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PM: Modify globalisation (HL)

Hardev Kaur in Havana, Cuba

PRIME Minister Datuk Seri Dr Mahathir Mohamad said yesterday globalisation should stress results rather than methods.

"If the results are good, then by all means implement as currently interpreted and practised, but if the result is bad for anyone, then globalisation must be reinterpreted and modified until the expected results are achieved," he said.

Addressing the Summit of the Group of 77 (G-77) developing countries, Dr Mahathir said: "We are falling into the old trap of believing that systems on their own can solve human problems."

When too much faith is put in a system, the reasons why the system was initially formulated will be forgotten.

Systems are devised because they are believed to be able to right current wrongs and bring benefits to the practitioners.

"Unfortunately once a system is accepted, it becomes so sacred that even if the results it delivers are worse than the situation it was supposed to remedy, it must be upheld, defended and practised.

"At this stage, if anyone dares to go against the system he will be regarded as a heretic and universally condemned," Dr Mahathir told the gathering.

Prime Ministers, Presidents and government leaders of 133 developing countries who represent 80 per cent of the world's population are attending the first Summit of the G-77 which was opened by Cuban President Fidel Castro. UN Secretary General Kofi Annan is also attending.

Dr Mahathir pointed out that globalisation has already shown signs of becoming a religion that tolerates no heresy.

This, he added, is rather unfortunate, for globalisation, if properly interpreted and regulated, can bring about a great deal of wealth and benefit to the world, the rich as well as the poor.

It is a mistake to exclude the weak and poor from participating in the formulation of globalisation.

"They have a great deal of experience," Dr Mahathir said, adding that the East has seen how Foreign Direct Investment (FDI), technological transfers and opening up of the markets of the rich has resulted in the poor countries becoming enriched.

"We have seen how nations can be made poor suddenly. Our experience can help shape a globalisation that benefits all. So let us in," he urged.

Dr Mahathir said there is no doubt that if globalisation is properly interpreted and practised, it can result in a more equitable world order where wealth is more evenly distributed between the rich and the poor.

Badly interpreted it can destroy the poor especially and by extension stifle the growth of the rich.

Kofi Annan has also criticised globalisation which he said has "aggravated existing inequalities" and raised social inequities and widened the gaps between the rich and poor to "extreme levels".

With the focus on globalisation, technological advances is the excuse for doing away with the "independence of nations and replacing it with interdependent nations".

Developing countries are told, through the "propaganda machine", that globalisation is an idea whose time has come and resistance would be futile.

Countries welcomed globalisation believing that foreign capital, know

how, etc can help their economies grow. Then in East Asia the rogue currency traders demonstrated that simply by devaluing the currencies, they can make the so-called East Asian Economic Tigers so poor that they had to go round with begging bowls.

Millions were thrown out of work and made destitute. Riots, demonstrations, murders and rapes brought down governments. International institutions then moved in ostensibly to help but in reality to facilitate the takeover of the countries' economy and even politics.

Dr Mahathir said all these were made possible because the rich interprets globalisation as the right of capital to cross and re-cross borders at will.

"Capital is the new gunship of the rich," he said, adding that by coming in to invest in shares they create wealth overnight. Once that has happened they merely have to pull out their capital in order to impoverish and weaken their victims and force them to submit to foreign dictates.

Dr Mahathir raised a number of questions. Among them were if globalisation implies the integration of all countries into one single global entity then why should it mean only the free flow of capital and capitalists going across borders? Why should not workers, especially unemployed ones, move across borders freely also?

If money is capital for the rich, labour is the capital of the poor countries. They should be allowed to migrate to the rich countries, to compete for the jobs there just as the powerful corporations of the rich must be allowed to compete with their tiny counterparts in the poorer countries.

Just as the big corporations from the rich can easily put out of business the small companies of the poor, the hard working lower paid workers of the poor can easily displace the high-cost labour in rich countries.

The result, Dr Mahathir said, will be lower production cost and lower cost of living for the rich and more remittances to poor countries.

He spoke of the economic turmoil in East Asia which resulted in "the rich taking what belongs to the poor". The leaders were told that as the banks and businesses of the former Asian Tigers collapsed and as their shares plunged, the rich moved in to buy the devalued shares and acquire the companies.

"They could have bought at normal times but they preferred to emasculate us before they take over at a fraction of the cost. Backing this move are the international institutions, which insist that we open up our countries so that the predators can move in to take over everything.

"Governments may not protect local businesses. Market forces must prevail and since money equals force in the market, those with money will dominate," Dr Mahathir said.

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