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Dr M: United Asia can do more

Hardev Kaur in Shanghai

A UNITED Asia has a better chance of evolving into a more productive globalisation and the region can set the example of a productive, caring and compassionate globalisation, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

The region must work hard to establish an Asian Monetary System and work towards a stable Asian currency.

"We must cast off the traditional mindset of 'beggar thy neighbour' and put securely in its place the ethic of 'prosper thy neighbour'."

In proposing regional co-operation, Dr Mahathir said he saw very little hope for an effective global coalition that could work effectively for a more productive, compassionate and caring globalisation.

Addressing participants of the CEO Summit 2001, he said pragmatism and more independent thinking were needed to overcome the "truth deficit" on globalisation and to deal with "too little fact and too much self-serving fiction".

Putting it bluntly, he said: "If our friends elsewhere are not willing to help, they should not seek to hinder. If they cannot be part of the solution, they should get out of the way and not be part of the problem."

While Dr Mahathir did not specifically say so, during the East Asian financial crisis in 1997 attempts for self-help and for an Asian Monetary Fund were shot down by Washington and the International Monetary Fund. It was argued that the proposed AMF would undermine the Washington consensus and restructuring efforts of the IMF.

Regional self-help and co-operation are still needed in the face of a global slowdown and recession in the world's largest economy which is also a major market for many countries in East Asia.

Highlighting shortcomings of globalisation in his address on Globalisation with Common Development, Dr Mahathir said there was no doubt who the real winners of globalisation were - "the very rich and the very empowered (and therefore the very immediately competitive)."

The biggest losers were "the very poor and the very disempowered (those who haven't a ghost of a chance of competing with the best, the brightest, the most powerful and the most endowed in the world)."

"East Asia has benefited a great deal from some aspects of globalisation and also suffered a great deal from some other aspects (as it is promoted, practised and pressed upon us today). We must each work hard to improve the equation of costs and benefits.

"We must be prepared to quickly say 'yes' to certain forms of globalisation. And we must be prepared to say no, no and no when we must say no, no and no, guided always by the dictates of pragmatism.

"We must welcome advice. We must not tolerate dictation. We must seek truth from facts. We must do what works and abandon what no longer does."

The reality of the situation is that the progress needed in the years ahead "can only come from national action and individual initiative". He reminded the audience that "we did not fight to be free in order to learn to kowtow, indeed we have a duty to work for the benefit of our people and our future".

Stressing the importance of self-help, he said in the final analysis, people must understand that "the helping hand that every human being needs is the one at the end of his own right arm. God helps those who help themselves".

Hard work is required to improve the equation of costs and benefits. As education and knowledge are essential for competitiveness in a globalising world, Dr Mahathir stressed the need for "investment in the most important resource of our nations - our people".

Referring to openness and liberalisation, he admitted "it is true that if you open the window to let in fresh air, some flies will enter. We should leave the windows open".

"But if we open the window to let in the fresh air and packs of tigers and bears enter, perhaps we should open the windows on the second floor and keep those on the ground floor securely closed.

"We should do this even in the face of the most seductive assurances of the bears and tigers. We should do this even in the face of the strongest opposition from the bears and tigers."

Dr Mahathir told the packed hall that "we live in a world where the power of persuasion has too small a punch and where the persuasion of power packs too big a wallop. The rich and the powerful are in full command. They will concede what they must to get what they want. But they will yield little ground".

The Prime Minister cited figures showing a growing gap between the rich and poor and the concentration of wealth in the hands of a few. Quoting from The World Wealth Report by Merrill Lynch and CAP Gemini Ernst & Young, he said there were 7.2 million high net worth individuals last year. (High net worth individuals are defined as those with investible assets of at least US\$1 billion (RM3.8 billion), not counting real estate.)

Since 1986, the combined wealth of the world's high net worth individuals shot up three-fold by more than 375 per cent. In a good year such as 1999, total investible funds of these high net worth individuals grew by 18 per cent or US\$4,000 billion.

Last year, the seven million rich people had capital in their hands to invest which was 2.7 times the goods and services produced by the almost 280 million citizens of the United States.

By 2005 the wealth of the seven million high net worth individuals will be equivalent to four times the present gross domestic product of the United States, 36 times the present GDP of China and 82 times the present GDP of India.

These high net worth individuals are the biggest beneficiaries of globalisation. They also have the biggest vested interests in the freest flow and the fullest free play of global capital.

"If I had a billion US dollars, I suspect I too would be very committed to a fully globalised world without any barriers and without any constraints on what I can do with my money and how I can make even more money," Dr Mahathir said.

The second biggest beneficiaries of globalisation are the global corporations. Of the 100 largest economic entities in the world today, 51 are corporations and 49 are countries. The combined sales of the world's top 200 corporations exceed the combined GDP of the 182 nations and employ 18.8 million people.

"Given the mountain of money and the power that comes out of the almighty dollar, is it any surprise that global capitalism is in charge of the 'Washington consensus' of the IMF, of the World Bank, of the WTO (World Trade Organisation), of the wealthiest and most powerful nations of the world?" he asked.

"Is it any surprise that global capitalism is in charge of the evolution of globalisation as it is today promoted and practised?"

"And can it be any surprise that what we have seen are forms of globalisation that work very hard for the very rich, that don't work very hard for the interests of the poor and the very poor, that work without

any commitment or enthusiasm for the common development of the global community of mankind?"

Dr Mahathir said all thinkers must know that this present situation could not stand.

He asked: "How do we get better results for all? I am afraid I see very little hope for an effective global coalition that can work effectively for a more productive, compassionate and caring globalisation."