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Asia, Africa partners in growth

THE Black Empowerment programme in South Africa, a socio-economic scheme aimed at achieving equitable distribution of wealth for the indigenous people after Apartheid, has many similarities with Malaysia's New Economic Policy, conceived in the wake of the 1969 racial riots to address the socio-economic disparity inherited from the colonial masters' divide-and-rule regime. So far, the South African effort has borne sweet results, albeit gradual. Incidentally, Malaysia has played a part in that success by virtue of being one of the largest foreign investors in the republic. It proves that there are lessons the two countries can learn from each other, and skills and resources that they can share.

By extension, there must be some areas the two continents of Asia and Africa can cooperate with each other. Prime Minister Datuk Seri Dr Mahathir Mohamad's call on African delegates at the Africa-Asia Business Forum in Kuala Lumpur to study the Asian experience in their economic development efforts underscore the need to renew links as the two regions' countries face the new millennium, and the challenges of globalisation and liberalisation that will come with it. It is also a timely call for the developing and least-developed nations (LDCs) to work together, given that Asia had just survived probably its worst economic crisis. Malaysia has initiated efforts to exchange notes on the crisis with its African partners, most recently at the Langkawi International Dialogue where several African heads of governments and states attended. But there are other areas of cooperation that should be explored, and on a more regular basis.

The South-South cooperation programme promoted by the Group of 15 (G-15) at the end of the last decade has set the trend for successful and tangible cooperative schemes involving Asian and African developing economies. The bilateral payments arrangement (BPA), a government-to-government guarantee scheme initiated by Malaysia under the South-South cooperation concept, has resulted in startling two-way trade growths. In Malaysia's case, for instance, its trade with developing countries in Africa (and Latin America) has surged by more than four-fold to RM90 billion last year from just RM20 billion in 1990. For the first half of 1999, RM44.5 billion of trade was recorded between Malaysia and these countries. In addition, Malaysia is also a major investor in several African countries. It has established telecommunication ventures, started banking operations, bought equity in companies, undertaken housing and tourism projects, and helped African central banks regulate the industry and promote investor confidence.

What is probably missing or slow in coming is Africa's own admission that Asia might be its most important partner in growth. Many countries in the region still maintain strong ties with their former colonial masters; in most cases, the governments were compelled rather than chose to do so. Africa is the poorest continent in the world, partly because of the nations' weak management of the economy and also because of their heavy debts to the likes of the International Monetary Fund and the World Bank. Many African countries, after achieving independence from the colonial masters, waged war with one another and failed to fully address the socio-economic imbalances left by these former western empires. Social strife, civil wars, high unemployment and weak capital markets have rendered some countries incapable of escaping the stranglehold of economic backwardness.

Some Asian countries had faced similar difficulties and challenges, but generally the situation is not as bad over here. The fact that Asia has Japan is part of the reason, because Japan was quite responsible, directly and indirectly, for helping economies in the region develop after their independence. Whatever the reasons, the developing countries in Asia may have something to offer or inspire their counterparts in Africa. At the very least, Africa would want to learn from some recent experiences during the Asian crisis to prepare for such an eventuality.

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