

22/06/2000

Taking a peek at our success

Ahmad A. Talib in Cairo

EGYPTIAN intellectuals, civil servants, students and academic staff of the Cairo University took Datuk Seri Dr Mahathir Mohamad on in a question and answer session yesterday and were treated to the Prime Minister's frank assessment of issues facing the world today.

They raised questions pertaining to the effectiveness of the just-concluded G15 Summit in creating new initiatives to correct the North-South economic imbalances, the financial crisis which hit East Asian economies and whether there's any hope of reforms of the international financial structure.

Describing Dr Mahathir as a fresh voice of Asia, and one who challenges orthodox economic thinking and theories, they were particularly keen to know whether there was anything that Egypt could learn from the crisis, particularly from Malaysia's way of handling and overcoming the turmoil.

The Prime Minister may have given his views at home and abroad on a number of times, but the answers prompted positive responses from the Egyptian audience. His answer to the question of reforms in the international financial regime was plain and candid.

"If we want reforms in the international system, there must be support and involvement of big power, who are not prepared to acknowledge that the culprit in the disorders the East Asian economies faced were hedge fund operators.

"By short-selling foreign currencies, they eroded whatever wealth the developing countries in East Asia had accumulated. It's not likely there'll be reforms because the big power people were simply not prepared to stop the hedge fund operators," he said.

As to whether the G15 Summit had thought of new, concrete measures to counter the ugly side of globalisation, and that there appeared to be nothing new in the grouping's joint communique issued after the two-day meeting, the Prime Minister said that merely talking about the issue, which is the first step towards understanding the menace, was a positive move already.

"The G15 is a much smaller grouping, much smaller than the Non-Aligned Movement for instance. But we feel we have done much good. We have set up a data base on trade practices which we can use to improve our intra-G15 trade; we have put into use a system of payment known as the Bilateral Payment Arrangements (BPA); all these add up to a trade improvement of about 400 per cent.

"As for globalisation, well, not many people understand the full impact of globalisation. But now more people are beginning to talk about it, and I feel that the very fact more people are talking about it, there'll be greater understanding of it.

"But we need others to speak up as well. The G77, NAM, and others - they all must speak up against it."

Earlier in his speech at the university, where he was invited as a guest speaker by the campus' Centre for Asian Studies, Dr Mahathir had warned developing countries, in particular poor countries, to be wary of "absolute globalisation."

"Just as absolute freedom leads to anarchy, so too 'absolute globalisation' could lead to chaos, as demonstrated by the recent financial crisis. We must avoid the tyranny of 'free markets', where power comes not from the barrel of a gun, but from the cheque book.

"We do not subscribe to the view that market discipline is infallible, because markets have never been perfect and have a strong tendency to over-react and to be subjected to manipulations," he said.

The Prime Minister argued that industrial countries took more than 100 years to reach the present stage of their development before they proposed to adopt globalisation and liberalisation, adding that it would be unfair to expect developing countries to liberalise and do away with the protection of their borders at the same instant the developed countries do.

The propaganda machine of the West is good at making everyone feel guilty if they do not accept the new ideas and ideologies created by the rich to give them even more advantage over the poor.

Democracy, the free market, a world without borders, liberalism, labour rights and child labour, among others, have all been cooked up in the rich countries and then forced on the poor. They all sound great but somehow their acceptance by the poor invariably destabilise them and put them at the mercy of the rich, he said.

When told that Malaysia's way of overcoming the financial crisis was against orthodox economic thinking, and whether this could be adopted on a regional basis, the Prime Minister argued that different situations called for different responses.

The International Monetary Fund believed that there was one cure for all economic ills, which has been proven wrong.

"Hence, the Malaysian solution suited us best, which is why we took it. Furthermore, we have the internal strength to back it up, which explained why it worked."

The Egyptian Minister of Higher Education and State for Scientific Research, Dr Mofeed Shibab, the president of the university, Dr Nageeb Ghohar and the director for the centre, Dr Mohammad Al-Sayed Selim were also present at the talk.

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