

Text of speech by Prime Minister Datuk Seri Dr Mahathir Mohamad at the meeting on Regional Co-operation in Asia and the Pacific yesterday.

# Unique challenge to the world community

**R**EGIONAL co-operation is both logical and desirable in order to achieve the greatest amount of good for the greatest number of people. However, it cannot thrive within the framework of a master-disciple relationship. Instead, it must be predicated upon mutual respect for each country's sovereignty and sensitivities. I hope your deliberations at this meeting will contribute towards improving efforts to chart new approaches and directions for the growth of Asia and the Pacific region.

The Asia-Pacific region, which encompasses all countries in Asia and islands washed by the Pacific Ocean, presents a unique challenge to the world community. Due to the greatly increased demand for capital resulting from the former command economies switching to the free market system, the flow of funds to the region in the near future is likely to be limited. With this, the major challenge of the multilateral institutions will be to provide better and more cost-efficient development assistance in order to resolve the problems faced by the countries of the region.

With the end of the East-West hostilities, and with the growing euphoria over the predicted Pacific Century presaged by the achievements of many East Asian economies, many had expected the developing countries of the Asia-Pacific region to reap fully the dividends of peace. But instead, they are now being made to pay a heavy premium. The developed North has invented and imposed all kinds of conditions on developing countries including linkages with human rights, labour rights, environmental restrictions, access to markets and an anarchic regime in the exchange rate of currencies. Every move by the North to protect their interests invariably results in the poor countries becoming poorer. The rich man's club not only disregards the interest of the poor but positively

refuses to hear their views before damaging decisions are made. And so, The Plaza Accord, for example, raised the value of the yen, resulting in the developing debtor countries having to pay as much as 100 per cent more for their yen loans. And the value of the yen is still being forced upwards with dire consequences for most developing countries. This gloomy scenario will continue unless the developing countries, particularly in the Asia-Pacific region, are willing to co-operate in their development programmes.

We had expected the United Nations, at least, to serve as a forum for airing the views of the developing countries. But in fact, their views there are totally ignored. The so-called free Press censors the views of the developing world until it appears that they are, if not dumb, at least voiceless. You can be absolutely sure nothing will be reported in the international media about this meeting except, of course, the negative aspects. Yet if certain members of the Security Council were to so much as sneeze, there will be headlines on the front pages of every one of these papers and prolonged interviews in the world electronic media. So much for the so-called free Press.

It is perhaps symptomatic of the malady affecting the developed world that the recent World Summit on Social Development in Copenhagen was remarkable for the absence of their representatives. Yet the Rio Conference on the Environment and Development was fully attended, perhaps because the developing world was supposed to contribute by sacrificing their own development in order to preserve their forests and resources as sinks for the pollutants of the rich.

The Asia-Pacific region is vast in size, in numbers, in challenges it faces and equally vast in the opportunities it holds. In terms of size, it is one third of the planet. In terms of numbers, it supports almost one half of the world's population.

linking trade with human rights, workers' wages and environmental issues. It is reasonable to expect everyone to be concerned with these issues. But what is worrisome is that the linkages invariably affect our competitiveness. It would seem that they are more interested in pushing up our costs than in seeing that our people and our workers are free, and our environment well-preserved. And yet, when they were on their way up, they exploited people and the environment more than we are doing. Those of us who were colonies of the developed nations before must remember how our people were fully exploited and our pristine forests were razed to the ground to make way for plantations and the extraction of minerals.

The region accounts for 25 per cent of global exports, 22 per cent of global imports and 33 per cent of global international reserves. At the same time, it is also home to the largest number of poor people in the world.

More than 800 million people live in abject poverty in the Asia-Pacific region. Several hundred millions are denied access to the basic necessities of life — food, clean water and air, shelter, education and health. The infrastructure for developing the resources of the people through education and training is inadequate. To make matters worse, a rapidly growing population coupled with rapid urbanisation have complicated the picture and are putting greater pressure on the fragile resources of the region.

This state of affairs is due in part at least to our own faults. Sometimes we are so sold on the efficacy of democracy that we are too free with our freedom and our rights. We take to the streets at the drop of a pin in order to force the hands of

government or to force it out. We believe that a change of governments will heal all our ills. But changes in governments have often resulted in worse governments being set up, as incapable or as unwilling to do the right things as the previous ones. Again we take to the streets, hold general strikes and generally destabilise the nation, with no real results in terms of our well-being.

Good, strong governments can go wrong too. So also can the systems of administration or the approach towards developments. We must admit that all these can go wrong and do go wrong. While it is right and proper for us to blame others, it is perhaps easier to correct ourselves than to ask the others, particularly the rich countries, to correct themselves in order that we may enjoy healthy growth and resolve our socio-economic problems.

Assuming that we are able to put our act together and really make democracy and our administration work, we will still not be able to resolve our poverty and development problems if we do not co-operate with each other. This is because the developed nations are all ganging up and forming all kinds of blocs. Although they may insist that they do not mean to be exclusive, the fact remains that they have a tendency to jointly act against our economic interests if we do not conform or do what we are told. Mention has already been made about their insistence on

We should not object, of course, to what is reasonable and fair. But our problem is that we are unable to have our views heard, much less considered. And this is due to our lack of co-ordination and co-operation while the developed countries are not only co-ordinated but are arraigned against us in solid blocs.

For a long time, developing nations had depended on the production and export of primary commodities in order to earn the foreign exchange we need to buy manufactured goods.

## QUOTE

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Unfortunately, the advanced countries invented substitutes for our commodities and through market manipulation, depressed commodity prices further. The terms of trade become more and more against us.

Some developing countries have now turned to manufacturing, particularly labour and resource-intensive industries, in order to benefit from our lower cost of living and resources. But again we are being frustrated by conditionalities imposed on our exports, as for example, eco-labelling.

The only way we can counter all these is for us to co-ordinate and co-operate. By showing a united front, we will be able to influence trade policies and the World Trade Organisation (WTO). Admittedly, our clout will not be very powerful, but it will be better than none at all. Working alone and in

isolation will get us nowhere.

Malaysia's experience is that the attainment of prosperity and progress by developing countries invariably benefits other countries as well. Thus when South Korea, Taiwan, Hong Kong and Singapore achieved high growth, they became not only good trading partners for us but also good investors in our country. Very often, these countries alone and together top the foreign investments in Malaysia.

In time, Malaysia was able to switch to manufacturing, progressing from la-

bour-intensive to high-tech industries. The extensive knowledge and capital accumulated in Malaysia have now enabled Malaysia to invest in other developing countries in the region. We fully expect the same cycle which Malaysia went, and is going through, to be experienced by the other developing countries in the Asia-Pacific region. In time, the whole region will be prosperous. Indeed, trade between the countries of the East Asia is today comparable with intra-European or intra-American trade. All these go to prove that co-operation and cross-effect investments, together with transfer of technology, benefit everyone, rich and poor. They are mutually enriching.

The world can be a much better place if the rich were less obsessed with maintaining their status. They do

not gain by impoverishing the already poor, by making them debt slaves or permanent recipients of aid. A world of evenly developed countries, each exploiting its comparative advantages, be it knowledge or skills or resources or labour, trading and competing fairly with each other, is far better than a world divided into North and South, rich and poor, developed and developing, powerful and weak, and trade blocs and trade blocs. Maybe this sounds too idealistic. But humanity without ideals will certainly mean the end of history, of civilisation.

In the final analysis, our goal must surely be the well-being of our people. We hope to be respected members in the family of nations. Action, and not words, begets respect. In our haste to improve the lot of our people, in our race towards the status of developed nation, we run the risk of putting undue pressure on the very elements that sustain development — the resources, the institutions and the people. In so doing, we often lose sight of the goal of development, that is, the well-being of our present generation and the generations to come. We must, therefore, set our priorities right by putting the ultimate goal of people development firmly in our minds as we move ahead.

In making development happen, we must take to heart the lessons of history — the successes that have been achieved which could be emulated and the mistakes to be avoided. For us, the search for that elusive balance between the need to develop and the capability of the resources to sustain development must be a matter of priority. Among the myriad possible approaches to development, the coun-

tries of Asia and the Pacific must tread the path of responsible development, that is, development with a conscience. In this, we must not bow to pressure exerted by the fads and fashions of environmental movements and economic lobby groups. We must determine our own national and regional priorities on the basis of our own circumstances. We must recognise that economic sustainability, through responsible development, does not only refer to issues related to the preservation of the environment. It includes other elements like social justice, the right to development and wealth and an equitable world society. While emphasising the most productive exploitation of our resources, and making sure that pollution does not retard economic growth, we must also take into account that people must be treated fairly and have a voice in decisions that affect them, and that wealth must be distributed equitably among all segments of the population. We must also take pains to preserve the enormously diverse elements within our societies which, in themselves, give meaning to life.

The road to responsible development is fraught with problems and uncertainties. Towards this end, multilateral development institutions must play the role of the honest broker, matching universal principles and priorities with local circumstances. It is imperative that such institutions do not take a slanted view of development as prescribed by the western pundits. Instead they must initiate collaborative approaches with the developing countries. For us, the concept of responsible development holds out the hope of better times ahead. Much remains to be learnt.