

PM on checking crimes and en

Moral, ethical

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By Manan Osman
and Sabri Said

GENTING HIGHLANDS, Tues. — Prime Minister Datuk Seri Dr Mahathir Mohamad said today crimes in any society can be effectively checked if society has high moral and ethical standards.

Dr Mahathir added that when moral and ethical standards were low, not only would crime spread but the capacity of such a society to succeed and to prosper would be very limited.

"Sooner, rather than later, such a society will destroy itself," he said at a seminar on "Business ethics: Leadership and corporate responsibility" here jointly organised by PNB Corporate Development Sdn Bhd and the Harvard Club of Malaysia.

and ethical values were relegated to the background, he said.

The first time was usually the most difficult. But once moral scruples were overcome, forgetting all the good values would become easier, he added.

"It must be recognised that moral and ethical dilemmas are not confined to economic activities. They pose problems and lurk in almost every facet of human activity — in economics, politics, social activities, in sports and even in education."

Dr Mahathir added that as a result, every society had found it desirable and necessary to either codify certain areas of human conduct in the form of written laws or have norms as well as written and unwritten customs so as to regulate the behav-

In his speech, Dr Mahathir spoke his mind about the possible dangers of unethical business dealings.

"Though we are not a culturally homogenous society, our religious beliefs, history and experience all teach us that fundamental values like honesty, loyalty, integrity, fair play and justice are vital in bringing about stable and progressive social order.

"Malaysians must appreciate that the strength of any society lies in its ability to weave its moral and ethical standards into its cultural fabric and to make them the bases of both its economic and social struggles.

"We exist in the world governed by the free market system where frequently the short-term and personalised economic interests tend to obscure the long-term socio-economic interests and good of the community," he said.

Dr Mahathir added that in the pursuit of professional and economic goals, an individual would often be confronted by moral and ethical dilemmas. Some people, based on family upbringing, religious beliefs and education, may be conscious of the need to evaluate the rights and wrongs of particular situations.

Some may be so blinded by the rewards presented that they would be unable to distinguish good from bad. Excuses could always be conjured up and justification made so that the moral

four of its members.

Each society differed in its interpretation of some of the finer points of moral and ethical standards. However, the fundamentals of morality and ethics were universal in nature and they were generally accepted as having the same good effects on society irrespective of the differences in ethnicity, culture and religion, he said.

In the face of negative influences, pressures and the dilemmas in human life, high standards and the adherence to the codes of morality and ethics would provide a society with inner strength and intrinsic force.

"In the increasingly liberal world in which we live, the rule of morality and ethics has become even more important," the Prime Minister told his audience.

"This is so because liberalism reduces the rigidity of rules, customs and laws which in the past regulated people's behaviour. Rules and laws are now regarded as incompatible with the exercise of freedom in democratic societies.

"But without rules and laws, there is a danger of society becoming anarchic. While freedom is meant to give a better quality of life, anarchy will not only negate this but will actually adversely affect the quality of life that we seek.

"Of what use is freedom if it merely results in anarchy

values vital

uring continued prosperity

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Dr M: Society needs good set of moral values

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and the deterioration of the quality of life," Dr Mahathir said.

"Freedom and liberalism will only bring a good life if the society is self-regulating through having and practising a good set of ethics and moral values.

"Deregulation is of course the by-word now. Because regulations are supposed to inhibit instincts and the freedom to seize opportunities, it is now felt that more and more regulations should be done away with."

He said people should be free to do what they thought fit. But he noted several elements in business:

- unprecedented and rapid deregulation and liberalisation of capital markets;

- the internationalisation of banking which permitted instant movement of money across national boundaries;

- the rapid development of new financial instruments to support international business transactions and the movement of goods and services; and,

- the increasingly rapid pace of securitisation within the region.

He said that all these would increase the opportunities for fraud to make increasingly bigger "kills" or to conduct "raids" on the financial market.

More commercial crimes were being committed by increasingly sophisticated individuals well-versed in the intricacies of the market and the conduct of business.

"Because vast sums are involved, the temptation to commit this kind of crime is very great. Even respectable banker and business-

is crucial that steps be taken to ensure that such criminals are brought to justice as quickly as possible," he said.

Towards this end, it was very important that society upheld high moral values and ethics and did not accept that in a modern society such values were outdated or that if a member of society got the opportunity, he should take it before others did, he added.

Dr Mahathir said: "I would like to state here that although the size of commercial crimes in terms of number of cases is small, the cost in terms of dollars and cents and the socio-economic costs can be extremely damaging. Lapses of good moral and ethical practice in business must not therefore be regarded as normal or not serious.

"The other side of the coin is the need to educate the public, that is, the need to ensure that values and ethics are properly instilled in our society so that Malaysians as individuals and as members of society have a strong sense of morality and can distinguish what is right from what is wrong and to reject unequivocally what is wrong.

"There is nothing like high moral and ethical standards to check crimes in any society. Invariably, when moral and ethical standards are low, not only will crimes spread but the ability of such a society to succeed and prosper will also be very limited. Sooner, rather than later, such a society will destroy itself.

"Our efforts to instil and inculcate business ethics should be continuous and

man cannot be presumed to be beyond such temptation.

"While some may be criminally inclined, a great many are led into criminal acts by the opportunities presented. Of course where ethics and moral values of the society concerned are low, the incidences involving the latter are more numerous.

"The professional criminals often operate as syndicates. Recent intelligence and experience reveals that the operations of these syndicates have even penetrated Government agencies, financial institutions and banks.

"Members of the syndicates have successfully operated fictitious accounts in banks and siphoned money from banks and other institutions," he added.

The Prime Minister said counterfeiting had now been developed into an art. The latest and most highly advanced technological instruments and other paraphernalia available were used in clandestine laboratories to counterfeit currencies, travel documents, cheques, credit cards and even share scrip.

The fraudulent manoeuvres of these criminals were so "professional" that the unsuspecting victims only realised that they had been defrauded long after huge amounts had been passed or used by the victims and the public.

In the Malaysian context, commercial crimes included among others, corporate fraud, insider trading, credit card fraud and a host of others, he said.

"Generally, 'economic crimes' which cover business and commerce and all fraudulent operations conducted to the detriment of individuals or society, seriously affect the economy of many countries.

"Given this potentially crippling effect on society, it

relentless. The concern for the common good and the pursuit of high moral and ethical standards must continuously be pursued. In this context, it should not be just the formal training agencies which should be nurturing and inculcating good moral beliefs and ethical values.

"The family, the schools, the industries and the professional bodies should all be involved at all times. Their mobilisation and commitment is not only necessary but vital to achieving our vision for a developed Malaysia.

"We play different roles as leaders, parents, teachers and corporate members. Let us seriously apply ourselves to the task of inculcating good values and ethics wherever and whenever we can," he said.

Speaking to reporters later, the Prime Minister said laws alone were not adequate to ensure that people would not commit a crime and that the implementation of the law was also another problem.

He added that some people were reluctant to become witnesses and this had hampered investigations.

To a question whether the Government would amend the law governing punishments for white-collar criminals, which were too light despite the huge amount of money involved, Dr Mahathir said this was being studied.

"We have not received a concrete proposal on it yet," he said.

The two-day seminar is attended by senior Government officials and corporate leaders.

Participants of the seminar are assisted by Prof Michael Beer and Prof Joseph L. Badaracco Jr from the Graduate School of Business Administration in the Harvard Business School.