

Sir, the third thing on which I want to have information is about this. The Finance Minister was pleased to state in his statement that there are some irrigation projects which are going to be given a priority. I want to understand whether these will be part of the Central assistance or these will be outside the Central assistance.

I would like to have information only on these three points.

SHRI RAM NAIK: Sir, the hon. Member has been Finance Minister and also Deputy Chairman of the Planning Commission. He wants information only on three points.

So far as a proper scrutiny is concerned, I do not know what was happening earlier. When our Government took over, the Plan for the last year, 1998-99, was a sort of *fait accompli* because the Budgets of the States were by that time passed. This year we have been doing this exercise. After that there will be scrutiny. We are allocating according to the formula. I must say that in the case of States whose Plans have been finalised, their Chief Ministers have expressed their satisfaction that justice has been done to them.

So far as externally aided projects are concerned, certainly this component is taken into consideration while deciding about the Central assistance. If the States are in a position to raise the allocation, then only the relevant amounts are sanctioned to them.

The third question is about irrigation projects. Allocations are being given to those irrigation projects which can be completed early. But they do not come in the Plan as such. A separate scheme is there for accelerated irrigation projects, which is handled by the Water Resources Ministry.

SHRI S. B. CHAVAN: Is it outside the Annual Plan?

SHRI RAM NAIK: If you don't mind, the Minister of State can clarify that issue because he is handling it.

MR. CHAIRMAN: It will take a long time. No clarification is needed.

Resolution Adopted in G-15 Summit

*224. SHRI NILOTPAL BASU: †
SHRI MUKHERJEE: DIPANKAR

Will the MINISTER OF EXTERNAL AFFAIRS be pleased to state:

(a) whether it is a fact that G-15 Summit was held recently;

(b) if so, the salient features of the resolution adopted and details thereof;

(c) whether it is also a fact that the final resolution was watered down due to the soft stand of the Indian and Egyptian position despite strong position of Malaysia and Jamaica against some adverse global economic development for the developing countries by the Superpower; and

(d) if so, the details thereof and if not, how do Government justify the benign conclusions?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI JASWANT SINGH):

(a) Yes, Sir. The Ninth G-15 Summit was held at Montego Bay, Jamaica, from 10-12 February, 1999.

(b) to (d) The final Resolution, as The Joint Communique, issued by the Ninth Summit, the result of extensive discussions in a spirit of solidarity, on various global issues of critical concern to developing countries, was, as per prevalent convention drafted by the then Chair-Jamaica.

Its salient features include, a call by G-15 countries to establish an international consultative process for reform of

† The question was actually asked on the floor of the House by Shri Nilotpall Basu.

the international financial architecture, consultations between members for addressing the development objectives and priorities of developing countries in the context of the emerging multilateral trading environment under the WTO; inclusion of social safety nets to meet the basic needs of the poorest and most vulnerable sectors of the population; intensification of intra-G-15 and South-South cooperation linkages; and continuation and deepening of G-15 dialogue on all such matters with G-8 countries. The Summit also called for regional and international cooperation to prevent and combat the menace of terrorism. In keeping with established practice. The final outcome of G-15 deliberations was evolved through a convergence of viewpoints, and is based on consensus.

India participated actively and constructively during G-15 discussions in order to facilitate coordinated action by member countries on various issues of common concern. India called for a positive balance between the demands for globalisation and a need for taking into account, social and economic consequences, especially for developing countries. It thereby facilitated a broad, common approach on matters such as the financial crisis and globalisation. India's consistent role in addressing the concerns of developing countries was recognised and its offer to host an inter-governmental meeting of G-15 countries in preparation for the third WTO Ministerial Conference welcomed unanimously. The Summit also endorsed India's suggestion that a 'strategic sectors' approach involving cooperation in sectors like information technology, bio-technology and infrastructure development be adopted in the context of future G-15 activities.

These conclusions arrived at during the Summit will contribute substantially to addressing concerns of developing countries in the dialogue of G-15 with G-8 on multilateral and regional economic issues.

SHRI NILOTPAL BASU: Sir, the statement, which has been laid on the Table of the House has quite elaborately outlined the process as to how such final documents in international fora are finalised. More or less, all of us here are aware of the niceties of diplomatic exercise, but the basic question is, after analysing the intervention of the Governments in the Conference itself, several media reports have come out wherefrom we are given to understand that, so far as the Indian intervention was concerned—I do not talk about the Egyptian intervention, because, as per the rules of the house, it is not fair—it was in sharp contrast to the tone that was set by the Jamaican Prime Minister, Mr. Paterson, and the Malaysian Prime Minister, Mr. Mahatir Muhammad. Sir, all of us in this House in the last few days, have discussed that there are subtle changes in the international situation. The financial crisis in South-East Asia, the response of the Russians and the Chinese to the bombardment of the Iraq and other issues that are coming up globally, perhaps, provide us with a glimmer of hope that we can take a steadfast position. Yesterday, while replying to the Motion of Thanks on the President's Address, the Prime Minister himself had noted that there is a new appreciation or recognition of some of the policies that we are taking. But, so far as the intervention in the G-15 Summit was concerned, the Indian tone was definitely more docile. Therefore, the tone of the Jamaican Prime Minister, who chaired the meeting and of the Malaysian Prime Minister, who also made a very important contribution, has not been properly reflected in

the final declaration. Would the hon. Minister clarify on this?

SHRI JASWANT SINGH: Sir, I am attempting to take out the question out of the long statement that the hon. Member has made.

Sir, there are assumptions that the hon. Member has made, but the assumptions

are not based on facts. I do not wish to go into the details as to how statements of G-15 are worked out, but it is a long process. It starts with official level discussions. Then it goes into technical level. As far as the discussions at Montego Bay and the Summit are concerned, the preparatory meeting showed a clear realisation that the developing countries need to address jointly the critical economic issues in a spirit of solidarity. This was in contrast to the earlier meeting at Cairo. The hon. Member is correct that, as in the past, it was a reflection of the new realities that have emerged, particularly in the economic field—the crisis in South East Asia, in East Asia, in Brazil, in Russia and this awareness and the sense of urgency have led to the need for some specific joint action. The Prime Minister of Jamaica, as Chairman of the meeting, certainly set the tone of the meeting, but, as the hon. Member should have noted, the final Communiqué is, in fact, drafted country and it was a communiqué that reflected the consensus. The issues of financial and economic crisis in emerging economies, several of which are G-15 countries, did receive natural focus at Montego Bay.

So far as the hon. Prime Minister's intervention is concerned, what it did was to highlight the desirability of rule-based systems to bring greater discipline and transparency in global financial markets. The need for prompt assistance to affected countries for addressing the social consequences and to take preventive steps against contagion effects found in this approach of the Prime Minister a resolute support. These elements, to a large extent, have been reflected in the Joint Communiqué. There is another aspect of which I wish to draw the attention, that is, international trade and the forthcoming third WTO Ministerial Conference to be held this year here has received considerable attention both at the Conference meetings as well as at the Summit level. The lack of implementation of the obligations of the Uruguay

Round agreements by developed countries, and the need for full implementation of the special and differential provisions for developing countries in the agreement was stressed by all the participating countries. Opposition to the inclusion of labour standards in the WTO and a number of other issues resulted in a unanimous acceptance of the Indian offer and suggestions for a preparatory meeting of the G-15, prior to the Ministerial-level meeting, to be held in India. This has received unanimous consent and approval and this meeting will, indeed, take place in India. This, again, was an initiative by the hon. Prime Minister. Therefore, it would be an erroneous conclusion for the hon. Member to draw.

SHRI NILOTPAL BASU: Sir, while questioning the factual basis of my query, I think, in conclusion he has somewhat vindicated what I was trying to say that the tenor of the intervention of the host nation and the final declaration, the watering down, in the name of consensus was also partly due to their attempt to carry India along with the final declaration. So, I think, I stand by what I was saying. But my point is very, very particular. It is good that the WTO has been mentioned. It has been agreed to by all the countries to have a preparatory meeting. It has also been agreed that G-15 is an important bloc in terms of its contribution to world trade. Therefore, the tenor that was sought to be taken was this and we must try to really harden our bargaining position. Will the Foreign Minister tell us as to how internal policy decisions like the opening up of the insurance sector, strengthen the decisions that we are a party to the Summit at Montego Bay.

SHRI JASWANT SINGH: Mr. Chairman, Sir, the hon. Member must know that G-15 is a tri-continental, three continents, conference comprising Latin America, Asia and Africa. I must repudiate it emphatically that the final communiqué was an attempt to carry India

along. In fact, the reality is that India carried the others along and contributed to the arrival of a unanimous joint communiqué. The tenor of discussion is hardly the criterion to judge the outcome of the Summit. It is the communiqué and conclusions that were arrived at which are to be judged.

As far as his second part of the question is concerned, whether the internal policy of the Government is, in any sense contradictory to what the approach of the Government to the Ministerial level conference for the WTO discussion is, there is no contradiction.

SHRI DIPANKAR MUKHERJEE: Mr. Chairman, Sir it is not a question of who carried whom. We are coming to that who carried whom. As per the reports, the inaugural speech of the Jamaican Prime Minister underlined the need for restructuring of the global financial architecture and also pointed out about the unsuitability of the International Monetary Fund, as lender of last resort to the developing countries. My specific query is: Will the Foreign Minister Kindly tell us as to what exactly has been our response to this particular point which has been pointed out by the Prime Minister of Jamaica? If you could not react there, will you inform the House here about who carried whom, and whether we agree on the fact that the IMF is the last resort for lending.

SHRI JASWANT SINGH: Sir, the hon. Member is, again, in error. I have just very categorically stated—indeed, it is the very same point—in reply to the earlier hon. Member's query, that the hon. Prime Minister's intervention highlighted the desirability of a rule-based system to bring greater discipline and transparency in global financial markets. Indeed, the Prime Minister went to the extent of pointing out that whereas you can have, and we do have, a system for regulating the trade, there exists no system for regulating trade in currency which falls outside the purview of trade, but in

which takes place the largest amount of trade. From that, the Prime Minister emphatically made the issue about the need for a closer look at the global multilateral lending agencies and how they have performed in addressing themselves to the question of the various crises that have afflicted the world. (*Interruption*).

SHRI DIPANKAR MUKHERJEE: Do we agree to the perception of the Jamaican Prime Minister about the IMF?

SHRI JASWANT SINGH: The perception is of the hon. Member, not of the hon. Prime Minister....(*Interruption*).

SHRI DIPANKAR MUKHERJEE: Is this report wrong that the IMF as a lender is the last resort? Is it their perception? Is it correct.

SHRI JASWANT SINGH: I am here answering, not on newspaper reports, but on the facts, what took place at Montego Bay. We have pointed out that in addressing themselves to the challenges that confronted the multilateral lending agencies in South-East Asia and Asia, in Russia and in Brazil, they have been found wanting. Therefore, the hon. Prime Minister, very categorically said that. Indeed, in different fora, including the United Nations, we have asked for a Global Conference on Financial Development. These are issues where the hon. Prime Minister focussed upon and emphasised. There was no divergence of views on this.

THE LEADER OF OPPOSITION (DR. MANMOHAN SINGH): Mr. Chairman, Sir, the hon. Minister has talked about the reform of the international financial architecture. This is today a hot subject for discussion. I would like to know from the hon. Minister the concrete ideas that were discussed at the Summit and the mechanism for the follow-up of the various suggestions that are now being discussed in various fora with regard to the reform of the international financial system.

SHRI JASWANT SINGH: Sir, I can do best by quoting what was included, in fact, at India's behest, at the initiative of the hon. Prime Minister. The final communiqué says, "We have a better appreciation and understanding of the causes, consequences and corrective measures required to deal with the still unfolding international crisis". A particular sentence added at the initiative of the hon. Prime Minister was, "We call on the IMF and the World Bank, while responding to the liquidity needs of the most seriously affected countries, to ensure that their mandate is adequately discharged in providing the necessary support, to redress current account imbalances and provide long-term development finance." We have also urged there that concrete steps need to be taken to develop, amongst others, mechanisms and adequate rules to monitor and supervise the operation of large financial market-players, provide governments within the international framework of principles to act as an early-warning system for adoption of appropriate policy responses". I am not going into all the details. "The inclusion of social safety nets as integral parts of development policies and programmes, both at the micro and macro levels, ensuring that they meet the basic needs of the poorest and the most vulnerable sectors of the population and also safeguarding the human capital of workers whose jobs are at risks..."

And among other things that the hon. Prime Minister also asserted, which was included in the general communiqué, is that the international community must, therefore, continue to pursue the reforms energetically. There must be more democratic institutional reforms and this has directly addressed to what needs to be done in the IMF. The institutional reforms should be more democratic, transparent and accountable to its members, and there should be a redesign of the policy framework, more appropriate to the national circumstances.

DR. L. M. SINGHVI: Sir, by common consent, the Montego Bay consultation has been a great success as an initiative. The question is: "How is it being followed up in terms of making the weak strong and the strong just?" The problem of international economic order is that the weak remain weak and are weakened further, and the strong are getting stronger, without bothering to address the issues which the weaker and the developing nations have to face. I would like to know what the follow-up action on the Montego Bay consultation is; whether there is already a blueprint in readiness, a detailed blueprint than what has been spelt out in terms of the architecture of international financial institutions, and also the question of how the issue of social safety net, which was referred to by the hon. Minister, is going to be tackled in practical, concrete terms.

SHRI JASWANT SINGH: Mr. Chairman, Sir, there are two queries here. So far as the query relating to the follow-up action is concerned, I have already informed the House that India offered and the G-15 unanimously accepted India's offer of preparatory conference, preparatory to the ministerial level conference of the W.T.O. that is to take place later this year. The work on organising this conference in India has already started and I do believe that the G-15 meeting in India and attempting to arrive at a common viewpoint, prior to the ministerial level meeting, is a very significant step forward, and in that conference, all these aspects relating to what our approach should be, the aspect of having yet another round of discussion, reopening the whole question without even assessing the achievements of the W.T.O. as at present, these will all be addressed to. There is another aspect that I wish to inform the hon. Member and the rest of the House, that is, on intra G-15 cooperation, because that is what he is really asking, as to what follow-up action has been taken. India's proposal suggesting a new strategic sector

approach, focussing in particular, on core technology in areas such as information technology, telecom, biotechnology and infrastructure development has received endorsement. Now, of course, we signed eight bilateral investment, promotion and protection agreements between member-countries, and we have also signed agreements with Indonesia and Zimbabwe. These are all follow-up actions. The most significant is the aspect of cooperation on the matter of W.T.O. and strategic sector.

MISS SAROJ KHAPARDE: Sir, may I know from the hon. Minister as to what are the salient features of the resolution adopted by the G-15 Summit which are particularly advantageous to India and what are the key issues under discussion? I would also like to know whether India has been able to safeguard its interests ultimately.

SHRI JASWANT SINGH: Sir, I have, in my effort at answering the queries of other Members, covered a number of these aspects. She wants to know as what are the aspects that have addressed India's concern. I think, India's concern is really related to the functioning of multilateral lending agencies, the disorder in global financial markets, the forthcoming W.T.O. meeting and the approach of the other 15 countries to strategic sector. On each of these aspects, it was India's proposal that found unanimous acceptance and they do reflect on the success that was achieved in this conference.

सेवा-निवृत्ति की आयु में वृद्धि के कारण रोज़गार के अवसरों में कमी

*225. श्रीमती सरोज दुबे: क्या प्रधान मंत्री यह बताने की कृपा करेंगे कि:

(क) सेवानिवृत्ति की आयु में दो वर्ष की वृद्धि किए जाने के कारण देशभर में रोज़गार के अवसरों में कितनी कमी आई है तथा इसका राज्य-वार ब्यौष क्या है; और

(ख) बढ़ती बेरोज़गारी की समस्या से निपटने के लिए सरकार क्या उपाय कर रही है?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) and (b) A statement is laid on the Table of the House.

Statement

Based on the recommendations of the Fifth Central Pay Commission relating to the increase in age of retirement of Central Government employees from 58 years to 60 years, the Government, after taking into account this recommendation and all other relevant factors like increasing trend of late marriages and longer education span, expectations of SC/ST and OBC employees, world-wide trend to raise the age of retirement, impact on employment opportunities etc., decided to accept the recommendations of the Fifth Central Pay Commission and raised the age of retirement of the employees of the Central Government. The age of retirement of the employees of the banks and Central Public Sector Undertakings has also been raised from 58 to 60 years. Orders to this effect were issued on 13.5.1998. In addition, the age of retirement of armed forces and personnel of Central Para Military Forces was also raised by two years across the board.

The age of retirement has no one to one relationship with the employment opportunities and as such the increase in age of retirement has not affected the overall employment market. Even prior to increase in age of retirement, large number of employees of the Central Government belonging to Group D and workmen category; pre 1969 bank employees; scientific and technical personnel, school teachers and a section of Doctors used to retire at the age of 60 years. The vacancies in these cadres continue to be available for fresh recruitment further reducing the impact on unemployment.