

From New Delhi by Susan Maitra

New push for monetary reform?

After a long silence, Indian officials make a point of the need for world economic reform.

Since the government of the late Indira Gandhi put international monetary reform—specifically the call for an international conference on money and finance for development—at the top of the Non-Aligned Movement's agenda in 1983, the subject has virtually vanished from India's foreign-policy priorities.

India is one of the few developing nations not embroiled in a debt crisis itself, so there is no domestic compulsion to take up the issue on a priority basis. Most important, the October 1984 assassination of Mrs. Gandhi removed from the scene the one international leader who took on the necessity for a new world economic order as a personal responsibility.

Even today, neither the financial earthquake in Ibero-America nor the historic intervention of the Papacy on the debt issue has received more than a mention in the Indian press.

The Brazilian debt moratorium announcement appeared as a brief news blurb, with one paper recycling a snide British commentary on Brazil's "irresponsibility."

But there are indications that India's growing ties with major Ibero-American nations may be reviving the debt issue. India's collaboration with Brazil to stop a retrograde OECD "free trade" initiative in the GATT, and Peruvian President Alan García's official visit to Delhi in January are two important benchmarks.

At the three-day Non-Aligned foreign ministers meeting in George-

town, Guyana in early March, Indian Foreign Minister N.D. Tiwari emphasized the urgent need to tackle the world economic crisis.

He called for a formula to end and reverse the net outflow of resources from developing countries, and measures to enable the debt-burdened countries to generate more financial resources.

Tiwari insisted that short-term and stopgap palliatives will not succeed in defusing "explosive potentialities of this veritable debt bomb." The challenge, he said, was to first arrest and then reverse the present trend.

Tiwari was not simply propitiating his Ibero-American hosts, as India's intervention in the Group of 77 pre-meeting on the other side of the world several days later makes clear.

Representing India, Commerce Minister P. Shiv Shankar proposed that the UNCTAD XII meeting scheduled for July in Geneva be a launching pad for a new dialogue in search of a stable international economic system.

Shiv Shankar was addressing 32 Asian economics ministers assembled in a three-day meeting in Dhaka, Bangladesh to finalize the Asian region's declaration, which, along with similar platforms from Africa and Ibero-America, will form the basis for the Group of 77 deliberations in April in Havana.

The initial economic conditions embodied in the Bretton Woods institutions have been fundamentally transformed over the past 30 years,

producing a state of disequilibrium in international economic relations, Shiv Shankar said. He deplored the fact that no effort had been made to reexamine the theoretical foundations of the system and launch a cooperative search for the political basis for its reconstruction.

In India's view, the commerce minister explained, a new international economic system must be based on principles of equality, harmony, and universality. Trade expansion is essential to development, he said, but "the belief in the efficacy of the unbridled market forces is neither theoretically tenable, nor consistent with historical and contemporary experience," he said.

A new economic order must have sound and equitable underpinning in the monetary and financial spheres, Shiv Shankar added, and should facilitate durable solutions to the debt crisis that is consistent with the overriding requirements to maintain acceptable rates of growth in debtor countries. More important, he said, it should secure a substantial increase in financial flows for development on an assured, continuing, and predictable basis.

Significantly, India's was not the only clear voice on the issue. On March 14, Bangladesh President H.M. Ershad had inaugurated the meeting with a call for determined political will to initiate common international action to solve global economic problems in their entirety. Ershad cited the negative transfer of resources from developing to developed nations, and the collapse of primary products prices.

The "Dhaka Declaration" voted up by the Asian ministers called for "expression of genuine political will" to launch a constructive dialogue to solve the global economic crisis, as a step to a new international economic order.