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No choice but to accept globalisation (HL)

A. Kadir Jasin; Syed Nadzri in Edinburgh

THE advent of the Information Age has left nations with no choice but to become more liberal and accept globalisation, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

But doing away with borders, national policies and laws did not mean having to do away with rules and regulations completely, he said in an address to the Commonwealth Heads of Government Meeting (CHOGM) here.

Dr Mahathir was the first head of government to speak at the executive session of the meeting soon after it was opened by Queen Elizabeth at the Pentland Auditorium of the Edinburgh International Conference Centre.

Dr Mahathir said the world should have a properly legislated code of behaviour which was capable of protecting the weak from the strong.

Pointing to the recent economic problems of Malaysia and Southeast Asia, the Prime Minister said: "We in Southeast Asia have seen how anarchic a globalised world can be."

The attack on the Malaysian economy, he pointed out, happened after it embraced the concept of globalisation and liberalisation.

"Forty years of sweat, toil and tears can be shattered in just a few weeks under present rules in which we had no say in their formulation, i.e. if there are rules at all," he said.

He went on to call for nations to be cautious when embracing concepts which were not of their own making. But notwithstanding these problems and inequalities, Dr Mahathir acknowledged the benefits of opening up the economy to foreign direct investments and adopting a more liberal trade regime.

Citing Malaysia's own experience, he said it had decided to invite foreign participation in its economy earlier than most other newly-independent countries.

Speaking on the meeting's theme of Trade, Investment and Development: The Road to Commonwealth Prosperity, Dr Mahathir acknowledged that globalisation and liberalisation in trade and investment could provide a catalyst for growth and development.

However, these words, said the Prime Minister, had been used very loosely without clear understanding or definition.

This, he warned, might result in anything and everything being labelled global and liberal but which might benefit some and disadvantage others.

He said while the impact of market-oriented structural reforms had been generally embraced, the impact had been most striking in East Asia.

The Prime Minister noted that fundamental policy changes were also under way in South Asia, Latin America and the Middle East, but drew attention to the difficulty among European countries in eliminating barriers in order to create the European Union despite being equally developed relatively.

Even today, he noted, there was still apprehension among some that the union and the opening up of the domestic market might be to their disadvantage.

To overcome this, Dr Mahathir said the state of development and the competitive advantages of the different countries must be taken into account.

"The playing fields may be level but for competition to be fair, the players must be evenly matched. Otherwise, the disadvantaged will only be further disadvantaged in a world without borders and barriers."

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