

## Cause for the poor to be wary

IT has been nearly three years since the effective devaluation of the Thai baht that triggered the region's worst financial crisis. It saw "miracle" economies mercilessly pounded by forces unleashed upon them in the name of globalisation and manifested in massive cross-border capital swirls which no economy — no matter how fundamentally sound they are, let alone emergent ones — would stand a chance of withstanding. Banks and companies collapsed, millions of people lost their jobs, governments fell, and decades of toil to earn the tag of "dragon", "tiger" or "miracle" economies counted for nothing overnight. In the aftermath, the same experts, who had waxed lyrical and were so liberal with their superlatives about the performance of the region in the previous 10 years, were suddenly as equally passionate about what was fundamentally and inherently wrong with the Asian Model. It would take the region up to five years, they said, just to get back on its feet.

Wrong again. With the exception of

Still, for Malaysia at least, the Government is fully aware "that our success may be shortlived but we are not going to allow ourselves to be sold ideas, ideologies and slogans without carefully examining them. If we find the slightest suspicion that another agenda is being promoted, we will fight tooth and nail to defend our country and the prosperity of our people," as Prime Minister Datuk Seri Dr Mahathir Mohamad said in Cairo yesterday. Obviously speaking from Asia's recent experience, he warned developing nations that pursuing economic liberalisation unthinkingly as designed and promoted by the West would be a grave mistake. Be wary of the "tyranny" of the free market, for example, as much as one would if it is effected through the barrel of a gun, the Prime Minister said. But even more insidious, if not downright treacherous, than the concepts themselves, are the attempts at making those who would be so bold as to question the validity of the ideas feel and appear somehow less worldly, less forward-looking, and of course less democratic.

perhaps Indonesia, the region's countries that were most severely buffeted by the ill winds are back; maybe not yet stronger than ever, but certainly wiser. The Thai economy has regained some measure of its previous dynamism, having posted a 5.2 per cent expansion in gross domestic product (GDP) for the first quarter and is on track to grow 5.0 per cent for the entire year. Although not as impressive as Malaysia's 11.7 per cent spurt during the same period, it was Thailand's fifth consecutive quarterly year-on-year growth as well. Similarly encouraging figures are emerging from other Asean member countries and also South Korea. Indeed, the countries have never been more worthy of being called "miracle economies", as this time it is being truly earned and in the hardest of ways, not bestowed. This is not to say that achievements prior to the crisis were any less commendable or difficult, but considering the odds stacked against the region in the past three years, the climb-back is not too far short of miraculous.

Woe betide those, like Malaysia, if they dare believe they might be better at managing their own affairs than others; including the economic powers, the multilateral institutions and the aid agencies. If being guarded about ideas that are not adequately discussed, studied and thought through is to be less than worldly, if being prepared to learn from experience is not forward-looking, and if placing priority on the welfare of the majority of Malaysians is undemocratic, that Malaysia is all of those things. Many Western experts are now saying that the region is unlikely to be able to sustain the recovery momentum because there had not been sufficient economic "restructuring". This would mean reshaping in the image of the Western powers, or worse still solely in the interest and for the benefit of the rich and powerful, where new markets are created and others expanded for their constituency of giant manufacturers and mighty service providers. Yes, there is cause to be mindful.