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`Be fair when formulating rules'

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PRIME Minister Datuk Seri Dr Mahathir Mohamad said there must be democracy in the formulation of international rules and laws on globalisation and liberalisation before they are imposed on the world.

He said the processes must be negotiated and adopted by all and not only for the rich to discuss among themselves in the "marbled negotiating rooms" in Geneva and to present it as fait accompli to the developing world.

"We should make it absolutely clear ... No liberalisation, no liberalisation without representation," he told delegates to the 10th Annual Asia Leadership Forum at the Putra World Trade Centre yesterday.

In his speech titled Globalisation and its impact on developing economies: The challenge, The response, Dr Mahathir stressed how important it was for developing economies to have the ability to think for themselves.

"I believe it is critically important for us to empower ourselves, to think for ourselves, to ensure that we have the will, the wit and the wherewithal to decide on our own destiny."

He admitted it would not be an easy task with the large majority of the developing countries already debt enslaved, under International Monetary Fund's rule or World Bank conditionalities, or dependent on foreign aid from developed countries.

However, on a more positive note, Dr Mahathir said the tide could be turned as history had shown.

The Prime Minister said globalisation must bring mutual benefit, especially on maximising the number of winners while minimising the losers.

Dr Mahathir said the United Nations' estimates on the world's income pointed to the concentration of wealth among the wealthiest.

"It estimates that the assets of the 200 richest people are more than the combined income of 41 per cent of the world's population. Just imagine, 200 people owning assets equal to the total wealth of 2.5 billion of their fellow creatures."

Dr Mahathir said the statistics showed the world needed a new globalisation that worked less "diligently in the service of the very wealthy and much harder in the service of the very poor".

The Prime Minister said the developing countries had to address several challenges in the globalisation era, among others the ability to seek the truth about the real benefits of globalisation and the creation of a more compassionate and caring world.

He said it was clear enough that globalisation should be an instrument for humanity's development and not the other way around.

However, Dr Mahathir cautioned developing countries against turning their back on the good of globalisation, adding doing so would be irrational.

Citing Malaysia as an example, he said several aspects of globalisation had been heaven sent, but felt it was important for developing nations to come to their own independent judgments about the system.

Later at a dialogue, responding to a question on foreign direct investment flow into Asia after China's entry into the World Trade Organisation, Dr Mahathir agreed changes would occur but the rest of the countries in the region had to learn to cope with it.

For example, he said, they could try attracting different types and areas of investment, even from China itself.

"There are things that China could not produce. Also, some investment will continue to go to other countries as they have certain assets and capabilities that China does not possess."

To a perception that some developing countries had managed to embrace globalisation quite well, Dr Mahathir replied that Malaysia had long accepted free trade as evident by how the country had developed rapidly since achieving independence, partly a result of foreign investment inflow.

"But of late, there is a change in the character where investors do not just want to invest but to dominate like in the electronics and automotive sectors, using their huge capital and research and facilities at their disposal.

"They want to compete with local industries which should not be given any protection by the Government."

On his 20 years in office, Dr Mahathir felt leaders needed to be given more time to run their countries.

"In my case, it took me two years to learn, two years to work things out and 10 years to see results of my work.

"If there too many changes, with the new leaders trying to show their hands in the Government and changing every policy introduced by their predecessors, we are not going to see anything at all but turmoil."

On Asia being dependent on Western technology, Dr Mahathir said in the future, with a borderless world, no regions would have any dominance on the production of ideas and inventions.

On the roles to be played by Asia in globalisation and liberalisation, he said developing countries could help in "slowing down" the rapid changes imposed on the world.

Using democracy as an example, he said the system was great and could be effective in one country but not necessarily so in another.

He felt Asian countries should not undertake changes overnight.