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The year of living dangerously

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IT'S been a while, and though I'm sure no one actually missed me, I still feel bad that Pessoptimist has been so long gone from this page. I hope you'll forgive the absence.

I was going to write a piece for Christmas and the New Year. The trouble, though, was that trying to gather anecdotal material at Christmas parties, I found inspiration scarce. Far from centring on presents and drunken antics, all conversation revolved around the economy and the guests' rapidly diminishing wealth.

In some circles, this had become automatic, as if the classic Malaysian greeting, "How's business?", had become too painful to ask. Instead, all were darkly muttering, "That Soros ...!"

Further, I found slightly anomalous my status as a Malaysian who lives and works in London; worst sin of all, I am paid in pounds - which cast me in the twin roles of fourth estate and sage.

I was expected to have the inside angle on Western conspiracy theories and if I disbelieved them, I was part of the cover-up! Instead of the mistletoe, everyone was hob-nobbing under the money plant and no one seemed inclined to talk about television specials ...

Perhaps, though, my timing was off. Perhaps if one wants to write a positive, upbeat piece about multiracial Malaysia in crisis, the appropriate moment is not the Gregorian New Year, but two months later, in February, after Chinese New Year and Aidil Fitri.

Perhaps now, the nasib and feng shui are right for some optimism.

Certainly the events of the last week suggest that a certain degree of foreign confidence has returned to Malaysian shores (though the cynic may snipe that at current prices, not very much confidence is necessary to prompt bargain-hunting).

As ever with hindsight, it is not hard to find causes for the meltdown, some of which may have been within our control, others whose butterfly-like effects we could not help but be ignorant of.

As interesting, is the question "What now?" What has been learnt and what can be done, to contain and rebuild? Here the adversities of the past months have pointed the accusing finger at a number of areas. It seems to me that leadership as pragmatic as ours cannot help but see the way forward.

Further, our leaders have the advantage of not learning solely from domestic events, but from the experience of our Asean neighbours, many of whom have been harder hit than ourselves. There is a danger that such retrospective wisdom can smack of "I told you so" smugness, but much of what follows is by now so obvious to all, that it can hardly cause offence to set it down here again.

What is interesting to me is that much that has been exposed as inadequate involves the structures of society and government. There is plenty that the dedicated observer of people can learn.

So, to continue the festive feasting, Pessoptimist offers five Fortune Cookies, pack-ed full of lessons well learnt:

1. That a degree of transparency in both national and corporate governance is crucial to maintaining confidence in the decision-making process. This is something Malaysia has long been aware of. Last November, ISIS (the government think tank) published a report that said there was a fundamental need for more readily-available economic data, for example

trade figures and debt levels, as part of our evolution to developed nation status.

Such an excellent attitude is at odds with the lack of quality information that drove investors wild with fear, both internationally and domestically, across much of Asia.

A UK fund manager with special responsibility for a number of Southeast Asian countries (not including Malaysia) tells me that "As investors, we did not know the full extent of the problems. We were therefore reduced to guesswork and the figures soon became terrifying. We ran."

2. That informed, un-afraid debate and analysis are important during a crisis.

It is not just easy access to information that makes transparency important. Even more crucial is that investors and the general public (whose confidence is vital to the economy) are allowed their say in decision-making. To this end, an open press, encouraging the discussion of policy and reproducing foreign news and analysis, is invaluable.

The government's stand on uncensored Internet access provides thousands of Malaysians with daily, unlimited access to the world's economic news and analysis. In today's truly global world, anyone who attempts to reach conclusions without recourse to the wealth of information on the Internet is not only disadvantaged, but disenfranchised. In a global age, a national perspective is paltry indeed.

Such reputable public fora are absolutely fundamental to preventing panic. The market can be irrational even when fully informed; where such fora for informed and open debate is lacking, rumourmongers become kings and the wildebeest lead the stampede.

3. That "relationship capitalism" can be taken too far. This is a hard lesson, because the close links between government and business unquestionably helped countries such as ours develop at accelerated rates. In theory, there is nothing wrong with encouraging able individuals to develop as quickly and powerfully as possible, in order that they might benefit the nation.

The trouble is that in times of economic crisis, policymakers have to decide who cannot survive and who must be preserved. Relationship capitalism does not lend itself to this sort of decision-making - it proves paralysing. Where the links are too close, the extreme example being blood-ties, objective calls become hard to make.

4. That the difference between a great leader and a merely strong one, is the ability to choose a good successor.

Like his friend and fellow elder-statesman, Nelson Mandela, Dr Mahathir has had the foresight and confidence to boost the nation's confidence with a worthy successor. We do not need to look far to see the destabilising effects of the rumours and whispers that accompany an unclear trail of succession to a long-established leader.

5. That economic prosperity is an insufficient foundation for interracial harmony.

It is worrying that even the banning of demonstrative Chinese New Year celebrations did not prevent sporadic racial riots across Indonesia. Last week a senior US commander, Admiral Joseph Prueher, voicing worries about Indonesia's prospects for continued stability in the face of increasing adversity, made the somewhat jaundiced comment that "Indonesians will riot at the drop of a hat."

What has dropped though, is not a hat, but the value of the rupiah, making essential items increasingly expensive. And the majority of shopkeepers are minority Chinese.

It has long been Malaysia's boast that our multiracial society is a truly integrated one, with the patriotism of being Malaysian more

fundamental than ethnic boundaries. It is rare that such claims are put to the test, the worst time ever being the blood clot on our history, 1969.

There is an ancient Chinese curse that, at first glance, doesn't seem like a curse at all: "May you live in interesting times."

The last six months have been very interesting indeed. I, for one, am hoping for a little dullness, a little boredom, in the year of the Tiger.

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