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Goh-Globalisation

COUNTRIES WILL GO FOR ALTERNATIVES, SAYS GOH

SINGAPORE, March 2 (Bernama) -- Singapore Prime Minister Goh Chok Tong said today countries everywhere will experiment with alternatives if the real problems of global markets are not addressed.

Plucking a quote by his Malaysian counterpart, Datuk Seri Dr Mahathir Mohamad that "people can no longer stay with the so-called free market system", Goh said the price of globalisation was being questioned and had struck a chord in many emerging economies.

Malaysia imposed currency and selective capital controls last September to shield its economy from speculative attacks and the country is now on the path of recovery.

"Clearly, if the real problems of global markets are not addressed, it is only natural that countries everywhere will, sooner or later, experiment with alternatives," Goh said when addressing the Asia Society Australasia Centre in Sydney as part of his five-day working visit to Australia.

In his speech released here, Goh rued the lack of urgency towards creating a new international financial architecture.

He said American efforts had been hampered because there was no clear consensus in the US on either the problem or its solution and neither had the US been able to persuade its G-7 partners, particularly those in Europe, to take urgent concerted action.

"Behind European and American hesitations lies one smug but unspoken assumption: that the recent failure of many brands of Asian capitalism had proved that there are no alternatives to western models of capitalism anywhere in the world," he said.

But this "ideologically driven approach" that failed to appreciate the nuances and diversities of Asia would be counterproductive, Goh said, urging Australia to take the lead to convince the US and Europe on the need for urgent action and tolerance for diversity.

Goh said disillusionment with the market was not just an Asian aberration and respected western economists were also debating the downside of the global market and examining alternatives.

"Advocates of a retreat from the free markets and other simplistic solutions were prominent in the last two US presidential elections. They still represent powerful currents of opinion in the US and Europe," said Goh.

The Singapore leader also voiced his conviction that Asean would not fall although the crisis had dented the reputation of the Southeast Asian grouping and its largest member, Indonesia, was preoccupied with serious internal problems.

Despite bilateral relations coming under stress, new tensions and "clumsier and slower" decision-making due to its expansion, Asean would prevail, he said.

"We have successfully weathered stronger political storms in the past. Asean is stronger now than in the 1970s. This storm will not sink us.

"Asean will survive because, whatever, our differences, all the members have an overriding interest in preserving it. Asean's critical importance as a stabilising force remains."

Asean comprises Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines Singapore, Thailand and Vietnam.

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