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Stay united or perish

THE alarm bells have sounded. Developing countries which fail to recognise and embrace the new information and communications technology (ICT) risk being left behind in the globalisation process. At the same time, those which ignore or treat lightly the ill-effects of globalisation will have their economies being subjugated to the dictates of the powerful developed countries.

Clearly, there are both opportunities and pitfalls for developing countries as globalisation gathers momentum. But they must take the initiative to seize the opportunities while arming themselves against the dangers that globalisation and ICT bring in their wake. However, if they want to effectively advance their interests in ICT and withstand the challenges against them, developing countries must stand united and speak with one voice, as Prime Minister Datuk Seri Dr Mahathir Mohamad said in his characteristic hard hitting speech at the G-15 Summit in Jakarta.

Individually, the weaker developing countries will be helpless in overcoming the odds stacked against them when they deal with the advanced countries but they will stand a better chance when they act collectively and pool their resources to fight for their common interest. The developed countries cannot ignore and brush aside the deliberations and resolutions of a gathering such as the G-15. They have to sit up and take notice.

The ICT revolution and the Internet have accelerated the globalisation process and will bring benefits. But the dangerous downside has already been exposed in the 1997-98 regional crisis when short-term speculators and hedge funds, relying on the speed and devices made possible by ICT, can create havoc to currency and stock markets with devastating effects on developing economies. The inherent danger is still lurking in the international financial system.

It is therefore significant that the G-15 is taking on a more pro-active role in the reform process of the international financial architecture. It is gratifying that Malaysia, which has been on the forefront in the fight against the injustices of the current international financial system, has been given the task of convening a meeting of G-15 experts in the next few months on the financial reform process.

Globalisation and liberalisation should in principle benefit all nations, regardless of whether they are strong or weak, but the harsh reality is that there is no level playing field, even in the rules hatched by the World Trade Organisation. In practice, the developed countries can bend the rules in their favour. As Dr Mahathir says, developing countries have been unable to overcome the inequitable and declining terms of trade against that of developed countries.

Yet, these countries continue to push the developing states to further liberalise their trade regardless of whether or not their economies are ready or able to cope with the process.

As they are much stronger economically, financially and technologically, the advanced countries can browbeat the weaker developing countries into complying with their demands, particularly if they do not stand together and fight back collectively.

We must accept the fact that the industrialised countries will not willingly help the poorer countries because it is not in their interest to do so. A developing country striving to advance should expect a lot of obstacles in its path, sometimes placed there deliberately by the

developed states.

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