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Learning to look within for answers

MALAYSIA'S independence is currently facing its biggest threat to date. In the 41 years since Merdeka, the country has contended with border tussles, communist insurgencies, the South-East Asian dominoes scare and the racial riots of 1969. It had to overcome poverty and the inequitable distribution of wealth, attract foreign investors, create enough employment and prove itself to sceptical outsiders who felt that after 500 years as a colony, Malaysians could not possibly know how to govern their own country. In the most trying of periods, Malaysians prevailed. And this nation went on, after the last great economic downturn of the 1980s, to record an unprecedented decade of rapid growth. Malaysia was roaring not just as a so-called economic tiger but also as a champion of the developing world, most of which had once been colonised.

But in less than a year, most of these achievements have been greatly reduced or totally wiped out. All the blood, sweat and tears poured into the struggle for independence could now be in vain as attacks on the financial front by new capitalists who are actually neo-colonialists continue relentlessly. The currency has lost more than 40 per cent of its value against the greenback and the stock market more than 70 per cent of its capitalisation since July 1997. Per capita income is now US\$2,000 (US\$1 = RM4.19) and not US\$5,000. After a decade of 8 per cent growth, the economy is looking at just over 1 per cent this year. While Malaysia still champions the cause of the Third World, it may be reduced to rhetoric and its investments in these countries will have to take a back seat for now.

For the past year that we've been under siege, the world turned its back, just as it did when the Bosnians were being massacred and the children of debt-ridden Africa were dying of hunger. Some of the countries in South-East Asia quickly waved the white flag and surrendered the right to govern themselves to international bodies and rich countries that are known to be protective of neo-capitalists. These governments have now realised that they should not have counted on outside help which effectively killed off local businesses and banks without reviving the ailing economies. By the dawn of the new millennium, if nothing is done to halt the economic assaults, many more developing countries may lose the benefits that they have worked for and reaped since they gained independence.

The message to the people from the Prime Minister, Datuk Seri Dr Mahathir Mohamad, that economic recovery lies in their hands and not on outside help, is not an attempt to fan anti-West sentiments. A year ago people said his attacks on currency speculators like George Soros and global hedge funds for the regional crisis were reflective of the Malaysian Government's state of denial. It is very clear now that these people - and many of us - were in a state of ignorance for not many could see the truth in what he was trying to say. Now the world is hovering on the verge of a financial crisis. Last week, stock markets in Europe and the US plunged due to fears of a Russian crisis, the International Monetary Fund called an emergency meeting with the Latin American governments, Hong Kong continued to battle speculators even as fund managers related to Soros betted against the Hong Kong dollar, Japan has called for a world meeting to discuss the crisis and Taiwan did the unthinkable by banning all activities linked to Soros.

In the next few days and weeks, a world that has watched passively as

Asia suffered will be frantically calling for markets to stay calm now that the crisis is at their doorstep. It is certainly not too late to seriously look at Dr Mahathir's calls for greater transparency and regulations in currency trading. However, in many countries, the damage has been done and will take years to undo. Malaysia has been adversely affected but we are also in a unique position in that we have - wisely, it would seem, given the benefit of hindsight - pursued our own efforts to restore the economy. Economic recovery and the country's ability to get through these testing times independent of the grip of the neo-colonialists will depend on these measures and on the cooperation of all Malaysians.

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