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Globalisation must benefit every nation

ARE we ready to gobble or are we ready to be gobbled? If globalisation is a subject one finds senseless or far-fetched, just think of this simple question. Because globalisation-made-easy means companies gobbling up other companies or being gobbled up themselves. It is true that bringing down barriers and liberalising will facilitate multilateral movements of goods and capital. But it is also true that borderlessness will pit our small companies against the global corporate titans. As a result, Malaysian companies may end up being picked up easily through cheap takeovers.

Where is Malaysia in terms of its level of preparation for this process, assuming that the 21st Century - which starts in less than a year - is supposed to be the century of globalisation? We are definitely among the top 20 trading nations in the world and therefore, we can't be too far off. But there's a world of difference between globalisation and merely adopting a global view of doing things. The truth is that this country and just about every other developing country is not ready for the realities of globalisation. The so-called miracle economies of Asia, which would have led the Third World charge towards globalisation, have lost decades of progress due to the 1997 currency attacks. China, tipped to be the future economic powerhouse of the world, is not just staggering from the aftershocks of the Asian crises and its own corporate troubles but also continues to be an "outsider" as Western forces keep it out of the World Trade Organisation. Russia is down and out and what has just befallen Brazil will likely be an economic curse on other Latin American countries as well.

Even now, Asian companies are being bought cheaply by foreign investors. Remember how some crises-hit nations that enrolled themselves with the International Monetary Fund were forced to offer their debt-ridden companies and banks to cash-rich corporate shoppers from the West? The Government in Argentina has just sold a stake in in the country's largest company, oil giant YPF, for US\$2.0 billion (US\$1 = RM3.80) to help cover "budget needs, debt reduction or whatever". A looming oil crisis will set back developing countries further and the threat of global deflation is not making it any easier.

But as Prime Minister Datuk Seri Dr Mahathir Mohamad said, this is merely a foretaste of globalisation for developing countries. Malaysia is fortunate because while it, like many others, was not prepared for the abuses of the free flow of capital, it has managed to survive the experience after the pull-out of funds and the devaluation of its currency. The price it paid was high but it has kept its independence for now and at least the people realise that they must learn to rely more and more on themselves and be cautious when accepting something new as proposed by others. Dare we go against the tide of globalisation, then? Dr Mahathir said there is still time to do that. Globalisation can still be good but it must be regulated, just as currency trading can be good if it is regulated.

Developing countries, considerably weakened by the financial and economic crises of the past 18 months, will need to come up with all their reserves and strength of will to save themselves. The Group of Fifteen (G-15) summit of leaders from the developing countries next month presents an opportunity to demand for the kind of globalisation that will benefit the

poor nations. We have seen how huge banks, industries and utilities in industrialised countries are being formed through mergers and acquisitions. Each of these is bigger than most of the developing countries and anyone of them can literally swallow up these countries. Is there any doubt that their intention is to monopolise the field that they are in? The West, the pushers of globalisation and liberalisation and the believers in transparency and level playing fields, must answer this question. If we are wrong to feel that they are preparing for a global invasion, for world-wide monopolies and for economic hegemony, it is only because the intentions of these countries have not been transparent enough.

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