

21 AUG 2000

SAID-MAHATHIR

DR M: NATION BUILDING IS ABOUT FREEDOM TO MAKE KEY DECISIONS

By: Mohd Arshi Daud

MAPUTO (Mozambique), Aug 21 (Bernama) -- Datuk Seri Dr Mahathir Mohamad has reminded African leaders and officials that nation building is about the ability, freedom and flexibility to make strategic decisions in finance, trade and investment.

"If nations are willing to accept higher prices in order to acquire the technologies to compete later, that should be the right of sovereign nations to decide," the prime minister said in his address at the official dinner of the fourth Southern Africa International Dialogue 2000 (SAID 2000) here Monday.

Dr Mahathir said national sovereignty as a basis for self determination and empowerment was more relevant now, given the onslaught of voices propogating the good of an open and liberal economy.

"It is not for a good reason that the last World Trade Organisation (WTO) round in Seattle came to a stalemate," he said.

Dr Mahathir asked, "A grain of rice or wheat or maize or barley is not simply an issue of how much it costs to produce but does the person planting it make a decent living? And who ends up eating the produce?"

Warning developing nations against blind acceptance of trade liberalisation, he said the beneficiaries were obviously a select and privileged group.

"The top fifth of the world's population in the richest countries enjoy 82 percent of the expanding export trade and 68 percent of foreign direct investment -- the bottom fifth barely more than one percent," Dr Mahathir said.

Between 1980 and 1996, only 33 countries managed to sustain three percent annual growth, with 59 countries, mainly in the sub-Saharan Africa and Eastern Europe and the CIS (Commonwealth of Independent States), experiencing declining gross national product per capita, he said.

While 20 percent of the world's population in developed countries get 82.7 percent of total world income, 20 percent of the world's population in the poorest countries receive only 1.4 percent.

"In 1989 the average income of the 20 percent of people living in the richest countries was 60 times higher than that of the 20 percent living in the poorest countries. What is more alarming is that this ratio has doubled, from 30 times in 1950," said Dr Mahathir.

Recognising the importance of embracing knowledge-driven economy in all its forms, Dr Mahathir said it was for that reason Malaysia embarked on an agenda for intensification of knowledge use in all sectors of the economy, new and traditional.

This required the concerted effort of all stakeholders in the economy to acquire and generate bodies of knowledge, he said.

"Coupled with the ability to effectively translate knowledge into technological and social advancement that elevates the living standards of the populace, this is empowerment in its truest sense," he said.

He added that technology-based economic development assumed that a well-governed developing country would experience high returns from investment, which in turn lured inflow of foreign capital, thus narrowing the gap between the rich and poor nations.

"But technological advancement dances to a different tune. With increasing returns to scale in their favour, regions with advanced technologies are best placed to further innovate, with the gap between the

technological haves and have-nots ever widening," said Dr Mahathir.

He said that emerging economies should therefore see the process of globalisation from all aspects, adding that most decision making at the international level seemed to safeguard the welfare of the more matured economies.

At the same time, globalisation appeared to disregard national sovereignty, economic freedom, economic empowerment, socio-economic programmes, and the technology development agenda being undertaken by developing nations.

Saying that the Smart Partnership practice in this context promised to make the most impact, he said it could also help unify concerns and actions and formulate a common stand.

Smart Partnerships could also assist in embarking on co-operative action in order to counter any perceived negative forces of globalisation that affect emerging economies, he said.

"The Smart Partnership dialogues, such as this, can well serve as focal points to deliberate and share our views and experiences and to nurture continued interactions among members and smart partners in between dialogues.

"I observe that CPTM, the Commonwealth Partnership for Technology Management, can assume the role in synergising the many different dimensions of the subject of globalisation with a truly achievable win-win result," he said.

Calling for national smart partnership hubs established by SAID members to work closely with CPTM and set priorities for action, Dr Mahathir added, "In this regard, I would like to offer MIGHT (Malaysia Industry Group for High Tehnology), the Malaysian smart partnership hub, to assist whenever we can."

SAID is modelled after the Langkawi International Dialogue (LID). The first SAID was held in Kasane, Botswana in 1997, followed by Swakopmund, Namibia the following year and Victoria Falls, Zimbabwe, last year. --
BERNAMA

MAD MR/SHY