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Advice dispensed with 'We know better' attitude

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SOME analysts appear to forget that the structure of power has changed in countries once colonised by Western powers. Thus it is that advice, more often than not unsolicited, is dispensed with a "We know better" attitude.

The swish of the colonial swagger cane comes to mind as one reads or hears some of the advice given. One such is the commentary by David Roche, chief strategist for Independent Strategy, after Philippine President Gloria Macapagal Arroyo's recent visit to Malaysia. Published in the South China Morning Post newspaper in Hong Kong with a picture of the President shaking hands with Prime Minister Datuk Seri Dr Mahathir Mohamad, it bore the heading: "Gloria considers bad fit".

Summarised then was Roche's personal account of why the Malaysia model is not right to resolve the economic problems of a Philippines steeped in cronyism and deficit government. Some excerpts:

"Alas, the President comes straight out of that mind over market school of the 1970s economic thought typified by the University of the Philippines... She is thinking about doing the Mahathir thing of closing the capital account and assuming she knows better than the market what the peso exchange rate should be. She may spend a lot of time on her knees, but her relationship with God is unlikely to give her the perfect knowledge the market does not possess."

One gains the impression that Roche would dearly love to see his living targets retreat with their tails between their legs. That President Arroyo runs a country of more than 70 million people with a host of problems poses no problems to some analysts.

In contrast on another tangent was the warning from Keith Whitson, chief executive of HSBC Holdings, that speculators were preparing to attack the currencies of the world's weakest economies. He declined to identify at-risk countries. Countries such as Thailand, Indonesia and Malaysia recall the ravages caused by hedge funds such as those led by George Soros, the financial manipulator. But no analysts advise them!

Advice of a different hue is given in regard to problems facing Indonesia in Indonesia in Transition: Social Aspects of Reformasi and Crisis published by the Institute of Southeast Asia Studies, Singapore. Contributors came from a number of countries, including Australia, England, Holland and Indonesia itself.

Mentioned by Professor J.A.C. Mackie from the Australian National University, Canberra, was the huge damage done to Indonesia's image by so many TV shots which gave "an utterly misleading" picture of the Indonesian people. Listed are four separate crises facing Indonesia:

- * The East Timor crisis then dominating the news headlines in Australia;
- * A looming crisis of national unity or territorial fragmentation, in which the threat implicit in Aceh's demands for a referendum on separation, analogous to East Timor's, is likely to prove far more serious and difficult to resolve than the loss of East Timor;
- * The crisis of democratisation and completion of the transition from the autocratic Suharto regime to one which will be more responsive and accountable to the people, in which the wealthy power brokers of the old regime (the now discredited "New Order") will not be able to make a comeback in some guise, and stymie the drive for effective and social reform; and,
- * The economic crisis of 1997-98, from which there has been little sign

of a lasting recovery so far, and some alarming indications of a possible turn for the worse.

Involved in more ways than one in the first crisis is Australia.

Surely of interest, especially to Muslims, is the commentary on the Indonesian reaction to a female President. At one stage ex-President Abdurrahman Wahid a.k.a. Gus Dur had attacked Megawati on sensitive issues, including her gender and what was said to be her lack of Islamic credentials.

Her ascent to the presidency of a nation with 210 million people, the fourth largest in the world, will now be watched by Muslims since it crosses the boundaries between politics and religion.

Meanwhile, close neighbour Singapore faces other issues as it prepares for the next election while slipping into recession. Once again Australia is involved as when media proprietor Kevin Stokes challenged Singapore's investments in Australia's telecommunications and airline industries by attacking Singapore's human rights record.

As quoted in The Australian newspaper, Stokes said: "The Government of Singapore and its corporations have a way of conducting business in Singapore that would not be acceptable to the majority of Australians."

Mentioned elsewhere - in a Hong Kong newspaper - were allegations by unnamed "leading defence specialists" that Singapore had been spying on Australia since 1981.

This was in relation to Singapore Telecommunications' (SingTel) plan to buy Australia's second largest telecommunications company, Cable and Wireless Optus. Singapore has since denied the allegations, and in the end its bid for Optus was approved by the Australian authorities.

To this must be added the analysis in a special report by the Singapore Ministry of Trade and Industry about serious implications for the island republic and a fragmented Asean, and of increased integration between China and Taiwan. The threat to Singapore is clear and present, according to a Singaporean analyst. Singapore's exports, especially electronics, are in danger of losing their competitiveness.

All of which reminds us of other factors not borne in mind by analysts who not only dispense advice but also admonish leaders of countries now sovereign and independent. They do well to remember that the swish of the colonial swagger cane is not tolerated.

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