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Globalisation and privatization

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TWO of the more momentous decisions of Prime Minister Datuk Seri Dr Mahathir Mohamad have been the Privatization and Malaysia Incorporated Policy of 1983 and the Promotion of Investment Act of 1986.

These two policies set in motion the forces of globalisation and privatization that further integrated the Malaysian economy with the world economy and as a result of which Malaysia has seen an unprecedented high rate of economic growth.

After about a decade of massive inflows of global capital and investments, it is timely to stop to take a deeper look at the impact of globalisation and privatization because these two complimentary forces are expected to play a profound role in shaping the Malaysian economy and society as Malaysia mobilises its resources towards achieving Vision 2020.

It is, therefore timely that a Conference on Globalisation and Privatization and its impact on the Malaysian economy should be held with the participation of some of the world's leading experts in the field and Malaysia's top policy planners and implementors.

The University of Malaya has teamed up with America's Harvard University to bring a one day Conference and a nine day Workshop on Globalisation and Privatization to Malaysians. The Conference, which is organised by the University of Malaya Consulting Unit, is to be held in Langkawi on October 27 1997. The Workshop will follow on the heels of the Conference.

The Deputy Prime Minister, Datuk Seri Anwar Ibrahim, in his Keynote Address to Conference participants will discuss the impact of globalisation and privatization on the Malaysian economy.

He will no doubt focus on his favourite theme, that is, the marginalised and oppressed groups and the need to integrate them into the mainstream of an expanding and affluent economy and society. The effect of privatization in creating a market economy, levelling the playing field and facilitating a more transparent political, administrative and economic system will not miss his attention.

Professor Jefferey D. Sachs, the architect of Russia's economic reforms and Poland's "Jump to the Market Economy" and the economist who cured Bolivia's hyper inflation illness will then build on Datuk Seri Anwar's theme and will look at the crystal ball on "Asia in the Year 2020". Having just completed a US\$1 million (US\$1 = RM2.77) research project on the "Future of Asia" for the Asian Development Bank.

Jefferey Sachs is eminently qualified to talk on this subject. An admirer of Malaysia's economic policies, Harvard University's Galen L. Stone, Professor of International Trade has peddled Malaysia's Westport and Export Processing Zones in Washington as models to be followed by other countries.

As Malaysia moves from the first stage of labour intensive export led growth to high tech growth there are several policy options that face emerging economies like Malaysia. Malaysia's top policy planners have discussed these options on a continuous basis.

To shed more light on policy choices Professor John Thomas of Harvard University's John F. Kennedy School of Government will be in Langkawi to share his experience with Malaysian policy makers.

Professor Thomas will be joined by one of the world's reknowned experts in the field of privatization of utilities and infrastructure. Professor E. Sheshinski of Harvard University's international arm, that is, the

Harvard Institute of International Development (HIID) will trace the development of global linkages in privatizing infrastructure, telecommunications and utilities.

Malaysia is actively developing infrastructure to prepare itself for high tech industrialisation and the Information Age. The development of the Multimedia Super Corridor (MSC) promises to increase Malaysia's GDP by RM25 billion and hence the justification for this mega project in the face of Malaysia's loss of competitiveness to relatively lower labour cost countries in the region.

The development of the MSC will provide jobs to the highly skilled labour force that is expected to be produced by the vastly expanded and market oriented institutions of higher learning in Malaysia.

The Minister of Education, Dato' Seri Najib Tun Abd Razak, will address the participants on the globalisation of higher education and the development of human resources to enable Malaysia to meet the challenges and be ahead in the Information Age.

The Conference and Workshop is timely because it comes at a time when the Malaysian economy is being more deeply integrated into the world economy and is being pushed into the fast track of becoming an industrialised, technologically sophisticated and developed economy by the twin forces of globalisation and privatization.

The Conference and Workshop hopes to provide a forum for the deeper understanding of the global forces impacting on the Malaysian economy and society and Malaysia's strategy for achieving Vision 2020.

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