

Business Briefs

Labor

Aerospace Industry, NASA Need Engineers

The U.S. aerospace and defense industrial sector, the Department of Energy's nuclear weapons labs, and the National Aeronautics and Space Administration are all scrambling to find qualified, experienced engineers, but are losing them to competition from the dot-com "new economy," *Aviation Week* magazine reported in its April 24 issue.

Managers of the Rockwell company report that the shortage of engineers has "slowed the pace" of work and caused them to "stretch out some schedules." Some firms report that they force their engineers to work at 120% of capacity to make up for the shortage, which "directly translates into burnout." NASA Administrator Dan Goldin has lamented the fact that, now that the space agency can finally hire people after a long freeze, it is not finding the people it needs. And, the National Research Council, with Air Force funding, is now conducting a study to see if the aerospace industry will have the capability to design new weapons systems in the future.

The larger problem has been the decade-plus decline in enrollment in undergraduate and graduate engineering programs. The number of scientists and engineers in the aerospace industry peaked in the mid-1980s, and has declined by about half since 1986. The number of engineers in the aerospace industry as a percent of all industries has fallen from its high of about 28% in the mid-1960s, to a little more than 5% last year.

Biological Holocaust

Heroin, AIDS Spread Rapidly in Russia

Increases in the number of heroin addicts and AIDS cases in Russia in 1999 were dramatic, according to several reports. Symptomatic of the trend was an April 24 *New York Times* story from Irkutsk, Siberia. This town of 650,000 had only 200 reported HIV cases since 1991; but now it has 5,000 new HIV

cases, and more than 8,500 heroin addicts. The UN AIDS representative there says that the second wave of infection, through sexual transmission, will soon come to Irkutsk, where every third or fourth male between the ages of 18 and 30 is a heroin addict.

Among those who come to one drug-rehabilitation clinic, 30% of the addicts are HIV-infected. The head of the clinic says that they no longer have alcoholics or opium addicts, just heroin addicts. One is a 23-year-old woman who was formerly a swimming champion. A man who was formerly fifth in his law class, has been addicted for nine years and is now a petty criminal. He says that heroin appeared in Irkutsk 18 months ago, and all the opium addicts immediately switched over to it.

Fifty- and 100-ruble "checks" of heroin are sold brazenly by street dealers, news stands, and bread kiosks, and at open-air drug marts. The heroin arrives from Afghanistan, by way of Tajikistan and Novosibirsk.

In the country, 40% of prostitutes are said to be HIV-infected.

One Irkutsk addict who was a former top law student says, "The generation of the 1970s is dying. The generation of the '80s is already dead—not all, not 100%. But 50% are killing themselves before their natural deaths."

Finance

ASEAN Defends Pension Funds vs. Privatization

The Association of Southeast Asian Nations (ASEAN) Social Security Association attacked a World Bank proposal to allow private fund managers to handle workers' pension funds and other social security programs, at its annual meeting in Jimbaran, Bali. The delegations warned on April 25 that the proposal violates human rights, and is too risky, because of the absence of financial and legal guarantees that all funds collected from workers and their employers would be well managed.

Awalodin Djamin, chairman of the Association of Social Security Programs in Indonesia, said, "The proposal won't work. . . . The donor countries of international finan-

cial institutions will eye huge amounts of money collected under the program in ASEAN countries . . . and we won't let the World Bank and the IMF [International Monetary Fund] meddle with our internal affairs." He added that ASEAN member-countries' constitutions "stipulate an obligation to provide their people social protection."

Malaysia's Tan Sri bin Mohammed said that his country has lost confidence in these international financial institutions, and that Malaysia would not invest its workers' funds in the risky international market.

Health

Obasanjo: Malaria Curb Hinges on Debt Relief

Nigerian President Olusegun Obasanjo, speaking at a one-day African Summit on "Roll Back Malaria," held in Nigeria on April 25, said that the increase in malaria "provides a strong case for the forgiveness of all African debts." Although debt cancellation might not be an instant panacea, he said that "the stranglehold of debt obligations on African developmental priorities was such that no realistic anti-malaria efforts, or indeed any development strategy, was conceivable with these debts hanging around Africa's neck."

Obasanjo blamed neglect by the international community as the cause of the rising problem of malaria in Africa. He said that Africans had mustered their scarce resources to battle the disease in a rare demonstration of unity of purpose. Today, he said, malaria and HIV-AIDS "have combined to form a lethal partnership that threatens the very existence of our societies. . . . Malaria traps the people of Africa in poverty. It stops adults from earning a living and children from going to school. Each year families spend the equivalent of several months' earnings on malaria treatment and prevention."

Malaria claims 3,000 lives each day and is responsible for one out of every four childhood deaths in Africa. Yet, as Obasanjo emphasized, "Malaria is preventable, treatable, and curable." The World Health Organiza-

THE 'PRETORIA Declaration,' calling for "a new international political and economic order" in which "the negative effects of globalization, especially on developing nations, should be reduced and restricted," was signed by Chinese President Jiang Zemin and South African President Thabo Mbeki on April 25, during Jiang's state visit there.

CHINA has the world's second-worst tuberculosis rate after India; TB kills 250,000 people each year, and threatens economic growth, because most patients are of working age, Vice Health Minister Yin Dakui told the March 25 *China Daily*. China has 6 million infected, about 2 million of whom are contagious.

INDIAN Home Minister L.K. Advani indicated on April 23 that trade links with China could be opened in the eastern sector, and that the issue would be taken up at the upcoming talks between the two countries.

POVERTY rose 10% since the global financial crisis broke out in Asia in 1997-98, the Asian Development Bank reported in its "Asian Development Outlook 2000," released in April. About 900 million people in Asia live on less than \$1 a day, or "about twice as many poor people as in the rest of the developing world combined," the report stated. Almost 2 billion live on less than \$2 per day.

JAPAN'S number of unemployed hit a postwar record 3.49 million (4.9%) in March, the government said on April 28. The number of unemployed rose 220,000, "because many companies are not hiring new college graduates as they implement restructuring plans," a Management and Coordination Agency official said.

GEORGE SOROS'S Quantum Fund has lost 22% for the year. "I screwed up," manager Stanley Druckenmiller told the *New York Times*. "We thought it was the eighth inning, and it was the ninth," he said, admitting that he didn't think the Nasdaq would drop 33% in 15 days.

tion, which co-sponsored the summit, released a report on a new study showing that malaria slowed economic growth in Africa by 1.3% each year.

Obasanjo called on African nations to implement a plan of action aimed at bringing the disease under control within ten years. "For example, we could aim to have every African at risk sleeping under insecticide-treated nets within a year," he said, and put in every African home a malaria first-aid kit with equipment for simple diagnostic tests and affordable drugs for early treatment, if the drug industry would give its support.

Investment

Japan Threatened To Ban Goldman Sachs

U.S. investment banking giant Goldman Sachs was almost banned from operations in Japanese government shares on April 21, after it brought the Dutch Internet company World Online public in Tokyo in March, and it was revealed that its chairman, Nina Brink, sold most of her 9.5% stake before the market opened. Goldman Sachs could be barred from running the next \$13 billion Ministry of Finance sale of Nippon Telegraph and Telephone Corp., if its World Online scam is shown to be "inappropriate," a Ministry official told the Nikkei news agency on April 21. Investors have demanded damages against World Online, Goldman Sachs, and the other bank involved, ABN Amro.

The Ministry also wanted Goldman Sachs to clarify its handling of two other share offers: a sale of PetroChina shares in April, which sold poorly "despite heavy support from Goldman," Nikkei said, which is not ethical for the underwriter to do; and, Goldman's advice to Dresdner Bank in its aborted merger with Deutsche Bank.

Hours after the Ministry said that it was displeased, Goldman Sachs had mobilized a phalanx of U.S. diplomats, including former Vice President and Ambassador to Japan Walter Mondale and former Senate Majority Leader and former Ambassador to Japan Mike Mansfield, to personally phone the Ministry to protest. Both were hired by Gold-

man as "senior Japan advisers" in 1998.

"The advisers delivered," Agence France Presse noted on April 25. Four days later, a statement from the Ministry (which has given Goldman more than \$23 billion of business in the past two years), said it wasn't excluding any bank from competing for its business.

Water Management

ADB Calls for 'Blue Revolution' for Asia

The Asian Development Bank called for a "blue revolution" to ease Asian water problems, in its 1999 Annual Report. "The hope for the future lies in doing for water productivity what the Green Revolution did for crop productivity. This 'blue revolution,' as it has been termed by various scientists and water planners, would dramatically improve the efficiency of freshwater use, particularly in agriculture," the report states.

Asia is home to two-thirds of the world's poor, and it has "the lowest per capita availability" of freshwater resources in the world. The lowest is in Pakistan—1,800 cubic meters per capita a year—but China's annual freshwater resources could also fall this low already by 2005, and India's even lower, to 1,500 cubic meters, as populations expand.

Conflict among the Central Asian States may break out over water as a looming scarcity threatens food supplies, the report warns. In 1992, Uzbekistan, Kazakstan, Kyrgyzstan, Tajikistan, and Turkmenistan formed a commission on water-sharing. "However, more than 70 water-related flash points have been identified, mainly in Africa, the Middle East, and Latin America," the ADB official told Agence France Presse. Bangladesh, Cambodia, Kazakstan, Pakistan, Tajikistan, Thailand, Uzbekistan, and Vietnam depend on international rivers for more than 30% of the water they consume. Four of them—Uzbekistan, Bangladesh, Cambodia, and Vietnam—rely on external water sources for 65% of their present water requirements. A projected increase in world population from 6 billion to 8 billion by 2025 would add further pressure on water resources.