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MAHATHIR-GOVERNMENT

GOVERNMENTS MUST STRENGTHEN CAPACITY, SAYS DR MAHATHIR

KUALA LUMPUR, Feb 26 (Bernama) -- Governments must strengthen their capacity to deal with the forces of corporations which are getting bigger than them, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"Already some of these corporations are bigger than most governments. If they become too big and too powerful, they are going to become arrogant and also corrupt," he said during a dialogue session at the International Conference on Globalisation here.

As such, he said, the governments should be given mandates to deal with these possibilities or the people will have to pay a very high cost.

Dr Mahathir said there should be a limit to the growth of corporations when they amalgamate, merge and acquire.

Otherwise, the world will see huge businesses with no ethics and morality except to make money for themselves, he explained.

The prime minister said this when asked on the role of the government in inculcating ethics and morality and whether the government was relevant to that process.

Dr Mahathir pointed out that corporations, in their quest to make profit, sometimes forget about the social and economic implications of their actions.

For instance, he said rogue currency traders look at figures when they make millions of US dollars although in the process, millions of people are thrown out of jobs and economies collapse.

"The role of the government is like a moderator for corporations to do business but not in such a way that they destroy the lives of other people," he added.

He said that although Malaysia started as a lone voice in its stand against absolute globalisation, today, others have echoed its call for a relook at the globalisation process.

At present there are people who say that globalisation should not run at its own course without any regulation, said Dr Mahathir.

On another note, he said while the recent Asian financial crisis showed that some Asian governments needed to reform, the crisis also revealed that more focus was needed to reform the international financial architecture (IFA).

But reforming the IFA would be a very difficult task since it involves "powerful people who don't respond to ideas from the less powerful people," said Dr Mahathir. -- BERNAMA

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