

09/09/1998

Market forces `claiming governance`

BANGI, Tues - Prime Minister Datuk Seri Dr Mahathir Mohamad today said that "market forces", preoccupied with economic wealth to the exclusion of political and social well-being, were now a new claimant into the field of governance.

Unabashedly, these market forces now claim a right to even discipline governments and their concern was the maximisation of profits for themselves at the expense of everything else, he said.

Dr Mahathir said although strictly speaking all consumers and all involved in businesses, big or small, should be considered a part of the forces of the market, of late market forces seemed to mean only the capitalists who invested in shares and traded in currencies.

"They have become the definitive market forces simply because they can exert tremendous influence over the performance of the economies of countries," he said when delivering The State-of-Governance Address at the Commonwealth Association of Public Administration and Management biennial conference.

Dr Mahathir said apart from market forces, various bodies, almost all self-appointed like the non-governmental organisations, now claimed a right to have a role in the governance of a country.

"Going by the negative title of non-government organisations, these bodies have become so established that at many international conferences they provide alternative fora for debate and resolution on whatever issues focused upon by the official conference," he said.

Dr Mahathir said although there were serious NGOs which aimed at highlighting issues ignored by governments, many were protest or anti-establishment movements with a tendency to take the law into their own hands.

"The world professes to believe in democracy or the voice of the majority. But NGOs are the antithesis of democracy, for they represent the minority or even individuals who seek to impose their views on the people and the government of the majority," he said.

The Prime Minister said the NGOs and market forces were now a part of a country's governance and the administrative machinery must adjust to them.

"The question is can present-day governments adjust to this new environment, to less government and more public self-administration?" he said, adding that society must be regulated by a regulatory institution possessing the required authority.

"To ensure that the authority is not misused, checks and balances must be put in place," he said.

Dr Mahathir said when other forces such as the NGOs and the market forces were also admitted into the process of governance and acted almost entirely in their own narrow interests and according to their own preceptions, then society would be threatened even more with anarchy and injustice.

"Certainly, when the so-called `market forces` decided to discipline the governments of the East Asian countries by impoverishing them and their millions of people, the cause of justice, of human rights is not served," he said.

Dr Mahathir said if developing countries were to survive at all and be given the fundamental right to develop and aspire to attain developed status, new rules and codes of conduct for all participants (countries)

must be formulated and duly enforced.

"The law of the jungle does not fit into the framework of good governance," Dr Mahathir added.

During the Press conference later, Dr Mahathir was asked about the International Monetary Fund's assertion that Malaysia's currency control measures would fail.

He said this remained to be seen and that the IMF wished the measures would fail and would do everything to see that happen.

"So right now, a lot of people are cracking their heads to try and find out how they can frustrate Malaysia," he said.

The Prime Minister, who is also First Finance Minister, was asked if there would be a relaxation of the 15 per cent limit for bank loans for stock market purchases like that announced for the property sector yesterday.

"We are watching the stock market. If it goes up too fast, then there is no necessity. But if it is sluggish, we will make more money available from the banks," he said.

(END)