for election work by candidates of the governing party (although not for the first time during elections).

### ***Outcome of the Elections***

More than 5,000 candidates from 29 political parties (and including a considerable number of independents) contested the 225 seats. Sri Lanka has around 12 million eligible voters and the turn-out was in the region of 70%. Sri Lanka's electoral system is based on proportional voting in 22 multi-member constituencies and with 29 seats distributed, also on a proportional basis, as a reflection of the national voting pattern.

The UNP gained seats in 21 of the 22 constituencies, the exception being in the Tamil-dominated eastern constituency of Batticaloa, and polled the highest number of seats in 17 of them. The People's Alliance gained seats in 20 constituencies (but not in the northern constituencies of Jaffna and the Vanni, also part of the Tamil homeland). However, the PA came in the leading position in only one (the relatively small Monoragala, which returns only 5 MP's). The JVP picked up seats in 11 constituencies, showing their fairly widespread, if limited, support in a large area of the Sinhala-speaking regions. Of the Tamil parties, the Tamil United Liberation Front (TULF) were easily the strongest, gaining representation from 5 constituencies and coming in first position in three (Jaffna, the Vanni and Batticaloa).

In the national distribution of the additional seats, the UNP gained 14, the PA 11, the JVP 3 and the TULF 1. This made the final result as follows: UNP 109, PA 77, JVP 16, TULF 15, SLMC 5, the Eelam People's Democratic Party (EPDP) 2 and the Democratic People's Liberation Front (DPLF) 1. The UNP just failed to win an overall majority but was able to form its own coalition with the SLMC. The combination of the UNP and the SLMC gave an aggregate of 114 seats, which is only a bare majority.

### ***Aftermath***

On 6 December, Ranil Wickremesinghe, claiming victory, said, "I want to start an era of non-confrontationist politics in this country. It must begin with peace." The President swore in Mr Wickremesinghe, who is 52 years old, as Sri Lanka's 17<sup>th</sup> Prime Minister on 9 December. A qualified lawyer and Advocate of the Supreme Court since 1972, he first entered the Cabinet as Minister for Youth and Employment in 1977 under President Jayawardene. He later took over responsibility

for education, in 1989. That year, Mr Wickremesinghe was appointed as Leader of the House in Parliament and also took over responsibility for Industry and, subsequently, Science and Technology as well. In May 1993, he was appointed Prime Minister, a post which he held until Mrs Kumaratunga's first parliamentary election victory, in August 1994. Since then, he had been the leader of the UNP and, as such, Leader of the Opposition in Parliament.

Initially, the President had appeared reluctant to give up the portfolios of defence and finance, which she had held in the previous government, but agreed to do so by the time that the new 25-member Cabinet was sworn in on 12 December. Sri Lanka's 12<sup>th</sup> Parliament then convened for its first sitting on 19 December. The new Prime Minister said that he intended that Parliament's powers would now be extended, a development which had been expected from Mrs Kumaratunga after her election as President in 1994. Mrs Kumaratunga's mandate as President will run until December 2005, promising a prolonged period of co-habitation with her new Prime Minister. Mr Wickremesinghe said, "It's a new experiment and I feel it will succeed."

### ***Impact on Ethnic Dispute***

Ranil Wickremesinghe's position was to favour reaching a peaceful conclusion to the ethnic conflict as a prerequisite to a revival of the economy. He also favoured pursuing the peace initiative, which had been begun under Mrs Kumaratunga, based on the mediation of Norway.

While Sri Lanka's ethnic dispute dates at least from the 1950's, the actual conflict began in 1983, after an act of terrorism committed by the then relatively new LTTE had provoked a violent backlash by the Sinhalese community against the Tamil population. Since then, an estimated 62,000 Sri Lankans have died in the conflict. Around 8,500 Sri Lankan troops alone have died fighting the LTTE just in the seven years since Mrs Kumaratunga was first elected President, in November 1994. Mrs Kumaratunga's attempt to wage a "war for peace" against the LTTE had suffered a major setback when the Tigers drove government forces from their base at Elephant Pass, on the isthmus which links the Jaffna Peninsula to the mainland of Sri Lanka, in April 2000, forcing the Sri Lankan Army back on Jaffna Town (see *EurAsia Bulletin*, Vol. IV, Nos. 4-5,

April-May 2000). The Army had since made a limited recovery and inflicted heavy losses on the LTTE, leading to something of a stalemate situation thereafter.

In part, the new government's optimism for reaching a deal with the LTTE was based on a redefinition of the LTTE's own position. In November, the LTTE leader, Velupillai Prabhakaran, stated for the first time that the Tigers might be ready to consider a settlement based on something less than complete nationhood for the Tamil people in Sri Lanka. He had said that the Tamils "want to determine their own political and economic life. They want to be on their own."

Following the elections, the LTTE attacked an army post and a police station, leaving 16 dead and 23 wounded. However, on 19 December, the Tigers announced that they would begin a one-month unilateral truce with the government beginning on 24 December. In a statement, the LTTE declared, "Our decision to cease armed hostilities and observe peace during the festive season should be viewed as a genuine expression of goodwill, demonstrating our sincere desire for peace and a negotiated political settlement." The statement added that the cease-fire would be extended beyond 24 January, "if the Sri Lanka government reciprocates positively to our goodwill gesture and ceases hostilities against our forces and takes immediate steps to remove the economic embargo and other restrictions."

On 21 December, the government said that it would reciprocate the LTTE's unilateral one-month cease-fire as a "good-will gesture." Moreover, Ranil Wickremesinghe said that the government would now ensure the free movement of food, medicines and non-military supplies into those parts of the northern war zone, which remain under LTTE control, thus substantially reducing the embargo on the area under LTTE occupation. Also, on 21 December, Australia named the LTTE as a terrorist organisation whose assets would now be frozen. Britain and Canada had both labelled the LTTE as a terrorist group earlier in 2001, following the example already set by India, the United States and, of course, Sri Lanka itself. Ranil Wickremesinghe clarified that he would only communicate with the LTTE through the Norwegian mediator.

The new Prime Minister planned an early visit to New Delhi for talks with his Indian



counterpart, Mr Vajpayee. This took place on 22-24 December. During the talks, India reiterated its commitment to the sovereignty and territorial integrity of Sri Lanka and welcomed the cessation of hostilities announced by the LTTE and the positive response of the new Sri Lankan government. India fully supported the measures outlined by Mr Wickremesinghe to take the peace process forward.

### ***Prospects for Peace***

On 23 December, the new UNP Foreign Minister, Tyrone Fernando (who had earlier served as Deputy Foreign Minister and as Minister of State for Justice), said, "Public opinion is now very much in favour of an honourable, negotiated settlement within the framework of an undivided Sri Lanka." The main question now, however, will be whether or not the LTTE (and the government also, for that matter) will actually be prepared to enter into serious negotiations.

Of course, peace talks with the LTTE have been tried before, especially when a new administration has taken office in Colombo. President Premadasa tried in 1989-1990. He even supplied arms to the LTTE during the talks, which only strengthened their position on the ground (which had earlier been weakened by the Indian Peace-Keeping Force). These talks collapsed in 1990 when the LTTE brutally murdered 700 policemen in the Eastern Province. Mrs Kumaratunga herself had trod the path to peace, in 1994. However, on this occasion, the positions of the two sides had never even come close and the talks came to an end, in April 1995, when Tamil Tiger suicide squads attacked and sank two Navy gun-boats in Trincomalee harbour.

The latest attempt at peace talks began in February 2000, when the government of Norway accepted a Sri Lankan request for third party mediation in the affair and appointed Erik Solheim to act as intermediary. Mr Solheim shuttled back and forth for almost a year and a half without achieving anything substantive and the process came to an effective end in June 2001. Mr Wickremesinghe evidently now hopes to be able to revive this process. However, there remain a number of serious stumbling blocks. The LTTE has never progressed far enough in any of these past negotiations as to spell out what it might be prepared to accept as a political settlement, other than to repeat its

general demand for total independence for the largely Tamil-speaking North and East, something which no elected government of Sri Lanka could ever accept and also a position to which India is strongly opposed. The LTTE had earlier insisted on stage-by-stage talks beginning with immediate practical concessions from the government.

In addition, the LTTE has always insisted that it alone can represent the Tamil people of Sri Lanka. Its long-standing policy of political assassination has not only been aimed at leading Sinhalese politicians but many potential rival leaders of the Tamil community have also been murdered by the LTTE. This has not helped the LTTE to generate a reputation as a valid negotiating partner. Moreover, the LTTE has never been prepared to put forward candidates in parliamentary or even local elections against other Tamil groups to put its popular, as opposed to its military strength, to the test among the Tamil community. Whereas Mr Wickremesinghe is right to identify the prolongation of the war against the LTTE as a major cause of Sri Lanka's current economic difficulties, and especially so since the Tigers' disastrous attack on Colombo airport, in July 2001, his present efforts to re-start peace talks through a renewed Norwegian mediation, should not give rise to too much optimism. However, it may be the case that, in the prevailing international climate following the events of 11 September, Mr Prabhakaran now considers that the tide may have turned against him and that the pursuit of peace (or, at least, giving the appearance of this) may be more beneficial to his cause than to continue to employ terrorist tactics against both government and, often, civilian Sinhalese targets.

Furthermore, it attempting to resolve the political problem of the Tamil minority, and not merely the military problem posed by the LTTE, Mr Wickremesinghe cannot afford to deal only with the LTTE but must also take full account of the other Tamil groups, in particular those which have shown themselves ready to pursue the peaceful path of constitutional politics and to face up to the test of popular opinion through the ballot box. If Mr Wickremesinghe's "political co-habitation" with President Kumaratunga could, at least, result in obtaining a parliamentary majority large enough to amend the Constitution and, finally, to adopt the devolution package demanded by moderate Tamils, then he will have done well. ■

by John Quigley

## **Brussels Plenary Session 28<sup>th</sup>-29<sup>th</sup> November**

### **Generalised Tariff Preferences**

Parliament, on 29<sup>th</sup> November, adopted a legislative Resolution on the proposal for a Council Regulation applying a scheme of generalised tariff preferences for the period 1<sup>st</sup> January 2002 until 31<sup>st</sup> December 2004. The report, by the Chairman of the Committee on Development and Co-operation, Joaquim Miranda (GUE/NGL), was forwarded to plenary under the procedure without debate. Parliament adopted four amendments to the Commission text. Parliament proposed that the common commercial policy of the European Union should be consistent with the objectives of development policy. The current objectives of the EU's development policy include the eradication of poverty and promoting sustainable development. The three other amendments dealt with preferential duty rates. Parliament stated that, where preferential duty rates provide a higher tariff reduction, then the duty rates should continue to apply. However, if the tariff reduction is more than 3.5%, then the preferential duty rates would apply as long as the reduction is higher than 3.5%. (For details of the Council Regulation see *EurAsia Bulletin* Vol. 5 No. 8&9 pp12-13).

## **Strasbourg Plenary Session 10<sup>th</sup>-13<sup>th</sup> December**

### **Republic of Korea**

The President of the Republic of Korea, Kim Dae Jung, on 11<sup>th</sup> December, made a formal address to Parliament. In a wide ranging speech he addressed concerns and recent developments in four main areas, including information technology and the digital divide, EU-Korea relations, Korean peninsula relations and, lastly, the fallout from September 11<sup>th</sup>.

Calling the impact of knowledge and information on the global economy the "greatest revolution in human history", President Kim Dae Jung said that, in the 21<sup>st</sup>

century, the revolution was having a serious side effect. The problem of the digital divide meant that 75% of the benefits of "enhanced information capabilities" were concentrated in advanced nations. The gap between developed and developing nations meant an increasing gap between the rich and poor. He said that poverty and cultural conflicts lead to "various kinds of fanaticism". Thus, in the 21<sup>st</sup> Century, enhanced information capabilities could threaten global peace. President Kim called on the European Union to assist developing countries not least in the construction of a "viable information infrastructure".

Speaking on EU-Korea relations, President Kim recalled that the Asia-Europe Summit Meeting (ASEM), held in Seoul in 2001, proposed the construction of a high-speed information network to link Asia and Europe. The Trans-EurAsian Information Network was "proceeding smoothly". To complement this "Cyber Silk Road", Europe and Asia would be linked by an "Iron Silk Road". Once the remaining 14km between North and South Korea were restored, then South Korea could be linked to the trans-China or trans-Siberian railways. Another element of ASEM was promoting peace and prosperity in both regions. Europe and Asia today promoted the common goals of "democracy and market economies". The EU, he said, was a very "important and substantive partner" for South Korea. The EU was the number one foreign investor and the third largest trade partner of Korea. President Kim expressed the hope that the EU would expand into the East Asian market, with Korea as the bridgehead, into countries such as Japan and China.

Addressing the topic of inter-Korean relations, President Kim said that the EU's efforts to promote peace affected the stability not just of the Korean peninsula but also of the entire region. He noted that he had "continually pushed" the Sunshine Policy both to "prevent war and settle peace". Unification, he said, would come in the not-too-distant future. Many Member States had supported his efforts by opening diplomatic relations with North Korea. Similarly, the European Union had "pursued an array of diverse activities" with North Korea through technological assistance and training programmes. The last substantive issue in President Kim's speech focussed on the world's response to the terrorist attacks on September 11<sup>th</sup>. Praising the initiatives undertaken by the European Union, he called on the international community to "strengthen dialogue and co-operation" among different



religions and cultures. It was only by eliminating the fundamental causes of terrorism, such as poverty and social inequality, that peace and security could be created.

## **KEDO**

Parliament, on 12<sup>th</sup> December, adopted a Resolution in a procedure without debate, on the Commission Communication on the proposal for a Council Decision approving the conclusion, by the Commission, of an agreement between the European Atomic Energy Community (EURATOM) and the Korean Peninsula Energy Development Organisation (KEDO). The Resolution follows the adoption in the Committee on Foreign Affairs of the report by Jas Gawronski (PPE-ED). The Accession Agreement between KEDO and the European Community expired in December 2000. In return for a seat on the Executive Board of KEDO and an understanding that EU companies would be eligible to apply for contracts related to the construction of two light-water reactors in North Korea, the EU contributed €15m annually over 3 years. The proposal for a Council Decision would renew the Accession Agreement for another 5 years. The renewed agreement would cover the period 2001-2005 and would mean that the EU would contribute €20m annually.

The Resolution states that the continued EU membership of KEDO will support “better relations” between the two Koreas and their neighbours. The EU should have a role in reducing the risk of nuclear weapons proliferation and increasing nuclear safety. The Resolution recognises the fact that the EU financial contribution to KEDO is substantially less than either the United States’ or Japan’s, but notes that the EU has allocated, on average, €50m annually over the last four years to North Korea for humanitarian and food aid. The Resolution calls for further progress in the “ongoing dialogue” on human rights.

Other issues raised in the Resolution include the possible longer term future role of KEDO and Parliament’s request for consultation on EURATOM Treaty matters. Under KEDO, North Korea agreed to halt its nascent nuclear programme, in exchange for two light-water reactors (LWR). However, the Resolution notes that, should the LWRs eventually be constructed, North Korea will not have a grid system capable of distributing the electricity.

Thus, a future role for KEDO, Parliament suggests, could be in helping North Korea to upgrade the grid system. This might mean, the Resolution states, that the North should consider linking its grid to that of either South Korea, China or Russia. The last substantive issue raised in the Resolution relates to the lack of formal consultation of Parliament under the terms of the EURATOM Treaty. Although calling for the renewal of the Accession Agreement, Parliament recalls that it had in the past blocked funding for KEDO. Thus, Parliament would like to modify the Inter-Institutional Agreement on co-operation between the Commission and Parliament. The Resolution declares that Parliament “reserves the right” to block the transfer of funds to KEDO “at any point in the future”.

## **External Relations and JHA**

On 12<sup>th</sup> December, Parliament adopted a Resolution on the Council Report on the European Union priorities and policy objectives for external relations in the field of Justice and Home Affairs (JHA). The Resolution begins by calling for the integration of JHA issues into the implementation of other EU policies, particularly on human rights. To create a common front with effective operational means to combat international terrorism, the Resolution calls on Member States to develop a “synergistic approach” towards international co-operation. Member States must establish a “coherent, co-ordinated and pro-active” European strategy, if the EU is to become capable of implementing a genuine external strategy in the field of JHA. The Resolution also raises the thorny issue of the current right of Member States to propose “initiatives” in the area of JHA. Parliament calls for “greater coherence” between Member States, particularly when these initiatives have external implications.

The Resolution lists eight priorities for the EU’s external JHA policy. The EU’s priorities, Parliament believes, should include “co-ordination” between the EU and countries undergoing transition to democracy on training for police and judiciary officials. Another priority would be to strengthen “dialogue” on the causes of migration, re-admission clauses and external border controls. To help address the needs of asylum seekers, Member States should consider jointly developing information campaigns with countries of origin and transit. The Resolution calls for measures to help prevent and combat organised crime with particular reference to trafficking in arms,

drugs and persons. Parliament wants the extension of the competence of the European Judicial Co-operation Unit (EuroJust) in co-ordinating anti-terrorist co-operation with third countries, to be made another priority. The current mandate of EuroJust is described in Article 31 of the Treaty on European Union. This mandate includes co-ordination between Member States' prosecuting authorities, support for cross-border investigation, particularly on organised crime, and, lastly, facilitating extradition requests. The final priority listed in the Resolution calls for the full application of the 1989 International Convention on the Rights of the Child.

The Resolution also addresses the needs of least developed countries (LDCs). The European Union's immigration and development policies should be more strongly linked, in an effort to reduce potential conflicts of interest between countries of origin, transit and destination. This could be achieved by promoting the economic and social development of the LDCs. The Resolution "supports the idea" of an EU initiative that would encourage the return of skilled immigrants to their country of origin to prevent the brain-drain. Parliament calls for a common asylum policy with minimum standards for the reception and temporary protection of asylum seekers. The EU should strengthen police co-operation with "regions in crisis" with respect to non-military aspects of security. Lastly, the Resolution calls for an effective role for Parliament in exercising control over JHA policy. This, Parliament believes, should be done through "periodic consultation" on overall strategy, democratic oversight on the activities of the European Police Office (EuroPol) and a greater role for MEPs in EU delegations to international conferences. EuroPol's mandate includes combating immigration networks, trafficking in persons and terrorism.

## **Nepal**

Under the urgency procedure, Parliament adopted a Resolution, on 13<sup>th</sup> December, on Maoist violence in Nepal. The Resolution expresses the "deep concern" and "deep regret" of Parliament at the breaking of the cease-fire by the Maoist rebels. Following the renewed violence, the government declared a state of emergency and, for the first time in the six year old insurgency, deployed the army to assist the police force. Describing the domestic political situation in Nepal as "unstable", the Resolution states that there is now "the danger

of civil war". Parliament "demands" a swift end to the violence, not least to help the impoverished general population. The Nepalese parliament and government should introduce "lasting economic and structural reforms" that lead to sustainable and equitable development. The Resolution calls on the Council of Ministers to make available additional financial aid, should both sides make progress, after a new cease-fire, towards a "negotiated peace settlement".

Speaking during the plenary debate, Commissioner for Development and Humanitarian Aid, Poul Nielson, said that the college of Commissioners "shared the concern" of Parliament on the deteriorating situation in Nepal. According to "EU representatives in Kathmandu" (Nepal does not have an EU delegation office but is served by India), Nielson said the new Prime Minister, Sher Bahadur Deuba (see *EurAsia Bulletin* Vol. 5 No. 8&9 p27 for more information), appeared to be "genuinely committed to establishing a lasting peace" with the Maoist rebels. This would allow his government to focus on Nepal's "considerable development needs". The Commission, Nielson indicated, agreed that Nepal "risks drifting towards civil war". The current state of emergency could also jeopardise Nepal's fragile democracy, which has been undermined by years of political instability. Commissioner Nielson also raised the matter of the European Community-Nepal Co-operation Strategy, which is currently being prepared for the period 2001-2006. The "primary objectives" of the Strategy will be, Nielson said, the consolidation of democracy, conflict prevention and poverty eradication. Concluding his speech, Nielson issued a warning to the Nepalese government. The European Union would continue to monitor the security situation, he said, including any aspects that might "jeopardise its development co-operation".

In other news, *EurAsia Bulletin* has learned that an EU-Nepal Joint Commission meeting is scheduled for the end of February 2002. This meeting will take place in Brussels. Such meetings have taken place irregularly ever since the EC-Nepal Co-operation Agreement was signed in 1996.

## **Conflict Prevention**

Following the report by Joost Lagendijk (V/ALE), which was adopted in the Committee on Foreign Affairs, Parliament, on 13<sup>th</sup>



December, adopted a Resolution on the Commission Communication on conflict prevention (Com(2001)211). The Resolution addresses four main issues examining, in particular, the EU Programme for the Prevention of Violent Conflicts, conflict prevention assessment, the European Civil Peace Corps and, lastly, EU-UN and EU-OSCE relations. While welcoming the Commission Communication, Parliament identified several factors that the Commission did not “adequately address”. These problems start with the pillar structure of the EU but include the need for strengthened inter-institutional co-operation, increased co-operation from Member States, the need for greater capacity building and the difference in timing between civil and military programmes.

The Resolution welcomed the adoption, in June, of the EU Programme for the Prevention of Violent Conflicts at the Göteborg European Council. (For details of the Programme see *EurAsia Bulletin* Vol. 5 No 6&7 p44). The Programme, adopted under the Swedish Presidency, advocated a “culture of prevention”. Parliament called for “appropriate training” for Commission staff, both in Brussels and in third country delegations, so as to promote the mainstreaming of conflict prevention. Using the Council Common Position on Africa as a model, which was adopted in May, Parliament called for a similar approach for each geographical zone, where a risk of conflict was apparent. The Resolution “invites” Member States “to abide strictly” to the EU Code of Conduct on Arms Exports.

The second major area examined by the Resolution was the possible impact of EU common policies on local conflicts. To counteract any negative impact, Parliament proposed several solutions. One proposal would be to mainstream the concept of conflict prevention into common policies, such as environment, trade, agriculture and energy. Another solution would be to carry out a “conflict prevention assessment” when examining major EU decisions. The Resolution states that the objectives of conflict prevention should be “more closely integrated” into the programming of Community external aid programmes. One important aspect of EU election assistance and observation was the contribution of such missions to local conflict prevention. However, Parliament believes that the EU should provide “long-term sustainable support to the democratic process”.

Within the framework of the EU Rapid Reaction Mechanism, the Resolution calls, once again, for the creation of a European Civil Peace Corps. All ECPC missions would be devoted to preventing crisis situations from escalating into violence. The ECPC would be involved in the training and deployment of civilian specialists in arbitration, confidence building, humanitarian aid, education, rehabilitation, monitoring and human rights issues. A European level database of specialists would need to be established for professional individuals and groups, possibly using the Canadian government’s “Canadem” system as a model.

The last major issue raised in the Resolution was the question of EU relations with the United Nations and the Organisation for Security and Co-operation in Europe (OSCE). Parliament recommends a strengthening of operational links between the different institutions and organs at international level that play a role in conflict prevention. In June, the Göteborg European Council adopted Conclusions on EU-UN co-operation in conflict prevention. The Resolution calls on the General Affairs Council to present similar conclusions on EU-OCSE co-operation.

Speaking during the debate in plenary, Commissioner for External Relations, Chris Patten, said that recent events had made clear that “preventing conflict abroad is vital to our own security at home”. Rooting out terrorism “can mean taking tough military action” but, he said, it could also mean exporting democracy, the rule of law and good government. Other measures that the EU used to prevent conflicts included liberalising world trade and making sure that development assistance helped shrink the gap between the rich and the poor.

The Rapid Reaction Mechanism, set up to provide aid to countries in crisis quickly, was now, Patten said, fully operational. It was “proving invaluable” in current crises, such as Afghanistan where it would have three functions, Firstly, the fund would be used to support the United Nation’s Special Representative Lakhdar Brahimi, secondly to support the Interim Administration and, lastly, to start the process of de-mining in Afghanistan. One of the objectives of the Communication, Patten said, was to develop the European union’s ability to respond rapidly to emerging crises. The Mechanism was one vital part but what was required was, he said,

“a bit of that old-fashioned commodity – political will”.

### ***Combating Terrorism***

Under the procedure without report, Parliament, on 13<sup>th</sup> December, adopted a Resolution on the draft Council Regulation on specific restrictive measures directed against certain persons and entities, with a view to combating international terrorism. The draft Regulation was sent to Parliament under the consultation procedure. Parliament adopted several amendments to the draft Regulation. The most important amendment deleted the Annex proposed by the Council, which would have contained the list of persons and entities. Normally, once the Act enters into force, the Council would add names without consulting Parliament. Now Parliament wants to be consulted on an ongoing basis on a proposal from the Commission when a “select committee” of Parliament would consider the additions to the list of persons or entities. Another amendment inserted a requirement that the Council Regulation, when adopted, would expire in December 2003.

### ***Indonesia***

Under the urgency procedure, Parliament adopted a Resolution, on 13<sup>th</sup> December, on the situation in Irian Jaya and Sulawesi in Indonesia. The first part of the Resolution addresses Irian Jaya (West Papua). Its central focus was the “assassination” of the chairman of the Papuan Presidium Council, Theys Eluay, on 10<sup>th</sup> November. Parliament believed that the “peaceful co-existence” of the Papuan people was threatened by the Indonesian army, the mobile police and the KOPASSUS (special forces) units. The KOPASSUS units in particular, the Resolution states, should be replaced by a native Papuan police force. The central government in Jakarta should intervene and call a halt to the army’s commercial activities in Papua. It noted that Indonesia has never punished any human rights violation from Irian Jaya, but welcomed the commitment to establish, in January 2002, a “special court for human rights abuses”. Another recommendation of Parliament, to the Council and the Commission, was to offer international assistance to the investigation into the assassination of Theys Eluay and to draw attention to ongoing human rights violations throughout Irian Jaya.

The second part of the Resolution refers to Sulawesi and deals with the problem of

Muslim-on-Christian violence. The “Islamic terror group” *Laskar Jihad*, led by Jafar Umar Talib, have left Poso, the capital of Sulawesi, for the mostly Christian town of Tentena. Fearing for their lives, more than 10,000 citizens have fled the town. The Resolution calls on the Indonesian government to put an end to the violence and to “re-establish peaceful co-existence” between the Muslim and Christian populations. Jakarta should dismantle the *Laskar Jihad* organisation (which was also responsible for violence in the Moluccas) and bring the perpetrators to justice. Indonesia should appoint a special prosecutor who would be responsible for conducting investigations into human rights abuses. Finally, the Resolution calls on the Council and the Commission to examine how the EU could contribute to the economic development of the region.

Commissioner for Development and Humanitarian Aid, Poul Nielson, said during the debate in plenary, that, while fully respecting the territorial integrity of Indonesia, the European union would urge the government to “address and resolve peacefully” internal conflicts, whether they are separatist or sectarian in character. While condemning the murder of Theys Eluay and welcoming the murder investigation, Nielson called for “further action” to restore calm and “to develop confidence in the democratic process”. Since December 1998, there have been “several instances” of Muslim-Christian violence in Sulawesi. A local humanitarian fact-finding mission, Nielson said, reported that the area was now calm but tense. Unfortunately, the presence of a large group of *Laskar Jihad* gives rise to “continued fears of escalating violence”.

### ***Afghanistan***

On 13<sup>th</sup> December, Parliament adopted a Resolution, by urgency procedure, on the situation of women in Afghanistan. In total, six draft Resolutions were tabled by most of the political groups with the first being introduced by the UEN group, although the author, Brian Crowley (UEN), did not speak in the plenary debate. In a bold move, Parliament called for the granting of international aid to Afghanistan to be conditional upon the participation of women in decision making. Specifically, the Resolution states that between one quarter and one third of aid from all donor countries, but, in particular, from the European Union, should directly benefit women. Following the meeting, on 5<sup>th</sup> December in Bonn, Germany,





which called for a new Constitution, Parliament called on the Interim Administration to make provision for the free movement, employment, education and health care for women. The Resolution welcomes the “planned establishment” of a Ministry for Women’s Affairs and “suggests” that the United Nations should appoint a “woman *rapporteur* for gender equality”. The Resolution makes no reference to the gender of a prospective *rapporteur*. In a generous concession to men, the Resolution “recommends” that the new Afghan government should “consider” establishing education programmes for young men who enlisted in combat “at a tender age”. Finally, Parliament “proposes” that an international women’s day be created for the 8<sup>th</sup> March 2002. Perhaps, as is befitting a Resolution on the situation of women in Afghanistan, there was no such proposal for a men’s day.

Speaking during the debate, Commissioner for Development and Humanitarian Aid, Poul Nielson, announced several new initiatives for 2002. The European Community Humanitarian Aid Office (ECHO) would formally open an office in Kabul in January 2002. Additionally, European Commission officials would start arriving in February. The Commission, Nielson said, would soon announce new emergency aid and aid to uprooted people in Afghanistan worth €28.5m. The existing EU position on Afghanistan is governed by the 1996 Council Common Position, which is renewed annually. Through the Common Position, the EU supports aid programmes that integrate gender concerns and seek to promote the equitable participation of both sexes by developing the concept of human rights. The EU has a valued role in providing health care, education and employment to women. Referring to the meeting in Bonn, on 5<sup>th</sup> December, Commissioner Nielson said that the Provisional Agreement made specific references to the role of women in the new Interim Administration, which would be overseen by the United Nations. He did not refer to the clause in the Resolution calling for international aid to be conditional upon the role of women in decision making.

## Questions to the Council

### ***Police Reaction Force***

William Newton Dunn (ELDR) queried the progress in the preparation of the police rapid reaction force and wondered when it would be operationally ready. The police force was

agreed at the European Council meeting in Feira, in June 2000, under the Portuguese presidency of the Council. Comprising 5000 officers, it was foreseen at Feira that the force would be operational in 2003 for international police missions. In a written reply, the Council noted that, in November, a ministerial “pledging” conference announced the results of the police capabilities to be supplied by the Member States. Confirming the overall target of 5000 officers, the conference decided that 1400 of these should be available for deployment within 30 days. The conference also concluded that the EU was on target to be able to offer police officers for the full range of missions in the management of crises and the prevention of conflicts.

### ***Afghanistan***

María Izquierdo Rojo (PSE) wanted to know what the Council was doing to implement the Resolution adopted by Parliament in October that called for the creation of a “stable, legitimate and broad-based coalition government” in Afghanistan, which would “adequately represent Afghan women”. Izquierdo Rojo asked the Council, what “diplomatic moves” or “actions” were envisaged to see that the terms of the Resolution were respected. Replying in writing, the Council stated that the provision of humanitarian aid is the absolute priority of the EU. However, the EU supports the creation of a stable, legitimate and broadly representative government, within which women would be adequately represented. Women must have a full role in the construction of the future of the country. The EU has called upon the United Nations and international financial institutions to develop an economic, social and institutional reconstruction plan for Afghanistan that includes the promotion of the role of women in society.

Asking the same question to the European Commission, Izquierdo Rojo received a similarly lengthy reply. This reply stated that the Commission “attaches the highest importance” to the creation of an Afghan government that would respect Parliament’s conditions. This position had already been made clear, the Commission said, in the EU Common Position on Afghanistan, which was adopted by the Council of Ministers. Recalling the formation of the Interim Authority, following the meeting of the various Afghan factions in Bonn, on 5<sup>th</sup> December, the Commission stated that the participation of women is mentioned specifically in the Interim



Administration and the emergency *Loya Jirga* (tribal assembly). The United Nations will play a role in ensuring that the new government adheres to international humanitarian law and investigates human rights violations. It is foreseen that the UN will develop and implement a programme of human rights education throughout Afghanistan. However, the Commission said, with “little direct experience of democracy”, the Afghan people cannot be expected to “embrace new ideas on governance” overnight.

On a related topic, Maj Theorin (PSE) asked the Commission if the college would consider adopting a Communication on the participation of women in peace processes. Referring specifically to the situation in Afghanistan, she highlighted the importance of women playing a full part in peace negotiations and in reconstruction work. In reply, the Commission said that the European Union “has never overlooked” the situation of women in Afghanistan. An EU “assessment mission” is due to go to Kabul in January 2002. This mission would include an expert on gender issues. The result of the mission will allow the Commission to identify action ensuring the participation of women. However, the reply indicated that the Commission is not considering adopting a Communication on the subject.

## Questions to the Commission

### ***EU Sanctions Policy***

Niall Andrews (UEN) raised the issue of the imposition of EU sanctions on third countries and whether the Commission had any alternatives. Andrews also wanted to know whether the Commission intended adopting a Communication on sanctions policy. In a written reply, the Commission stated that sanctions are “one of many instruments” used by the international community to deal with “unlawful” or “undesirable” behaviour of states or individuals or groups within states. Other instruments at the disposal of the Commission include political dialogue, trade liberalisation, development aid, co-operation programmes and diplomatic pressure. Finally, the reply noted that the Commission “expects” to adopt a Communication on sanctions policy in 2002. This would cover the implementation and application of sanctions. ■

*by John Quigley*

### ***Annual Work Programme***

On 5<sup>th</sup> December, the Commission adopted a Communication COM(2001)620, on its Annual Work Programme (WP) for 2002. Unlike in previous years, the WP does not extensively list individual draft proposals for legislation or information and the likely timetable for their adoption. The new format identifies seven priorities for the Commission under four broad headings. The headings include internal security, economic and social matters, enlargement and, lastly, the future of Europe. The WP offers little of interest to those concerned with Asia. In contrast, the African, Caribbean and Pacific (ACP) partnership framework is described as an “important priority” for 2002.

One of the priorities identified by the Commission for 2002 is development co-operation. Basically, in this area, the Commission hopes to “stress” the health and education focus of the European Union’s development co-operation policies, as part of the “over-arching objective” of combating poverty. Specifically, the Commission intends, in 2002, to focus on strengthening policy formulation and programming capacity in an attempt to develop the EU’s contribution to international development goals. Under the heading of development co-operation, the Commission WP proposes seven “key actions”. These include poverty, health and education; fighting the spread of communicable diseases; the UN conference on financing for development (March 2002); co-operation aid to Asian and Latin American countries (a new Regulation); ratification of the Cotonou Agreement and, lastly, management reform of the EU’s external assistance programmes.

Speaking during the debate in plenary on the WP, President of the European Commission, Romano Prodi, said that co-operation between the institutions must be based on two principles. Firstly, the Commission’s right of initiative must be safeguarded and, secondly, the tripartite nature of inter-institutional co-operation should be guaranteed. Dispensing with the list of legislative proposals will mean,



he said, that the WP for 2002 can be a “genuine political programme”. Also, the preparation for the 2003 WP would begin much sooner than usual. In February 2002, Prodi said, that the Commission would present its “political priorities” and then, in November, adopt the 2003 WP.

Two days after President Prodi’s speech to plenary, Parliament adopted a Resolution, through the procedure without report, on the Commission WP for 2002. This Resolution expressed the “deep concern” of Parliament about the failure of the Commission, in 2001, to adopt less than half of the measures foreseen in the 2001 WP. The Resolution states clearly, in one article, that Parliament does not consider the 2002 WP to be a legislative programme. Indeed, Parliament “deplores” the failure, by the Commission, to submit a legislative programme “in good time”. However, this position of Parliament is in contrast to the call by its new President, Pat Cox (ELDR), in February 2001, during the debate on the 2001 Commission WP, when he said that the two institutions would “have to change the way they do business”. He said, when the Commission had presented 593 initiatives, that it was very difficult to find the “real priorities” or the “political passion and focus”. He asked that the Commission “move away” from such a system and towards a system where each initiative is “justified”. However, this would not mean “interfering with the Commission’s right of initiative” but would be merely a question of “quality control”.

### ***EU-China Transport Agreement***

The European Union and the People’s Republic of China, on 13<sup>th</sup> December, agreed a draft maritime transport agreement. This follows two rounds of negotiations. In September, the Chinese Minister for Communications, Huang Zhendong, met Commissioner for Transport and Energy, Loyola de Palacio, in Brussels. Then, in early December, in Beijing, the Commission Director for Maritime Transport, Fotis Karamitsos, met China’s Director-General of the Ministry of Communication, Su Xingang, to finalise the terms of the draft Agreement. As it stands, the draft would cover the provision of maritime cargo transport from and to China and, similarly, from and to the Community. Significantly, this would mean the freedom to provide maritime transport services, free access to cargoes, cross trades and unrestricted access to non-discriminatory treatment in the

use of ports. The draft Agreement also contains provisions on maritime safety, pollution and measures to combat piracy and terrorism. Before entering into operation, the Agreement will have to be formally ratified by the Council of Ministers and by the Beijing government.

### ***EC-Laos Textile Agreement***

On 20<sup>th</sup> December, the Commission adopted a proposal for a Council decision on the signing and the provisional application of the Agreement on trade in textile products between the European Community and the Lao People’s Democratic Republic. This Agreement was initialled in Brussels on 3<sup>rd</sup> December. The Commission proposal would provide for the provisional application of the Agreement from January 2002. The Agreement provides that imports of certain textile products, listed in Annex 1, originating in Laos would be free from quantitative limits. Imports listed in Annex 2 would, however, be subject to limits and to a double checking system. Products in Annex 2 include shirts, tee-shirts, jerseys, blouses, parkas and trousers. If these products were imported into the Community specifically for re-exporting, then such goods would not be subject to quantitative limits. The Agreement includes provisions for both customs authorities to investigate the false declaration of origin, falsified documents, misleading description of content or re-classification. If the European Community believes that administrative procedures are being flouted, then it can request the government of Laos, within 30 days, to hold consultations. A conclusion of the dispute in favour of the Community could mean that quantitative limits are re-imposed or that the goods are not imported. The Agreement would apply from January 2002 until December 2004. However, the terms of the Agreement may have to be reviewed should Laos join the World Trade Organisation. After the European Parliament has given its opinion, it will be up to the Council of Ministers to sign the Agreement formally.

### ***Humanitarian Aid***

#### ***Afghanistan***

On 30<sup>th</sup> November, the Commission adopted a Commission decision allocating €8.5m in humanitarian aid for Afghanistan specifically to promote de-mining operations but, in addition, to re-open the European Communities Humanitarian Aid Office



(ECHO) in Kabul. More than two months after the attacks in America, the Commission has provided a total of €29m for Afghanistan. The de-mining aspect will include training for disposal experts in handling unexploded ordinance fired by coalition forces, led by the USA. Also included in the €8.5m package is a programme to provide emergency food and medical supplies to the Kandahar area, internally displaced persons and drought affected areas in the north.

Also in Afghanistan, on 4<sup>th</sup> December, the Commission, under Poul Nielson, formally re-launched the “Food for Work” programme through ECHO. This project targets vulnerable women in Kabul by promoting home-based quilt production. The raw materials are provided by an NGO financed by ECHO and the end products are exchanged on a monthly basis for food rations supplied by the World Food Programme.

#### ***Philippines***

Towards the end of December (a date was not specified), the Commission adopted a series of Decisions providing aid through ECHO to seven countries or regions. One of these was the Philippines. The aid, worth €1.46m, will target victims of the internal conflict in the Mindanao region. In addition, the aid will assist those affected by the tropical storm that struck the north of Mindanao in November. The Commission intends funding programmes that provide health services, water and sanitation, food, and, lastly, assistance to internally displaced persons to return home.

#### ***Cambodia***

Also at the end of December, the Commission allocated €0.7m in aid for those affected by flooding in the Mekong basin and, separately, those affected by drought in the east of Cambodia. The aid will be spent on food, seed distribution, renovation of water systems and the provision of shelter. The money will be distributed mainly through the United Nations and the Red Cross. ■

*by John Quigley*

### **Industry and Energy Council 4<sup>th</sup>-5<sup>th</sup> December**

#### ***EC-Korea Shipbuilding***

The Council held a debate on the proposal for a Council Regulation establishing a temporary defensive mechanism against unfair Korean shipbuilding practices. The Regulation, if adopted, would provide operating aid to the Community shipbuilding industry to counteract subsidies provided to Korean yards by the Seoul government. European Community aid would, however, be compatible with WTO rules. Industry Ministers were unable to reach substantial agreement on the proposal at the meeting, where a qualified majority could not be obtained. Thus, the Committee of Permanent Representatives will work to try to reach agreement before the proposal is presented to Ministers again. The proposal was adopted by the Commission in July (see *EurAsia Bulletin* Vol. 5 No. 8&9 p36 for details). Then, on 15<sup>th</sup> November, Parliament adopted a legislative Resolution on the draft Regulation, under the consultation procedure. However, speaking before Parliament, Commissioner for the Internal Market, Frits Bolkestein, said that Parliament’s amendments were unacceptable, indicating a wide divergence between the two institutions on the need for a short-term aid measure and with respect to which Member State(s) would benefit from the Community’s money.

### **General Affairs Council 10<sup>th</sup>-11<sup>th</sup> December**

#### ***Afghan Special Representative***

On 10<sup>th</sup> December, the Council adopted a Joint Action under the provisions established in the Treaty regarding the Common Foreign and Security Policy. A Joint Action is an instrument that requires “operational action” by the Member States and commits them to the objectives and scope of the action. A joint Action must also include details of how the action will be financed. The Joint Action, adopted on 10<sup>th</sup> December, concerned the



appointment of a Special Representative of the European Union for Afghanistan. The Council appointed Klaus Peter Klaiber, who is a former Assistant Secretary General for Political Affairs at NATO. Prior to joining NATO, Klaiber worked at the German Foreign Ministry as Head of the Policy Planning Division. Klaiber was appointed with a mandate from the Council to “contribute to the implementation of EU policy in Afghanistan”. This includes adhering to the United Nations Security Council Resolution 1378, which was adopted in mid-November.

### **Generalised Tariff Preferences**

The Council adopted a Council Regulation a new system of generalised tariff preferences for the period January 2002 to December 2004 (for details of the Regulation see *EurAsia Bulletin* Vol. 5 No. 8&9 pp12-13). The Regulation was adopted by a qualified majority, with Portugal voting against. The Ministers for Foreign Affairs did not, however, debate an issue concerning the EU’s GSP system, which developed at the World Trade Organisation. On 7<sup>th</sup> December, Thailand requested “consultations” with the European Community under the auspices of the WTO Dispute Settlement Body. Thailand declared that any benefits accruing under the General Agreement on Tariffs and Trade (GATT) were being “nullified or impaired” following the entry into force of the European Community’s generalised system of preferences.

Consultations are the first step in a complex process of dispute settlement at the WTO. Members of the WTO can request consultations under Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes. Article 4 provides that, in this case, the European Community (EC) would have 10 days to reply to Thailand’s request and should establish negotiations within 30 days. If the EC chose not to reply or if, within 60 days of the request, no action has been taken, then Thailand could request the WTO to proceed to the next step in the dispute process and to establish a panel. A panel is not normally composed of representatives of those parties involved in the dispute and usually has three members. The panel investigates the grounds for the dispute under which WTO agreements have been contravened.

## **ECOFIN Council 13<sup>th</sup> December**

### **Guidelines on Human Rights Dialogues**

The Council approved EU Guidelines on Human Rights Dialogues that are designed to supplement existing EU positions on torture and the death penalty. Calling the dialogues “an instrument of the EU’s external policy”, the Guidelines state that, at present, there are no rules to determine at what point in third country relations should the EU press the human rights agenda. Currently, the EU follows four basic approaches to dialogues. The dialogues of a “general nature” can be based on regional or bilateral treaties dealing systematically with human rights. This would include political dialogue with Asia, for example, in the context of ASEAN and ASEM. Another approach is dialogues that focus “exclusively” on human rights. Although, at present, the EU only has one such institutionalised dialogue, with China, in the past, the Islamic Republic of Iran was also involved because the EU had no trade or co-operation agreement with the Iranian government. A third approach is *ad hoc* dialogues that address Common Foreign and Security Policy topics, which includes issues like human rights. The final format is dialogue with third countries within a “special relations” context. Countries such as the USA and Canada would fall into this category. Such dialogues discuss issues of “common interest” and the possibilities of co-operation in multilateral bodies, such as the United Nations.

The Guidelines state that the EU will “intensify the process” of integrating human rights and democratisation objectives into “all aspects of EU external policy”. Human rights, democracy and the rule of law will be included in programming discussions and in country strategy papers. These issues will be included in all future meetings with third countries and at all levels. While the dialogue will vary between countries, there will be two basic objectives. Firstly, the dialogue will “discuss questions of mutual interest” and will promote co-operation in multinational fora, such as the UN. Secondly, dialogues must “register the concern of the EU” at the human rights situation in a third country and allow for information gathering.

Before engaging with any third country, under the terms of the Guidelines, the EU will have to make a preliminary assessment of that



country's human rights situation. This assessment would be made by the Council's Working Party on Human Rights, the relevant geographical working parties – for example, Asia – and the Committee on measures for the development and consolidation of democracy and the rule of law. The deliberations of these groups would include defining “the practical aims the EU seeks to achieve” and an assessment of the “added value to be gained from the dialogue”. The EU's objectives should establish criteria for measuring progress and criteria for a possible “exit strategy”. The final decision on whether to initiate dialogue would remain with the Council of Ministers.

At least annually, the Council Presidency would be required to make a report on the state of current human rights dialogues. The report would be submitted for discussion to the working parties described above, who would, if appropriate, recommend any further action. If no progress were reported, then the EU would have two options. Firstly, the Council could suspend the dialogue or, secondly, “adjust its aims”. Because of the workload involved for the Council Secretariat, the EU could consider using the services of a “private foundation or organisation” specialised in human rights. The Guidelines offer the example of the Wallenberg Institute, in Sweden, which was involved in exploratory talks with North Korea, in Brussels last June.

(For details of the EU Annual Report on Human Rights, which was adopted by the General Affairs Council on 9<sup>th</sup> October, see *EurAsia Bulletin* Vol. 5 No. 10&11 p52; for details of Council Conclusions on human rights in third countries see Vol. 5 No. 6&7 p41; for details of EU Guidelines on Torture see Vol. 5 No. 4&5 p44).

### **Fisheries Council 17<sup>th</sup>-18<sup>th</sup> December**

#### ***Textiles from Pakistan***

The Council adopted a Council Decision on the signing, on behalf of the European Community (EC), of an Agreement, in the form of a Memorandum of Understanding between the EC and the Islamic Republic of Pakistan, on transitional arrangements in the field of market access for textile and clothing products. The Council Decision also formally authorised the provisional application of the Agreement from 1<sup>st</sup> December. The Agreement was initialled in Brussels on 15<sup>th</sup> October.

Under the terms of the Agreement, Pakistan agrees to fix its tariffs on stated textiles and clothing products at specific rates for 2001 and to lower or maintain these rates from July 2002. The Agreement mentions tariff rates varying between 5%, 10%, 20% and 30% and records the applicable products using the Harmonised System (HS) of six digit numbers for the customs codes. When Pakistan applies the tariff rates and notifies the World Trade Organisation of its intentions, then the European Community will increase the import quota levels for 2001 by 15%. Subsequently, the quota levels for 2002-2004 will be calculated with respect to the higher 2001 figure.

### **Written Procedure**

#### ***Europe and Asia***

On 27<sup>th</sup> December, the Council adopted Council Conclusions on the Commission Communication on the New Asia Strategy. The Council called their conclusions “A new strategic framework for enhanced partnerships”. Adopting “strategic” conclusions so late in the year, at a time when no European institution was sitting, was, in this writer's opinion, unprecedented. (In contrast, the Council's Conclusions for Central Asia were adopted on 10<sup>th</sup> December in the General Affairs Council). The Council addressed four substantive issues, namely, the situation in Afghanistan, humanitarian aid, regional relationships and trade/WTO matters. The words “human rights” and “good governance” do not appear until over half way through the text.

Calling Asia a “crucial economic and political partner”, the Council Conclusions state that the EU-Asia “partnership” is characterised by equality. The partnership should be a “more decisive force” for global security and prosperity, in particular, by focussing on efforts to reduce poverty. Since the attacks on September 11<sup>th</sup>, the Council has started a “comprehensive review” of all third country relations, in light of any support they may offer to terrorist groups. In order to contribute to stability in Asia, Council efforts will be directed towards “intensifying relations” with those countries bordering Afghanistan and, in particular, through “political dialogue” with Pakistan.

By giving its priority to Afghanistan, in the short term, the Council wants to focus on the humanitarian needs of the new government. In



the longer term, the EU will participate in the “sustainable reconstruction” of a democratic Afghanistan. EU action will also respect the “territorial integrity” of the country. The Council “welcomed the emphasis” on inter-regional partnerships in the Commission Communication. That document mentioned, in particular, ASEM, ASEAN, the ASEAN Regional Forum (ARF) and SAARC. Promoting regional integration, the Conclusions state, “has always been the hallmark of the EU”. In 2002, the Council would “strive” to make ASEM “more effective”. The annual ASEM Summit is due to be held in 2002 in Copenhagen. The Council also raised the role of “ASEAN+3”, that is, the member countries of ASEAN plus China, South Korea and Japan. Welcoming the “growing integration of “ASEAN+3”, the Council said that further progress would be supported by the EU. Interestingly, the Council merely “noted” the stated intention of the Commission to propose “sub-regional strategies” and “noted with interest” the fact that the Commission has proposed reviewing possible future bilateral agreements in Asia. At the time of going to press, *EurAsia Bulletin* was unable to determine from official sources whether this indicated a division in thinking between the two institutions on the EU’s priorities for Asia. (See also Page 9 above for an article by Malcolm Subhan).

## Presidency Declarations

### **Pakistan**

On 24<sup>th</sup> November, the Presidency issued a Joint Statement on the EU-Pakistan Co-operation Agreement. The Joint Statement stated that the signature of the Agreement would “substantially contribute to strengthening the EU-Pakistan relationship”. Calling the Agreement an “element of an enhanced relationship” the European Union welcomed Islamabad’s decision to join the international community and the “fight against terrorism”. Whereas Pakistan declared its “firm commitment” to a return to democratic government, the EU declared its commitment to the “respect, protection and promotion of human rights”. This commitment is usually contained in Article 1 of standard Co-operation Agreements and is referred to as an “essential element of the Agreement”. Ever since General Pervez Musharraf seized power, in October 1999, the European Union has tread carefully in voicing displeasure at the military regime. Despite calling repeatedly for a restoration of democracy, the EU has never formally

condemned violations of human rights in Pakistan as it has done, for example, with China.

The Joint Statement also addresses international commitments. The EU and Pakistan committed themselves to implementing fully the terms of United Nations Security Council Resolution 1373, which was adopted on 28<sup>th</sup> September, on “Threats to international peace and security caused by terrorist acts”. A “comprehensive strategy” would be needed to address the “root causes” of terrorism, before the international community could eradicate terrorism. The Joint Statement outlines the EU’s acknowledgement of the “valuable contribution of Pakistan” to the international campaign against terrorism.

### **India**

On 13<sup>th</sup> December, the Presidency issued a Declaration on the terrorist attack of the Indian Parliament. The attack, on the same day, resulted in loss of life and many injuries (see Page 35 above for details of the attack). The EU “deplored the loss of lives” in an attack on the institution “that represents democracy and the rule of law”. Expressing “solidarity” with the Republic of India in its fight against terrorism, the EU called the attack a “threat to mutually shared values” of democracy and respect for human rights.

Separately, on 21<sup>st</sup> December, the Belgian Presidency issued another Declaration on the attack. This Declaration focussed on Pakistan and the commitments Islamabad had entered into with the EU to fight terrorism. Accepting Pakistan’s condemnation of the attack, the EU, however, called on General Musharraf to take “rapid and firm action” against those terrorist groups “allegedly based in Pakistan” but that operate outside the country. The Declaration mentioned, in particular, the fact that these groups operate in India.

### **Spanish Presidency of the Council**

Beginning on 1<sup>st</sup> January under Prime Minister José María Anzar, Spain will take over the role of President of the European Council and the various Ministerial Councils. At a meeting on 13<sup>th</sup> December, Spain’s Foreign Minister, Josep Pique I Camps, presented the Work Programme, which Madrid will try to implement during its six months term of office. This Programme identifies six priorities. These include combating terrorism, the euro,



employment, enlargement, external relations and, lastly, the future of Europe debate. Identifying a theme for the Presidency, the Foreign Minister said it would be "More Europe", meaning greater influence for Europe in international relations and greater integration within the EU.

Subsequently, on 18<sup>th</sup> December, Spain published a more comprehensive document explaining their priorities in more detail. With regard to external relations, Spain describes its Work Programme as "ambitious". Spain's Presidency will, it states, endeavour to ensure that the EU "speaks increasingly with a single voice on international issues". This should help consolidate the EU's importance, visibility and credibility.

### ***Security and Defence***

In order to develop the identity of Europe in the international community, the EU must make a "determined effort" to make the military and civilian crisis management instruments operational "as soon as possible". The Work Programme outlines five priorities for European Security and Defence Policy. As is well known, the major problem with the EU's ESDP is the low level of resources available to the Rapid Reaction Force. Thus, Spain hopes to "boost the development" of military capabilities and to extend "consultation and co-operation" with NATO and with other international organisations. A further priority will be to "build up and implement" crisis management procedures. It is believed that the EU will test its crisis management procedures in 2002 but documents surrounding the exercise remain secret. Another aspect of ESDP which Spain wants to develop during its Presidency is co-operation in the field of intelligence; in particular, the Work Programme mentions co-ordination between the Member States' services. Lastly, Spain will "take forward" and "reinforce" the powers of the Civilian Aspects Committee, which is responsible for the EU's civil crisis management instruments.

### ***Afghanistan***

The Work Programme for Afghanistan is split into two main issues. Firstly, Spain will implement decisions already reached either under the Belgian Presidency or under United Nations auspices. Thus, in response to the European Council at Laeken, Spain will continue providing emergency humanitarian aid to the transitional government, implement

the timetable for political transition, participate in the future UN-sponsored multinational force and implement a long-term rehabilitation programme for Afghanistan. The second main issue will be a Spanish initiative. During its six months, Spain promises to consider a "possible review and tightening" of EU links with India, Pakistan and the Central Asian Republics – in effect, Afghanistan's neighbours. Another of Afghanistan's neighbours, Iran, is not mentioned but it is known that the EU is keen on pursuing diplomatic relations with Tehran, including a possible Trade Co-operation Agreement.

### ***Asia***

Describing the EU's relations with Asia as offering "great potential", Spain, during its Presidency, states that dialogue with Asia would develop mainly through the Asia-Europe Meeting (ASEM) process. However, the fourth ASEM summit is due to take place in the second half of 2002, under the Danish Presidency of the Council. Spain's contribution will be to organise a pre-Summit ministerial meeting. This meeting of Foreign Ministers is scheduled for 6<sup>th</sup>-7<sup>th</sup> June. Another ministerial meeting will take place in April to discuss illegal immigration. ■

*by John Quigley*

On 14<sup>th</sup>-15<sup>th</sup> December, the fifteen heads of State and government met in a suburb of Brussels for the Laeken European Council under the Presidency of Guy Verhofstadt. The Council adopted conclusions in five main areas. These include a Declaration on the future of the European Union, the EU response to the September 11<sup>th</sup> attacks, economic developments, strengthening the area of freedom, security and justice and, lastly, on developments with regard to external relations. The conclusions on external relations do not include any reference to Asia.

### ***Security and Defence Policy***

In an annex to the main conclusions, the Laeken Council adopted a Declaration on the operational capability of the Common European Security and Defence Policy





(CESDP) stressing the inter-governmental role of the Rapid Reaction Force over EU level action. The Declaration is startlingly brief both on the nature of European capabilities and on EU relations with NATO. Most of the two-page text is concerned with comparing the “balanced development” of military and civilian capabilities but is short on detail and concrete proposals for future action. The single most pertinent statement contained in the text is the admission that “substantial progress will have to be made” if the EU is to be able to conduct operations across the full range of the Petersberg tasks.

Following the statements made at the Nice and Göteborg European Councils, the heads of State and government at Laekan rushed to declare the EU’s civil and military crisis management procedures operational, albeit in the interim for limited missions. Only, the leaders declared, as the EU’s “assets and capabilities continue to develop” would the Member States be able to undertake “progressively more demanding operations”. Bending to the sensitivities of some Member States, the Laekan Declaration states that the development of military capabilities “does not imply the creation of a European army”. In fact, “on the basis of national decisions”, Member States have made “voluntary contributions” to the military and police capabilities necessary to make the Rapid Reaction Force operational.

On the basis of the “exercise policy and programme”, the Laekan Council noted that the EU had begun to “test its structures and procedures” that relate to civilian and military crisis management operations. These structures and procedures are designed to “analyse and plan” decisions on military operations. Where NATO would not be involved, the structures would allow the EU to “launch and carry out” these operations. To achieve the objectives of a balanced development of the military and civilian capabilities, the Council of Ministers should see “new solutions” and “new forms of co-operation”. This should make “optimum use of resources”. Military capabilities would be “strengthened” according to the European Action Plan, whereas civilian capabilities would utilise the Police Action Plan (PAP). The PAP has three priority areas, including the rule of law, civil administration and civil protection.

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## ***Immigration and Asylum***

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The Laekan Council adopted Conclusions on strengthening the area of freedom, security and justice. Heads of State and government noted that progress on immigration and asylum matters had been “slower and less substantial than expected”. However, the leaders stood by the objectives they agreed at the Tampere European Council in October 1999. Calling for a common policy on asylum and immigration to be adopted “as soon as possible”, the European Council stated, however, that this should take into account the need to “maintain the necessary balance” between the reception capacities of the Member States and the protection of refugees.

The Laekan Council Conclusions follow several months of debate in the Justice and Home Affairs Council. On 16<sup>th</sup> November, Ministers identified five key areas where progress in implementing the conclusions reached at the Tampere Council, was deficient. The first of these areas was immigration, asylum and border controls. The other four include judicial co-operation in civil and in criminal matters, police co-operation and, finally, on external relations. Following progress at COREPER level, the Environment Council, on 12<sup>th</sup> December, approved without debate further additions to the details agreed at the Justice Council. At the Environment Council, the Belgian Presidency presented a consolidated report outlining areas of consensus for decision by the Heads of Government. The report included the provision that, in future, there should be one Justice Council per month. However, the ministerial meetings should be limited to one-day sessions and should focus on “legislative activities and policy definition”.

Progress in the Justice Council led EU leaders at Laekan to outline four key components of a “true” common asylum and immigration policy. Firstly, the policy on migratory flows should be integrated into the EU’s foreign policy. This means that re-admission agreements with third countries must be concluded on the basis of a “new list of priorities” and a “clear action plan”. The Action Plan should be developed as a result of the Commission Communication on illegal immigration. The second component of EU policy should consist of the development of a European system for the exchange of information on asylum matters, migration and on countries of origin. Another element would be the implementation of common standards



on procedures for asylum, reception and family re-unification. This might include provision for accelerated procedures. The final element in the true policy would be the setting up of "specific programmes" to combat discrimination and racism. Government leaders called on the Council of Ministers to submit

amended proposals, by 30 April 2002, on the Commission proposals on asylum procedures and family re-unification. The Council is also working on proposals on reception standards, the definition of the term "refugee" and, lastly, forms of subsidiary protection. ■

## ELECTIONS IN TAIWAN

- Continued from Page 2 -

The DPP formally adopted advocacy of Taiwan independence as part of its platform in 1991 but, in more recent years, the explicitness of the policy has been moderated as it has sought the middle ground in an effort to appeal to moderate voters. Although it still has many members who are active supporters of independence, the realities of election strategy and of the complexities of Taiwan's relations with China, and also with the US which is the guarantor of Taiwan's security, have required that the DPP adopt pragmatic policies that avoid upsetting the delicate political balance in which the island exists. There were concerns, before his election as President, that Chen Shui-bian would pursue an active policy of promoting independence but, in reality, he has been cautious and avoided confrontation, although this has done little to increase the favour with which he is regarded by Beijing. The growing moderation of the DPP led some members to set up the Taiwan Independence Party, in 1996. This, however, has gained insignificant support from voters and may only have helped to highlight the DPP's increasing moderation. Much of the radicalism of the DPP on other issues (in its early days it had a strong socialist strain) has been moderated over the years.

Politics in Taiwan has yet to evolve into a two-party system; indeed, the opposite has occurred over the past decade as the political landscape has become increasingly fractured. In addition to the KMT and the DPP, several other smaller parties have had an impact in recent elections.

In 1993, the New Party was established by a group of dissatisfied KMT politicians, who were critical of what they saw as the tendency of the KMT under President Lee Teng-hui, the

first Taiwan-born leader of the party, to downplay the party's commitment to reunification and to carry out a policy of Taiwanisation, that is giving increasing emphasis to Taiwan's own distinct identity over its identity as a part of China. The founders of the New Party were also critical of corruption within the KMT. The New Party achieved some electoral success, receiving 13% of the vote and 21 seats, out of a total of 164, in the 1995 Legislative Yuan elections, largely at the cost of the KMT. The party is widely seen as being strongly pro-reunification and is closely associated with Mainlander interests in Taiwan.

The 2000 presidential election brought about an even greater split in the KMT, directly contributing to the success of Chen Shui-bian, and also leading to the establishment of a new political party that has further weakened the position of the KMT. The split resulted from internal KMT disagreements over its candidate for the presidential election. The impending retirement of Lee Teng-hui required the selection of a new candidate. While Lee wished his vice-president, Lien Chan, to be the candidate, he was challenged by James Soong, who had previously been prominent as the governor of Taiwan province before the position was abolished by Lee and who had fallen out with the President. Soong's attempt to become the candidate was blocked by Lee, even though he was widely seen as a more popular and attractive candidate than Lien. Soong then ran as an independent, was expelled from the KMT, along with some of his supporters, and came a close second with 36.8% of the vote to Chen Shui-bian (39.3%) in the election. Lien, the KMT candidate, finished a distant third with 23.1%. Clearly the splitting of the non-DPP vote had allowed Chen to become President. After some hesitation, Soong established a new political party, the People First Party. Soong and his party are generally regarded as having policies close to those of the KMT and many doubts were expressed about how far the party had any substance other than as a vehicle for its leader.



One more force entered the political field for the December election when Lee Teng-hui backed another new party, the Taiwan Solidarity Union (TSU), which was established earlier in 2001. Lee, who remained widely popular after 12 years as President, was forced to resign as Chairman of the KMT after Chen's victory. Many KMT members blamed Lee for the defeat of their candidate, arguing that it was he who had caused the split with Soong, and that he had also failed to support Lien Chan fully. Some even believed that he was secretly pro-independence and had actually wished to see the election of Chen as President.

Lee has sought to ensure that his policy of giving primacy to the interests of Taiwan, if not actually seeking outright independence, is not abandoned. He has, for instance, been critical of policies adopted by Chen, which relax controls on trade and investment with the Mainland, arguing that these will damage the interests of Taiwanese and lead to economic domination by the Mainland, even though they had gained a broad consensus of support in the business community. Lee was finally expelled from the KMT in September after publicly announcing his backing for the TSU. While appealing broadly to voters who might be expected to support a pro-independence policy, the party draws support as much from KMT supporters, who believe that it has not followed the direction set under Lee, as it does from potential DPP voters, who believe that it has failed to maintain its pro-independence credentials while in power.

### ***Campaign, Policies and Issues***

The Legislative Yuan campaign was widely regarded in Taiwan as being exceedingly negative and dirty, dominated by personal attacks rather than serious discussion of policy. Nevertheless, certain issues did have some bearing on the campaign.

The national identity question – re-unification versus independence – the historical legacy of Taiwan's relationship with the Mainland, has been a dominant theme in Taiwan politics for many years. While it is not the only issue that concerns Taiwan voters, it remains the key policy divide that draws the line between what are seen as two broad political groupings – those parties that favour re-unification, the so-called blue camp which includes the KMT, PFP and New Party, against those that favour independence, the green camp of the DPP and TSU. Major parties in Taiwan, whichever side

of the line they fall on, have adopted positions that avoid advocating anything that will result in radical change. The nuances of policy formulations on this question are complex and often deliberately opaque. The PRC/ROC/USA triangle is bounded by deliberate ambiguities that have, in recent times, generally allowed co-existence even though events on all three sides have on occasion upset the balance. Since the election of Chen Shui-bian, the DPP has issued statements intended to provide assurance that there will be no move to independence, although its stated policy has still failed to satisfy the authorities in Beijing who remain unconvinced of its real intentions. The DPP has even said that it can accept the 'one China' principle, although it has refused to accept, as a precondition in any discussions, Beijing's interpretation of its meaning.

It is difficult for political parties in Taiwan, no matter what their level of domestic support, to ignore the attitude of Beijing, which has continued to assert that the one China principle is absolute. In its historical role as the claimant to rule all of China, Beijing has vehemently attacked what as it regards as separatists in Taiwan. This has included, not only the DPP, but also Lee Teng-hui, whom Beijing regards as a traitor who sought to lead Taiwan to independence. During previous elections, Beijing has carried out missile tests over Taiwan and military manoeuvres, making explicitly clear its threat to go to war if Taiwan were to move to independence. These demonstrations failed to bring about results favoured by China and raised tensions considerably with Washington. Beijing, while making clear that it would be greatly displeased by a Chen victory, adopted a more restrained policy during the 2000 presidential election. Beijing has been, perhaps, even more circumspect during the Legislative Yuan campaign, although it has shown its clear preference for working with those parties that it believes will work towards re-unification. Delegations from the KMT and New Party have been welcomed in Beijing and the KMT has even been permitted to set up an office there. To what extent this has aided these parties is debatable. Many voters see them as selling out the interests of Taiwan to curry favour in Beijing.

Rather than the potential crisis over independence that many believed possible after the election of Chen, the real crisis faced by Taiwan over the past year has been economic. Taiwan has suffered from the collapse of key export markets following the bursting of the



US bubble economy in late 2000. Taiwan is the dominant supplier of many products of importance to the IT industry and, in 2001, the economy suffered a sharp contraction and, by the end of the year, unemployment was at record levels. Although its opponents criticised the DPP for failing to deal with the economic problem, it countered with the argument that Taiwan has been a victim of external factors over, which the government has no control, and that its policy initiatives have in any case been blocked by the opposition parties in the Legislative Yuan. On balance, it appears that the electorate has tended to go along with this view.

Corruption and money politics are issues that have figured prominently in recent elections in Taiwan. The influence of money in politics became widespread and blatant as the political system became more open. The KMT is reputed to be one of the richest, if not the richest, political organisation in the world, owning stakes in a vast range of businesses and real estate. However, the problem also involves legislators engaging in corrupt deals involving public works contracts, bribery, widespread vote buying and even known gangsters becoming members of the Legislative Yuan.

Although the KMT has mounted campaigns against political corruption, these have failed either to have much effect or to convince the public that it is serious in tackling the problem. The 2000 presidential election was marked by a series of revelations that originated in KMT attempts to paint James Soong as having engaged in corrupt practices while he was a senior party official. Rather than succeeding in their aim of damaging Soong, the initial revelations concerning him were followed by others that only helped to confirm the public perception of general corruption within the KMT. The opponents of the KMT have been able to continue to exploit this issue in attacking the party during the Legislative Yuan elections.

### ***The Results***

The emergence of the DPP as the largest party in the Legislative Yuan did not result simply from gains of seats lost by the KMT. The DPP gained only 17 seats, while the KMT lost 55 seats. The biggest winner of the election in terms of seats gained was the PFP, which won 46 seats, while the other newly founded party, the TST, won 13 seats. The election was also notable for the apparent demise of the New Party, which lost 10 of the 11 seats it held.

#### **2001 Legislative Yuan Election**

Party	DPP	KMT	PFP	TSU	NP	Others
Votes in %	33.4	28.7	18.5	7.8	2.6	8.7
Total seats	87	68	46	13	1	10
Seat change	+ 17	- 55	+ 46	+ 13	- 10	- 11

#### **Previous Legislative Yuan Elections**

Party	1989	1992	1995	1998
KMT	72	96	83	123
DPP	21	50	54	70
NP	-	-	21	11
Independent	8	-	6	2
Other	-	15	-	19
Total seats	101	161	164	225



**Election Votes in %**

Party	1989	1992	1995	1998	2001
DDP	28.2	33.1	33.2	29.6	33.4
KMT	60	60.1	46.1	46.4	28.7
NP	-	-	13.0	7.1	2.6
PFP	-	-	-	-	18.5
TSU	-	-	-	-	7.8
Others	11.8	6.8	7.8	16.9	8.7

Despite its success, it is by no means clear that the DPP has made an historic breakthrough in terms of its electoral support. The level of support given to the DPP in Legislative Yuan elections has hovered at roughly the same level over the past decade or more. Thus, while the party seems to have a strong and stable support, willing to vote for the DPP even when its record in government is not strong, it is not yet able to gain sufficient support to govern alone.

The real reason for the DPP electoral success is the fragmentation of the KMT constituency. The division of the vote by the rival parties that have emerged from within the KMT has done greater damage to its ability to translate its enormous advantages into electoral success than the attacks of the DPP. In overall terms, the pro-unification blue parties, the KMT, the PFP and New Party, still received more votes and won more seats than the green parties that are seen to support independence, the DPP and TSU. It should be noted that, in elections for city mayors and county magistrates held concurrently with the Legislative Yuan elections, it was the DPP which was the overall loser. The DPP won nine city mayor and county magistrate races, three less than it held previously, while the KMT, the PFP and the New Party all made gains.

### ***The Aftermath***

Although historic, the results of the Legislative Yuan elections are in many ways inconclusive. The DPP is still far from holding a majority in the Legislative Yuan. Even before the elections were held, the DPP had begun to float the idea of a national stability alliance to bring together all parties to tackle the problems Taiwan faces. Chen made an explicit proposal to form such a government after the election. The proposal was rejected by both the KMT and the PFP, who insisted that the DPP must assume its responsibilities as a government. Nevertheless, the KMT and PFP, perhaps mindful of public impatience with previous blocking of government policy in the Legislative Yuan,

have both left the door open to co-operation on specific issues. Lee Teng-hui, on the other hand, had already said before the election that his party would support a DPP government, though this still does not provide them with a majority of votes in the Legislative Yuan. The situation remains fluid and there has been considerable discussion in Taiwan of possible defections from the KMT to the DPP by legislators unhappy with its apparent swing back towards emphasis on re-unification.

The election result, while not resolving all of the problems faced by the government, will, nevertheless, make the passage of policies easier if the DPP manages to gain the control over the Legislative Yuan that it previously lacked. Its life is also likely to be made easier by an improvement in economic conditions. There are signs that the Taiwan economy is beginning to recover, although this will largely depend on global economic recovery, particularly in the US, although there are considerable uncertainties on this front stemming also from Taiwan's accession to the WTO, which followed the Mainland's own entry.

China, for its part, has remained comparatively circumspect in its comments on the results, avoiding the strident rhetoric which it has typically used in the past. Still, in their comments so far, spokesmen in Beijing have not offered any sign that the position of the PRC has changed in any way, insisting that the election result changes nothing. For the moment, it is difficult to know whether the restraint is merely a change of style or whether it will lead to a change of substance. Having tried military threats and support of political parties in failed efforts to achieve satisfactory results in Taiwan elections, Beijing may come to re-assess its policy and seek an overture with Chen Shui-bian, though the essential aim of re-unification will not be abandoned. Thus, in both internal politics and in its relations with the Mainland, Taiwan will continue to have to live with uncertainty for, at least, some time to come. ■

*by Willem van der Geest-Katherine Marshall*

**ASEM-European Institute for Asian Studies-World Bank Conference on “Social Policies to Cope with Economic Instability: Lessons from Europe and East Asia”.**

The conference, held in the European Commission’s Charlemagne building on 6<sup>th</sup> December, represented the seventh in the series organised in the context of the ASEM Trust Fund project: “Lessons Towards the New Social Policy Agenda in South-East and East Asia.” The conference brought together about 90 participants from Europe and Asia with representatives from governments, academia and international organisations. Three papers were presented at the conference and others were circulated (see website [www.worldbank.org/eapsocial/asemsocial](http://www.worldbank.org/eapsocial/asemsocial)).

The primary goals of this ASEM-financed project have been to highlight major short- and long-term issues and challenges and to articulate a framework of social policy options for East Asia in the light of specific lessons from the 1997-99 socio-economic and financial crisis, drawing on European experience. More specifically, the project objectives aim to supplement work undertaken in these fields by the World Bank and by Asian and European and international institutions and experts, much of it financed by ASEM funds. The project set out:

- to engage a closer dialogue between European and East Asia experts and policymakers on social policy issues and options, related to the crisis in East Asia, based on European history, thinking and experience, and
- to recommend innovative, but sound and operational, approaches for the regional social agenda of the next decade.

Much work has been undertaken in the project framework to date and has yielded significant lessons and, above all, helped to build networks of practitioners and specialists working on these issues across institutional and international boundaries.

The Brussels conference sought to engage in some stock taking on the various lessons and

issues that have grown out of this exchange. These focused on general areas of social policy with particular emphasis on issues related to unemployment, health, education, social capital, social exclusion, ageing and pensions.

Introductory remarks were delivered by **Katherine Marshall**, World Bank, **Erich-Wilhelm Müller**, Director of European Aid at the European Commission and **Willem van der Geest**, Director of the European Institute for Asian Studies (EIAS).

Ms Marshall briefly described the ASEM Trust Fund’s inception and the European Commission’s important role in it, emphasising the Trust Fund’s function as both a political process and a flexible tool linking Asia and Europe. She noted that a principal goal of the *Social Policy Lessons* project within ASEM was to fill a gap in the knowledge exchange. The project sought to achieve this by a two-way flow of knowledge focusing on:

- the ways in which social and macro-economic policy were linked, and
- how the analysis of experience from Europe might provide insights to formulate social policy in East Asia.

Ms Marshall noted that the project had achieved far more than its stated goals of dialogue and sound policy recommendations, in particular through creating an active network of specialists working on the issues.

Erich-Wilhelm Müller highlighted the role of the European Commission within the ASEM process. One of the implications of the September 11 events, he said, was the need for more global exchange on values. This should include discussions on good governance and understanding of democratic principles. He noted that many Asians think Europe could also benefit from Asia’s experience. Indeed, several East Asian countries were among the contributors to the ASEM Trust Fund. Even taking into account the general recession and the effects of September 11, much had been achieved in terms of employment and opportunity, both in Europe and Asia. However, he warned against complacency: politicians and policy makers needed to re-visit continually the policy environment. He also pointed out that the ASEM fund was not permanent but a temporary tool responding to a particular need, which had become obvious during the Asian Financial crisis. In a second phase, the ASEM Trust Fund could consolidate



the lessons learned on ties between social and economic interests. Mr Müller added that the Trust Fund also wished to include the World Bank and its leadership in a process of re-thinking, in order to ensure lasting results and to institutionalise fundamental changes over the next 4-5 years. He also mentioned the desire to establish a permanent forum, preferably with an East Asian base, to build on what has been achieved so far.

Willem van der Geest introduced the co-organiser of the conference, the European Institute for Asian Studies (EIAS), as an independent think tank, supported by the European Commission, to encourage scholarly research on issues of EU-Asia relations. He remarked that, in future, the ASEM process would need to increase its focus on social issues, in order to address the concerns and interests of citizens of Asia and Europe. Under the rubric of globalisation, he noted three separate processes: (a) increased competition between North and South; (b) increased competition in product and capital markets of OECD countries; and (c) increased volatility of financial flows and portfolio investments. Some of the unemployment and increases in wage inequalities in Europe were linked to increased competition with Asia but the evidence suggested that this was a factor of secondary importance. Much of the increases were linked to inter-European Union trade and investment flows, as well as increased competition with other OECD countries. Hence, EU protectionism vis-a-vis Asia was not a cure; indeed, in view of EU investment in Asia, it might actually hurt intra-firm trade and international production networks. In fact, the policy debate should, and recently had, moved on to the question of reforming Europe's own social policies.

Dr van der Geest referred to the results of the recent European Council held in Lisbon in 2000. It had reaffirmed the EU's commitment to its unique approach of combining progressive social values with successful economic growth. However, there was also an acknowledgement that the present design, structure and application of economic and social policies within the EU were not well suited to the challenge of globalisation and rapid technological change. While adopting a firm political commitment that "full employment is the aim of economic and social policy," the following areas were identified for policy research and reform:

- tax and benefit systems designed to raise employment instead of discouraging it;
- modernising the work environment, especially through life-long learning;
- making social security systems employment-friendly;
- making regulatory approaches entrepreneur-friendly.

Dr van der Geest identified one further key issue for ASEM to focus on: policy research designed to ensure that reform of Europe's own social policies was compatible with improving social welfare in East Asia and other developing countries.

#### **First Roundtable:**

### ***Macro-economic and Social Policy Linkages***

*Chair:* **Rolph van der Hoeven**, International Labour Organisation (ILO), Geneva

*Presenters:* **Robert Wade**, Professor at the London School of Economics, and **Jomo Sundaram**, Professor, Faculty of Economics, University of Malaysia

*Discussant:* **Rajah Rasiah**, University of Malaysia and UNU-INTECH, Maastricht

Mr. Van der Hoeven noted in his introduction that macro-economic policies should be a priority on the agenda since: (i) They were usually discussed in terms of stability and equilibrium however, stability had come to mean price stability instead of full employment and equilibrium referred to balance of payments alone and not internal balance. These terms had been given a very narrow interpretation during adjustment policy reforms in Asia. (ii) The ongoing debates in Europe and the US were looking at the bearings which macro-economic policies had on social issues; however, a similar debate was not taking place in Asia, whereas this was a key issue. Asian governments tended to focus their policies on short-term stabilisation and bringing prices down. It was now an especially opportune time, he commented, to have a broader interpretation of macro policies because world inflation rates had come down sharply. He posed the question, echoed by all the other speakers, 'How can we define social policies in terms of macro policy and vice versa?'

In his presentation, Professor Wade sought to challenge the conventional thinking on



openness and "globalisation plus", often referred to as the Washington consensus, but also espoused by *the Financial Times* and *The Economist* in their recent surveys of globalisation. He observed that globalisation referred to full integration of national economies into the world economy, involving low barriers to trade and investment. "Plus" referred to domestic reforms to make full integration viable: such as tighter bank supervision to preclude monetary pull-out, as well as social policy to buffer segments of the population, who lost from volatility in the national economy due to integration. Historically, Mr. Wade pointed out, Germany, the United States and the countries of East Asia, in particular Japan, pursued quite different strategies during their rapid development. They did not integrate completely. In fact, they put up barriers to nurture local industries for export-oriented growth strategies, that led to such fast growth and absorption of labour that they did not require social policy. He further challenged conventional thought by advocating a return to industrial economics and its spokesmen, List and Schumpeter, and away from Adam Smith.

There was a distinction to be made between developed and developing economies; it was not a question of open versus closed economies, he said, but one of "articulated" versus "dis-articulated" economies. An articulated economy was one in which there was a dense set of domestic input-output linkages and production is articulated with consumption. Another characteristic was that wage growth is the main source of domestic demand, which led to higher domestic production and investment. This meant that growth was not determined by foreign demand for domestically produced goods and services. In this model, wages were not merely seen as a cost but also as a source of growth. In less articulated economies, by contrast, wages were seen as a cost, not a source of potential growth. Also, domestic production was not very articulated with consumption, which meant that foreign trade (exports) was the main stimulus to economic growth. Furthermore, industrial sectors producing for foreign markets became enclaves, severed from other sectors. Finally, this industrial structure prevented the creation of class alliances, such as those existing in developed countries. The question was, therefore: how could developing countries create more articulated economies? Yet, catch-up strategies did not always imply high levels of social policy. First, Mr Wade pointed out that the developing countries of

East Asia were in no way homogenous and, while one country in the region might require much social policy, another would require little. Secondly, the examples of Germany in the 19<sup>th</sup> century and the US in the 20<sup>th</sup> century showed a complete reliance on industrial growth and on wage redistribution. In essence, he agreed with Mr van der Hoeven that macro policies in developing countries should be construed broadly, as development strategies, including industrial policies.

Mr Jomo's presentation was based on a paper he wrote for the ILO entitled: "Financial Crisis and Macroeconomic Policy Responses to the 1997-8 Financial Crisis in Malaysia." In it he focused on two major themes: (i) the opportunity for change in policy resulting from September 11 and its aftermath; and (ii) restoring social policy to its rightful place vis-à-vis macro-economic policies. Prof. Jomo noted that the pre-September 11<sup>th</sup> consensus was on increased liberalisation, an illustration of this consensus being the Financial Services Agreement under the WTO. Such commitments to further economic and financial liberalisation limited the margins of manoeuvre for economic policy-making, both in the fields of macro-economic and industrial policy. However, he said, financial liberalisation had not brought the expected fruits: capital flows had, over the past decades, moved from poor to rich countries; the cost of funds had not gone down; new sources of volatility had appeared (such as hedging instruments); Governments were more or less forced to adopt macro policies that are deflationary (which were now known to have had adverse consequences for growth); finally, financial liberalisation imposed new constraints on social policy: social policy was seen as dealing with externalities only.

Therefore, the East Asian crisis could not be seen as a reward for irresponsible domestic policies but as a consequence of the destabilising effects of financial and economic liberalisation. Malaysia provided a good example in that sense: when the crisis had hit, most fundamentals had been right. The country just happened to be in the wrong neighbourhood at the wrong time! In general, Asian crisis countries should be seen, not as delinquent in policy and macro imbalances but as victims of contagion. This was important because countries were increasingly seen as members of regions by each other. It might be argued that Singapore and the Philippines had not been hit, which would go against the contagion argument. Still, both countries either





had devalued or floated, and currency had floated down, which showed that they were hit. They did not suffer as much because they had not received many capital inflows in the first place.

Prof. Jomo asked what could be done? He used Malaysia as the example of a country that had adopted counter cyclical macro-economic policies, despite the orthodox recommendations of various institutions, and had started to spend much more on the social sector. This had had a very positive social impact. However, he warned that counter cyclical spending was not necessarily socially progressive unless it had social welfare as its specific goal. Prof. Jomo strongly advocated restoring social policy to its rightful place, not just as an instrument focused on social safety nets. He further asserted that social policy should be seen as an integral part of industrial policy and, therefore, macro policy. While developing country governments were often seen as too corrupt or incompetent to intervene selectively and appropriately, Malaysia's (and Korea's) success story suggested that the capacity for effective implementation of counter-cyclical macro-economic policy had been crucial for their rapid recoveries in 1999 and 2000. He concluded by emphasising the need to tie social policy to industrial and macro-economic policy to make it sustainable, particularly among the "second-tier" South-East Asian newly industrialising countries, including Malaysia, which suffered from a lack of capacity in human resource development.

Mr Rasiah pointed out that social policy had long been secondary to macro-economic policy-making. He noted that, as long as governments saw their primary role and focus as macro stability, issues like corruption and social policy were ignored. Also, social policy debates had increasingly moved away from focusing on goals to focusing on instruments.

In the ensuing discussion, Mr Iftikhar Ahmed of the ILO's Labour Review commented that current employment losses, due to the global economic slow down coupled with the effects of September 11, could mean losses of up to 62 million job opportunities globally. He noted that social policies were called on to cope with economic instability but they should take the informal sector into account more actively. Alice Sindzingre of the World Bank wanted to know how the crisis had changed taxation policies and expenditures in the affected East Asian countries? Mr Aguilar, a PhD candidate, wondered how these countries were expected

to concentrate on social policy with governments spending more on interest to service foreign debts than on education? Mr Jomo noted that the International Trade Organisation proposal had been voted down by the US in 1948 for good reason. He also pointed out that the origins of industrial policy did not start with List and Schumpeter but with Hamilton, President of the US, contrary to what Mr Wade had said in his discussion.

#### **Second Round Table:**

### ***The Inter-Regional Dimension of Social Policy, the Example of Social Standards***

*Chair:* **Neena Gill**, Member, European Parliament

*Presenter:* **Bob Deacon**, Professor of Social Policy, University of Sheffield, United Kingdom

*Discussant:* **James Howard**, Director of Employment and International Labour Standards, ICFTU, Brussels)

Neena Gill opened by commenting on the importance of the topic at hand: regional groupings tended to be weak and were at very different stages. Regional redistribution and focus on application of labour and other standards were weak. Generally, regional integration agreements faced a host of problems. Transnational organisations and budgets to deal with the host of issues were limited and far between.

Professor Deacon made a presentation based on his paper *The Social Dimension of Regionalism: A constructive alternative to neo-liberal globalisation?* His thesis was that regional trading blocks offered an alternative to globalisation, in that each region could assume responsibility for its own social measures. Such an alternative was necessary because, according to Mr. Deacon, neo-liberal economic globalisation tended to break down national social contracts in developing countries, by advocating safety nets and segmenting social policy. Even within welfare states, including in the EU, there was a reduction of entitlements of social policies now. Another possible alternative was "socially responsible" globalisation, which sought a new global contract. Yet, the South had been hesitant about this for various reasons. Who paid for global standards? Also, the South feared a new conditionality imposed



by the North along with adherence to certain social rights.

Professor Deacon addressed the question of whether *regional* social policies existed anywhere, except perhaps in Europe? Regional social policy could permit social protectionism along the lines that EU member states provided for their citizens; moreover, regional groupings had a stronger voice, because it was one of unity. It can also entail redistribution between poorer and richer countries, environmental redistribution, social rights, a learning process for best practices, and social services co-operation. According to his research, MERCUSOR was the most developed regional bloc outside the EU, with significant labour and social declarations and joint health and safety inspections. ASEAN was the least developed in terms of its regional social policy. Why? Partly because its origins had been predicated on non-interference with other nations, which had slowed development in many areas. He noted, however, the ASEAN regional declaration on caring societies, which showed the stirrings of a regional social policy.

On the question of whether Europe, as a model of a socially regulated region and an agency, could further the social dimension of regionalism in East Asia, Deacon was not very optimistic. Notwithstanding ASEM, ASEAN did not generally see Europe as a model and its attempts to influence regional policy were generally interpreted unfavourably. This was compounded, according to Professor Deacon, by the negative influence of the ADB in favouring wider economic liberalism over regional social protectionism. He suggested that the EU could play a role here in countering neo-liberal perspectives in the ADB. He further suggested that, if the EU wished to extend its influence to help construct socially responsible regional blocs, in line with its commitments to promote human rights, it would also have to provide resource transfers and put its social development policy before its trade interests. Mr Deacon concluded on a somewhat more optimistic note. Regional economic integration would not be the sole engine of growth for the social dimension of regionalism. He contended that international articulation of social rights would converge with social movements from below to force the issue. He stressed that this vision was an alternative to “globalisation plus”. The regional blocs could choose to de-globalise to a degree and go down the European road. There was a choice.

Mr James Howard pointed out that, contrary to Mr Deacon’s representation of ASEAN as very weak in the area of social and labour regulation, the ASEAN Trade Union Council had existed since the mid-1980s. He also said that the Council expected an increased role for ASEM as the trade unions had been meeting, because the ASEM process had lacked a social dimension. Mr Howard stressed the significance of the coming ASEM meeting in Copenhagen in the autumn of 2002, seeing it as an opportunity to add a “fourth pillar” of social policy to discussions. He highlighted the useful work of the Asia Europe Foundation (AEF), touching on issues such as gender, child labour and occupational health and safety.

In the ensuing discussion, Mr Jomo emphasised the trade liberalisation “obsession” of the WTO, which constrained social policy. He further asked the presenter how a regional social policy could evolve when the social contract in these countries was not well articulated? Mr Wade commented on the political economy of social policy, noting that there was a tendency for the middle classes to “secede”, with private providers of social protection operating at an international level. This could weaken social and political pressures for universal coverage, and might lead to real tensions. Dr Lim (EIAS) noted that discussions of social movements needed to be carefully qualified. Asian governments needed a new attitude to social movements, seeing them as allies, not as enemies. He questioned how effective current movements to regional social policy were in practice.

Mr Deacon stressed that more research was needed on the role of the middle class in advocating social policy - to what extent were they seeking public interventions or was their focus on privately provided services?

There was discussion of the significance of international development targets (IDTs or MDTs), of the need for stronger multinational organisations, of the role played by private companies, particularly the multinationals, and on the likely impact of China joining the WTO. The issue of redistribution and inequality was raised by several speakers. Mr. Olivier Butzbach asked Mr Deacon whether he thought regional integration, especially in the field of social policy, could take place without a strong political “shock”, such as the role played by the Second World War in spurring European integration efforts in the 1950s. A second comment concerned the instruments of



regional social policies. Mr Butzbach asked whether the emphasis on social standards or social rights could be effective in the absence of redistribution policies. Indeed, he underlined the crucial role played by structural funds in building the legitimacy of social and labour standards in Europe.

Mr Reiterer (European Commission) highlighted the importance which the ASEM process attached to social policy issues, specifically through providing the Trust Fund, as well as through a range of events including a meeting on gender in Tokyo. Mr Pennisi gave some historical context, noting the long duration of discussions on regional issues and the remaining uncertainties. Was the Washington consensus really dead? What did it mean for regional options? He noted that governments had limited control in practice, that the United Nations could play a central role and that millions of investors globally had “their fingers on the keyboard”.

Mr Deacon concluded by noting that there were more questions than answers on this subject. He also pointed out what he saw as a basic conflict between the two major social policy institutions, the ILO and the World Bank. This, in turn, posed the basic issues before the international community, which turned on global governance. Modalities of taxation to finance global initiatives on social policies were also a central issue.

### Third Roundtable:

## ***Are There European Social Policy Lessons for Emerging Economies?***

*Chair:* **Ludo Cuyvers**, Professor of Economics, University of Antwerp, Belgium

*Presenter:* **Ian Gough**, Professor of Social Policy, Bath University, United Kingdom

*Discussant:* **Peter Whiteford**, Organisation for Economic Co-operation and Development, Paris, France

Prof. Cuyvers posed the central question before the session: was there an EU model of social policy and how might it apply for the countries of East Asia? He noted that Europe’s ageing population called for major structural reforms. A feature of European systems was their lack of flexibility, which had both positive and negative sides. He also noted that the empirical evidence was not clear on the subject of linkages and influences between

economic growth and social policy and that more research needed to be done to cement the connection.

Ian Gough made a presentation entitled “European Social Policy ‘Lessons’ for Emerging Market Economies: 12 theses.” By way of preface, Prof. Gough underscored that the ‘social insurance state’ was over a century old in Europe and could offer plenty of lessons about the methods of social policy analysis if not policy recommendations *per se*. He also pointed out that Europe was not homogenous and thus offered a natural laboratory of differing social policy responses to broadly similar social problems.

Prof. Gough’s 12 “theses” are summarised briefly below and are set out in his paper (see ASEM project website):

1. “From strong to weak”: Social insurance has been the dominant form of social protection from the start and began with coverage of state workers and manual workers, gradually rippling out.
2. Industrialisation: policies emerged in countries that were industrialising rapidly
3. Civil society and labour movements: proletarian struggles, trade unions and socialist parties were everywhere the backdrop, as were fears of social unrest and breakdown.
4. Crowding-out versus crowding-in: private versus state.
5. The productive welfare state, a term that originated in Sweden in the 1930s: contribution of good quality and equitable education, health care, population and family policies to modernisation and prosperity.
6. Open economies and social protection: more open economies require greater social protection.
7. Family and household economy: family and household continue to play a critical role.
8. Labour markets and welfare states: the two are complementary
9. Pensions: classic pay as you go pensions face a crisis of unsustainability but Europe offers lessons of successive incremental reforms of social insurance pensions.
10. From safety nets to activation policies: lessons are that successful activation is expensive, requires administrative capacities, and may



result in more redistributing opportunities than new jobs.

11. Health care: all countries have developed universal publicly guaranteed rights to health care.
12. Universal citizenship-based services: advantages over social insurance and social assistance approaches include administrative simplicity, better adaptation to post-industrial social patterns.

He noted that welfare states could be competitive by investing in people and communities and avoiding large scale unproductive transfers. In particular, productive social policies formed the foundation for a high quality, intensive path to economic development. According to Professor Gough, the welfare regimes of East Asia already embodied some of these attributes and should build on this legacy by extending universal citizenship provision to secondary education, curative health and certain cash transfers. He added that, as the weight of the public sector increased within the welfare regime or IRM of emerging market economies, as it must, then fiscal reform became the priority. A benefit was that universal education, health care and citizenship transfers might in time rebuild middle class support and willingness to contemplate new taxes. However, he noted, this would be to swim against the current tide in East Asia.

Mr Whiteford found the scheme and presentation useful and provocative. He summarised ongoing OECD work on the topic. The OECD would shortly issue a report on developing social protection in East Asia and implications for China joining the WTO. He noted that levels of extreme poverty were very high, ranging from 25-50% in many of these countries. He also pointed out that much evidence from the OECD countries showed that social protection had helped deal with rapid economic change. In many Asian countries, provident funds contributed to social welfare and were well developed. Some were on the way to social insurance. He further noted that, based on his field research, he felt that health care might be a higher priority than pensions, unemployment benefits and other transfers. He underscored the importance of experience with provident funds.

The discussion was wide-ranging and touched on many of the topics raised in Prof. Gough's presentation. Experience of the Council of Europe, of the Eastern Europe transition

States, and pension reform were among topics discussed.

Mr Wade and Mr Mare highlighted the vital importance of rigorous discussion of pension reform options. The view was raised that if the "World Bank perspective" prevailed (by implication, privately funded systems), that is each individual being responsible for paying out and investing and getting it back later in the form of pensions, this might create much volatility in financial markets across the world. It was also emphasised that the pension challenge in East Asia was markedly different from that of Europe and called for quite different solutions.

The role of politics and political struggles was underscored by Professor Jomo and others. In one comment Mr Jomo highlighted the relevance of examining experience of the "late industrialisers" like Ireland (referring to Desmond McCarthy's paper) for East Asia. A suggestion was made that a workshop should be held on 'Lessons' from the East Asia crisis and how the World Bank or Europe could help.

### ***Concluding Session***

In her closing remarks, Ms Marshall expressed appreciation to all speakers and participants and, particularly, to the European Commission and to EIAS for its sterling partnership. She acknowledged the work of the organisers and providers of logistic support. The next steps would include preparation and circulation of a summary of the meeting and posting all papers on the project website. She highlighted, in particular, papers by Desmond McCarthy, Steve Heyneman and Gabriella Battaini which had not been presented. (However, these papers are now available on the website ([www.worldbank.org/eapsocial/asemsocial](http://www.worldbank.org/eapsocial/asemsocial))).

In summarising the rich discussions during the conference, she noted the crucial importance of the issues raised, the more so in the light of current economic, social and political developments. The purpose and essence of the ASEM Social Lessons project had never been to capture "bottled lessons" but to focus on making experience available and, above all, to support the building of networks across regions and disciplines. It was useful to have something to aspire to but, in defining the future, it was necessary to be realistic and know what was possible. Some of the important issues raised, she felt, were:

- Macro growth versus redistribution: how sharp were the trade-offs and how to reconcile these;
- Globalisation issues that emerged throughout discussions in various forms. The meeting left largely unexplored the topic of alternatives;
- Regional approaches had been explored with a host of insights and, still more, challenges ahead
- The common themes of human organisations in the twenty-first century had come through: the commonalities included ageing parents, smaller and demanding families, and the compression of time - these lessons apply to people everywhere.

The emerging consensus from the conference seemed to suggest that it was no longer logical or feasible to construe macro-economic policies in developing countries as separate from social policies. Development strategy should incorporate both, one inseparable from the other. All had learned a lot during the course of this project. They needed to make current knowledge available and develop further the many good ideas that had evolved.

Dr Willem van der Geest noted the role of social actors and social movements in creating political coalitions for social policies. He concluded by thanking the participants from Asia, the US and across Europe for their presence and rich contributions to the discussions. ■

### WHERE IS THE VOICE FROM THE SOUTH

*by Navtej Dhillon*

European standards on corporate social responsibility are unnecessary as these might lead to conflicting priorities, according to most of the companies who have responded to the Commission's consultation on its CSR Green Paper. The message being delivered by the corporate sector is that social and environmental standards should be dealt with at a global level.

With CSR now firmly on the agenda of the EU, this month the Belgian Presidency held perhaps one of the biggest CSR conferences, bringing together over 1000 participants from across Europe. However, the debate on how to deepen the quality of socially responsible practices, continues to be dominated by businesses, officials and civil society organisations located in the industrialised world. However, many European companies operate in Asia and are faced with CSR issues. Still, it is rare that perspectives from Asia are ever heard on this important aspect of doing business.

In the global economy, the extent to which a business acts responsibly matters not only in its domestic market but also foreign ones, particularly when they are located in the developing world. A majority of international surveys confirms that consumers are interested in how a company behaves when operating abroad. The Green Paper on CSR also explicitly acknowledges that "in the world of multinational investment and global supply chains, corporate social responsibility must also extend beyond the borders of Europe."

Well, the landscape of CSR is remarkably different in developing parts of the world, as shown by a recent poll conducted in India. The London-based Tata Energy Research Institute (TERI) and the New Academy of Business have come together to promote understanding and encourage corporate responsibility across South Asia. Their poll, entitled "2001 state of corporate social responsibility in India" (available on [www.teriin.org/teri-eu/](http://www.teriin.org/teri-eu/)), shows that Indian business executives, workers and the general public believe that companies should be actively engaged in social and environmental matters. More than 60% of the



general public feel that companies, along with the State, have a role in bridging the gap between the rich and the poor. 32% say that environmental, labour and social issues are considered when forming an impression of a company.

However, what is most enlightening is the extent of how different the CSR priorities are in India compared to Europe.

According to the Poll, 'overpopulation, environmental problems, spread of human diseases and depletion of natural resources' are the primary concerns of the people. With the exception of the environment, in Europe, the concerns are very different. CSR issues, such as transparency, social auditing and social labels - which are at the heart of the CSR debate in Europe - do not get any mention in India, according to the poll. This shows how economic, social and political conditions of a country shape perceptions about CSR policy.

Also, the poll provides some interesting insights into the relationship between stakeholders. Most workers do not trust companies to act in the best interest of society. This lack of trust is more prominent in the cases of global companies operating in India. Regarding the level of trustworthiness, even company executives rank Indian companies higher than global ones. As the poll suggests, the perception amongst the Indian general public is that most global companies are not putting enough back into Indian society. No doubt some of the European companies are engaged in social and environmental issues and annually report on their activities. Yet, there is little trust amongst the public in financial, social and environmental reporting. The situation is different in Europe where social reporting is on the rise, as it is regarded, both by companies and stakeholders, as an effective way of disclosing company practices.

In the light of these findings, it is clear that there is a growing recognition that a company's role extends beyond profit making and job creation. While this is a reality in Europe, similar expectations are also being formed in India. It would be interesting to see the findings in other South Asian countries, such as Bangladesh and Sri Lanka, which will be published sometime in the near future.

The fact that CSR is being recognised in India, and foreign MNC's are ranked quite low in trustworthiness, has serious implications for

European companies, as well as officials who are looking at how best to promote social and environmental responsibility. The Poll concludes that "the message is clear – foreign companies need to improve their public standing by adopting and demonstrating the same commitment to environmental and social standards as they do in the North and/or by facilitating greater involvement of local communities."

This is particularly important in view of the growing trade and business links between Europe and Asia. There is also growing grassroots opposition to globalisation evident in many of these countries, not least India.

EU-India CSR has been set up precisely to bring Indian and other voices from Asia into the CSR debate in Europe. We are in the process of developing the first-ever 'CSR Kit' on South Asia. The kit will include a series of case studies of good CSR practices in South Asia being undertaken by local as well as European companies. It will also publish a comprehensive list of European and Indian NGO's and civil society organisations which are working in the CSR field. A greater exchange and links between Asian and European organisations will help generate more awareness and understanding of how CSR operates in different social and economic environments.

Yet, we need far more surveys and studies on the state of CSR in Asia and more dialogue between European and Asian based companies and civil society organisations. The debate in Europe would be greatly enriched by understanding how European companies are dealing with CSR related issues when operating abroad. ■

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