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Mahathir-Globalisation

GLOBALISATION NOT NECESSARILY DESTRUCTION OF BORDERS, SAYS DR MAHATHIR

By: Jamaluddin Muhammad

TOKYO, June 7 (Bernama) -- Datuk Seri Dr Mahathir Mohamad said today the objectives of globalisation can be achieved through selective lowering of borders and not necessarily the destruction of borders.

The prime minister said the world must admit that the difficulties and hassles about crossing borders stifle economic interaction, the free flow of expertise and wealth-creating capital.

"The answer is not necessarily the destruction of borders. We can achieve the same purpose by simply agreeing to lower the borders in parts, for capital to flow in, even to provide incentives for capital inflows," he said.

He said this in his inaugural speech on "Globalisation, Global Community and the United Nations" at the U Thant Distinguished Lecture Series at the United Nations University, here.

The lecture series is named after U Thant, the UN Secretary-General from 1961 to 1971 who proposed the establishment of the university.

Malaysia, he said, had all this while been lowering its border by encouraging capital inflow through incentives and reducing bureaucratic hassles as well as being business-friendly by catering to the needs of the investors as much as possible.

"We succeeded very well and we were enriched by the foreign capital inflows long before FDI became an acronym for Foreign Direct Investments. But we did not take down our borders completely. We did not find it necessary," he said.

As a result, domestic business was able to thrive and in time Malaysia was able to compete, to invest and to export its own indigenous products, earning better incomes for the country, he said.

Dr Mahathir said Malaysia benefited from the engines of growth provided by the rich countries and the rich benefited from the lower costs and the skills of Malaysian workers.

"It benefited everyone, this gentle and selective lowering of our border walls. And we could have gone on benefiting everyone with our way, our selective lowering of our borders," he said.

The prime Minister hit out at the advocates of a borderless world for being so discriminating by demanding borderlessness only for capital to flow in and out.

"If we are truly borderless, then people too should be able to flow in and out of countries freely. The millions of poor people in Africa, Asia and Latin America should be able to migrate to rich countries when they can contribute towards the lowering of costs while making hardly a dent in the pockets of the rich,"

"After all, the rich can make money in the poor countries, why cannot the poor make money in the rich countries? Isn't it fair?" he said.

He said in no way would globalisation permit a free flow of workers from one part of the globe to another.

"It is the same old double standards. Tails I win, heads you lose. Globalisation at this moment is not a win-win game. It is about the winners continuing to win and the losers continuing to lose," he said.

Dr Mahathir said: "But if globalisation now is so one-sided, cannot we make it less one-sided?"

He said the world could have globalisation without a totally free market, total deregularisation, the abdication of governments as the

overseer and the regulator.

The borders, he said, may be brought down so that the world could be more global.

"But we can be selective in terms of trade items, in terms of time, and in terms of scale. There is really no need to bring down borders for everything and everyone at a fixed time, nor should there be zero duty for everything.

"Yes, there are provisions for these in the World Trade Organisation (WTO) agreements but they are not good enough. The pressure is always to open up, to let capital in and out and to profit from capital movements rather than from long-term productive investments," he said.

The prime minister said globalisation had turned sour even before it had been tasted by the majority of the peoples and the countries of the world.

He said this was very unfortunate because it had held out so much hope for a better and more equitable world, a world free of poverty, a world of caring and sharing between rich and poor.

Globalisation currently meant that the governments must not only step back but must be completely deprived of any right or power to oversee the market, he said.

The market, it was claimed would regulate itself and, indeed, it would do more than that by disciplining governments, as what currency trader George Soros did to the economies of whole regions, he said.

He also questioned whether currency trading should be part of globalisation.

"We can still have world trade without the currency traders. Indeed we can still have world trade with fixed exchange rates," he said.

He said Malaysia, which fixed its exchange rate to counter the manipulations of the currency traders and to stop the slide of the country to bankruptcy, had indeed fully recovered.

On the UN, Dr Mahathir said, the WTO which was formed under it had become an instrument for forcing upon the world the policies of the rich, designed to enrich the rich further.

"The WTO is not about fair trade. It is about forcing down the throats of the unwilling, the ideas of the rich to help enrich themselves further. In the WTO, globalisation and the borderless world would not only be promoted but would be imposed.

"Until there is reform to the UN system, this primitive state of affairs is going to continue," he said.

-- BERNAMA

JM JK