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Dr M: Outlook for developing world gloomy

Zainul Arifin in Montego Bay, Jamaica

PRIME Minister Datuk Seri Dr Mahathir Mohamad painted a rather gloomy outlook for the developing world in the new millennium, a time when unfettered capitalism dominates and might becomes right.

He predicts that the domination of the rich and powerful over the poor, will not only continue, but intensify.

Ironically, such a scenario, is the result of the triumph of capitalism over communism.

In a unipolar world, where there is only one politico-economic creed, capitalism, without an adversary, would be less keen to make itself more accommodating and acceptable to the poor.

"As a result, the worst aspects of the system have been bared. Anything done in the name of capitalism must be accepted on pain of being labelled a heretic," Dr Mahathir told leaders and delegates attending the opening of the Ninth G-15 Annual Summit here on Wednesday.

His views were shared by Jamaican Prime Minister P.J. Patterson when he opened the three-day summit of the 17-nation Group of 15.

Patterson said the IMF's recommendation of high interest rates for troubled countries were leading to recession and insolvency.

"The vast opportunities that emerge from the forces of globalisation and liberalisation are equally matched by repercussions which threaten the very economic survival of many countries within the developing world," he said.

"The pace and direction of globalisation, which threaten defenceless nations and endanger millions of vulnerable people, will have to be curbed."

Meanwhile, Reuters reports that delegates from the 17 countries - Algeria, Argentina, Brazil, Chile, Egypt, India, Indonesia, Jamaica, Kenya, Nigeria, Malaysia, Mexico, Peru, Senegal, Sri Lanka, Venezuela and Zimbabwe - applauded both sets of comments, although Dr Mahathir won the more enthusiastic reception.

Looking into the future where unfettered capitalism will reign, Dr Mahathir envisioned a time when developing nations would be subjected to the domination of foreign powers and business in their economic and political lives.

"Maybe I am over pessimistic. Maybe I am exaggerating. I have been wrong before and I may be wrong again.

"But I was right many times also and it is possible that I will be right again this time, if not fully, at least partly."

"Paradoxically the greatest catastrophe for us who have always been anti-Communist is the defeat of Communism. The end of the Cold War between the East and West has deprived us of the only leverage we had, the option to defect. Now we can turn to no one."

After 41 years, Malaysians did not relish the idea of losing their hard fought independence, but economic domination, as seen from the recent financial crisis, could just have eroded it.

"For the time being we have been able to retain our freedom, but we are not sure that we can successfully fend off future challenges," he said speaking on behalf of the Asian states.

Dr Mahathir described how the financial crisis, brought about by sudden withdrawal of foreign capital, had turned the Asian tigers into mere shadows of their former selves.

"Their people are starving, rioting and looting. Their Governments have been overthrown and their political system so undermined that they cannot govern effectively. They have to accept foreign direction of their internal affairs."

To get aid, from institutions like the International Monetary Fund, they have to open up their economies to unrestricted foreign participation. They were not allowed to protect their banks and industries, which in turn would be taken over by foreign giants.

"When the superbig giants move in, their local counterparts will just suffocate to death."

Also, he said, now the rich and powerful were consolidating into cohesive politico-economic alliances, and were planning and executing strategies that affect the world.

"I am not sure it is not their intention to interfere in local politics, but we know that in the Banana Republics, the managers of banana plantations wield more power than the Presidents of these countries.

"For developing countries, to safeguard their future, they have to be aware of the forces around them, and consult each other more often and to have a common stand on most issues."

However, their efforts have not succeeded, he added. Dr Mahathir also commented on the developments in information technology and transportation, turning the world into a global village, which on the surface looks very attractive.

"But apparently we are not going to be equal citizens," he said, adding that while a borderless world was being interpreted as the right of capital to flow anywhere unconditionally, it did mean that poor people may not cross borders into rich countries with equal freedom.

"For them the barbed wire fences and the border guards will remain."

Sadly, he said, the end of the Cold War did not end the arms race. Instead the quest for more destructive weapons continued.

Dr Mahathir said as a member of the G-15, he felt the need to "shout my warnings" of what lay ahead.

"I know I will be ridiculed, but that is a small price to pay."

He said anyone with the temerity to criticise the powerful, could suffer the pain of retaliation. Every weapon would be used against the critic, including the media.

"If anyone criticises the actions of the mighty, the media will demonise the critic and cause him to lose credibility."

He related to the audience his experience when he condemned currency traders at the height of their attack on the East Asian countries. He was punished by having the ringgit devalued further.

"I was told to cease and desist. I did not and the currency and the stock market and the image of Malaysia suffered. What I have said today may attract other punitive actions.

"This is a risk that I have to take. That is a risk that my country will take. But I have to say what I have to say."

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