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Making NAM relevant

THE question of the Non-Aligned Movement's (NAM) relevance, which has been raised at many summits since the end of the Cold War, is not likely to be an issue during next week's summit in Durban, South Africa. Detractors and sympathisers alike will recall what took place at the last summit in Cartagena, Colombia in October 1995. There, nearly two years before the East Asian financial crisis began, the NAM leaders called for reforms in the international monetary and financial system and for the International Monetary Fund (IMF) as well as the World Bank to be placed under review to safeguard the interests of developing countries. The leaders warned against global financial flows which were short-term and speculative, thereby producing serious exchange imbalances. And of the need to safeguard developing countries from the adverse effects of such volatility.

That the NAM leaders had the foresight to warn the world of such threats makes a powerful argument as to why the movement could be as relevant today as it was during the Cold War. Back in 1995, shortly after the attack on the Mexican peso, the IMF and the World Bank were full of praise for the East Asian "economic miracle". Neither saw the dangers of volatile financial flows. Similarly, the international ratings agencies competed to accord high marks to these countries and their companies. None of them anticipated the coming financial storm.

NAM leaders had probably anticipated the dangers posed by the international financial and monetary environment because the movement's 100-odd members comprise mainly developing countries. The majority of least-developed countries are also in the grouping, which explains why NAM has also been fighting for an end to the debt crisis. But as with its call for developed countries to be more sympathetic to the poor, its warning in Cartagena about short-term, speculative funds wreaking havoc in developing economies was largely ignored.

The South-East Asian financial crisis, which has now spread to parts of East Asia, Russia, Africa and Latin America, has been placed high on the agenda of the 12th NAM Summit in Durban. The grouping is not the first in the Third World to accord priority to the currency issue; the Group of Fifteen, the Association of South-East Asian Nations, the Commonwealth Heads of Governments Meeting and the Smart Partnership dialogues in Langkawi and Southern Africa all adopted a similar position. None of these groupings, however, can be said to be as extensive in its coverage of developing countries while enjoying a high international standing as NAM. Those who attended the Jakarta Summit in 1992 will recall how powerful the movement can be if a consensus is reached on an issue. At that meeting, NAM leaders effectively condemned the former Yugoslavia over the ethnic cleansing war waged against the Bosnians by the Serbs. NAM's stand on this issue was instrumental in waking the world up to the atrocities in the Balkans.

The meeting in Durban can create such an impact with regards to the new threat to economies in developing countries. If in 1995 the leaders of NAM had seen glimpses of the repercussions of volatile foreign exchanges, by now there should be enough hard evidence to act and put a stop to the blatant destruction caused by currency traders and hedge funds. Prime Minister Datuk Seri Dr Mahathir Mohamad will certainly make himself, and Malaysia, heard at the summit. Mr Thabo Mbeki, the vice president of South

Africa, can be expected to reiterate his support for the Prime Minister. Indonesia and others who have had the misfortune of being attractive and vulnerable to currency traders will also want to make a strong case against an international monetary and financial system that allows the impoverishing of countries.

NAM will be up against powerful global authorities if it decides to champion the cause for greater regulation and transparency in currency trading. Durban will be a test of its ability to organise a united position among economies generally too weak to fight alone against the injustices of a global system. The summit will decide whether NAM's founding fathers and members are determined enough to make the movement truly relevant.

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