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PM: Don't repeat mistakes (HL)

Saiful Azhar Abdullah in Maputo, Mozambique

UNCONVINCED that developed nations will allow developing countries to compete on a "level playing field" in a globalised world, Datuk Seri Dr Mahathir Mohamad yesterday called for a new way of thinking and for developing nations to chart a new paradigm in nation building.

Stressing that old mistakes should not be repeated, the Prime Minister said given the onslaught of voices propagating the good of an open and liberal economy, sovereignty as a basis for self-determination and empowerment seemed contradictory and out of place.

"Yet at no time is it more relevant than it is now," he said in his speech at the Smart Partnership gala held in conjunction with the Southern Africa International Dialogue (SAID 2000).

He said it was not without good reason that the last World Trade Organisation round in Seattle came to a stalemate.

Nation building, he added, was not only about the lowest cost, it was equally about social justice and a conducive environment for the development of human dignity. It was also about the ability and freedom and flexibility to make strategic choices in finance, trade and investment for oneself.

If nations were willing to accept higher prices in order to acquire the technologies to compete later, that should be the right of sovereign nations to decide.

Reminding developing economies that globalisation was not merely a process but had also become an ideology, he said:

"From one international forum to another, the proponents of unbridled, supposedly 'unstoppable' forces of globalisation and trade liberalisation continue to sing their song of 'the ticket to a better life for everyone'.

"This ideology is preached to us as being full of glorious benefits. I continue to look long and hard for evidence that this may in fact, be true.

"But all around, the arrows point in the opposite direction. Sadly, the number of downturns and the negative aspects of globalisation which many of us have actually experienced are seldom mentioned or discussed.

"If they are, they are not attributed to globalisation but to things like bad governance, lack of democracy, cronyism etc."

He warned that "in nation building, when caution is not exercised and care not taken, when the interests of people and nations are gambled upon on the basis of an ideology, when decisions are not grounded in reality and the hard facts are ignored, there will be calamity."

He felt a blind acceptance of an ideology that to date stands as just that - an ideology - was unacceptable, naive and downright dangerous.

While promoters of the ideologies were to be blamed for the calamities, "we who make the decision to convert cannot be totally blameless," he said.

He said globalisation merited serious thinking.

"We need to strategise our responses to major issues ranging from business globalisation and trade liberalisation to sustainable development, the knowledge-driven economy and socio-political concerns such as democracy, the rule of law and human rights."

Dr Mahathir is the only non-African leader attending SAID 2000.

Besides Dr Mahathir and the President of Mozambique, Joaquim Alberto Chissano, others participating in the three-day dialogue include President

Robert Mugabe of Zimbabwe and Prime Minister of Lesotho, Bethuel Pakilitha Mosisili. Businessmen, labour leaders and the media are also taking part.

Dr Mahathir said to equate globalisation with a guarantee of economic advancement was a gross oversimplification of the realities of international trade.

Despite the best intentions and the most progressive macro-economic policies of developing nations, better trade performance did not necessarily create better living standards, he said.

Given the international division of labour, where high priced goods are produced by the advanced nations and the production of low-value items are relegated to developing countries, the terms of trade for developing countries are almost unfavourable.

Even the benefits of trade liberalisation accrue to a "select and privileged group".

Dr Mahathir said the top fifth of the world's population in the richest countries enjoyed 82 per cent of the expanding export trade and 68 per cent of foreign direct investment - the bottom fifth only one per cent of export trade and FDI.

Between 1980 and 1996, only 33 countries managed to sustain three per cent annual growth. For 59 countries mainly in sub-Saharan Africa and Eastern Europe and the Commonwealth of Independent States, Gross National Product per capita had in fact declined.

And the gap between the rich North and the poor South is widening.

Twenty per cent of the world's population in the developed countries receive 82.7 per cent of the total world income, while 20 per cent of the world's population in the poorest countries receive only 1.4 per cent.

In view of this, Dr Mahathir said, developing countries must ask themselves where they wanted to go from there, what were the options open to them and what they intended to do about them.

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