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## Effective use of economic instruments to defend sovereignty

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WHEN Tan Sri Dr Noordin Sopiee started the Institute of Strategic Studies, he was adamant about giving a higher value to economics rather than the military elements of strategy. Traditional purists of military strategy questioned his definition of strategic studies, but even Noordin probably did not guess how right he was going to be.

Today, the destruction caused by economic weapons is more devastating than military ones. This article seeks to view this new form of war that is raging across Asia and how it can be fought.

Is currency speculation the new form of war? Many may not think so; wars by definition have political motives and a coercive instrument is used to achieve that political objective. In traditional understanding, war occurs when military force is used but other weapons - the siege, blockade and trade sanctions - means other than open military conflict can be just as effective. War was seen by Karl von Clausewitz as an act where one nation or a group of nations imposes its will on another through military means. The military instrument is used by one party to disarm, turning the other militarily impotent, and imposing its will through the further threat of force. Western colonisation of Asia and Africa were typical actions fitting this definition.

An economic parallel can be seen today in the actions of the currency speculators who have used their superior financial resources to weaken Asean currencies after failing to persuade the regional grouping not to accept Myanmar as a member. The consequent destruction of a country's economy, making it impotent, enables international financial institutions to impose its will on the affected states.

Wars have not always been motivated by politics. In ancient times, tribal conflicts and raids were undertaken with predatory inclinations. Neighbours were plundered for material gains in what can be termed as economic motives but the destruction caused can be total; often the people of the plundered nation is taken away as slaves or left in abject poverty. The destruction of the North American Indian tribes in modern times were undertaken with these motives.

Currency speculators are the modern counterparts of these ancient plunderers. Their acts are probably motivated purely by the wealth to be made through plunder, and the destruction left in their wake is of no consequence to them. The victim is left to those with political motives to exploit. When undertaken in concert, the new form of war becomes the means to dominate the world. Current stated objectives include opening up the economy to foreign capitalist control (restructuring the economy to a set of norms), human rights and democratic institutions.

How do we deal with the new kind of war? How do we defend our sovereignty and our well-being from this new enemy?

Let us remind ourselves that this new monster was our own creation. For more than 100 years, Karl Marx warned us of the danger of unbridled capitalism, creating an alternative called communism. For 50 years, the world was balanced between two political and economic systems providing the world a stability it had not previously seen.

But for the whole of the second half of the 20th century, we have been trying to get rid of the communist monster in preference to the capitalist one. We succeeded with the USSR, rejoicing in the peace and prosperity that capitalism would bring with the end of the Cold War.

But the reality was even more shocking: the worst excesses of capitalism and greed left no room for social consciousness and is threatening to destroy the world. We inadvertently subscribed to the new world order, which took the form of a capitalist jungle where only the fittest survived and a predatory currency speculator - acting as the primeval monster - ate up the weak. We agreed to an unregulated world where governments would be mere observers and international capitalists ruled the world.

Reordering the new order is obviously the only way out, but how?

Mao Zedong, while recognising Clausewitz's definition of war, drew the concept of guerilla warfare whose central thesis was that a war is not lost if the will of the party, though weaker materially, is not broken.

Mao used time and space and above all a superior moral will to regain military superiority and deny the enemy his political objective. Prime Minister Datuk Seri Dr Mahathir Mohamad in standing up to the world is partly using the Maoist prescription to battle this new war. This is what we have on our side, a superior moral will and an unwillingness to give in to the oppressor whatever the consequences.

We have a superior social system, a system of social capitalism where free enterprise is guided by social responsibility. An economic agenda that seeks to share prosperity with everyone in the region, a global political agenda that seeks social justice and equality for the oppressed and the tenets of Islam as our eternal guide.

Perhaps the clash of civilisation prophesied by Samuel Huntingdon has begun.

A superior moral will must be the basis on which true victory can reside. We must believe in ourselves and the moral basis of what we stand for. Being materially weaker, we must be prepared for a long struggle. But time is on the side of the morally strong.

Being sovereign is to recognise no superior power above us other than God. We decide the rules of the game that we play even if we have to play it alone. To accept the rules of international capitalism is to accept a world where the policeman protects the robber, a world which demands that you to stand straight while being shot at, and to duck or find cover will be condemned as not playing by the rules.

The nation that subscribes to these rules must be a nation of idiots. Western military protocol called for such behaviour in battle not so long ago, bright uniforms were used so one could be easily seen, and standing straight in the face of rifle fire and artillery was standard European military practice since 17th century. These powers cried foul when the Boers of South Africa refused to play the same game. The Boers, wearing khaki which blended with the surrounding and hiding behind cover, had a field day against the bright red-uniformed British soldiers. As a result, the rules of the game were changed. Today, soldiers wear camouflage all the time, except for parades.

Refusing to play the game and defending our interest is the right of a sovereign, independent state. Putting up a wall to protect ourselves against raiders is a right of self defence.

Seeing the financial crisis in the context of a new war can perhaps provide a perspective that can makes issues seem clearer.

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