

# Dr M reaffirms our stand on global economic order

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MALAYSIA has reaffirmed its stand that all countries should be consulted in the interpretation and formulation of a global economic order.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who made this call at a forum of Russian and Malaysian businessmen yesterday, said this is to ensure that the poor, developing countries can benefit from the fruits of globalisation.

Malaysia is not against globalisation but wants to see the process of liberalisation and globalisation benefit businesses and citizens, especially in the developing world, he added.

"There is no need for greed as the world is extremely rich in both natural and human resources. Morality must temper our desire to acquire more for ourselves," he said.

Both developing and developed countries have a collective responsibility in addressing the issue of development and globalisation.

In his keynote address on *Globalisation Towards A Fair and Prosperous World*, Dr Mahathir said to be able to manage the pace and direction of liberalisation and globalisation, developing countries must be allowed to effectively participate in decision making process in all international institutions.

In addition, international institutions must have the mechanisms to allow the views of all to be heard. He said the WTO-related meeting in Genoa, Italy, demonstrated the need to involve all relevant parties in the decision making process.

The existing international infrastructure is inadequate to deal effectively with developmental problems and crises.

The international institutional machinery, comprising the United Nations, the IMF and the World Bank, have not been able to cope with the challenges confronting the developing world.

This has been clearly demonstrated during the Asian financial crisis.

Addressing the 350 captains of industry from Malaysia and Russia who earlier attended the Malaysian-Russian Business and Technology Forum, he said even the best managed economies could run into deep trouble, adding that the poorer countries could not afford recessions.

"We believe we can contribute towards avoiding recessions. Therefore our views should be taken seriously in the formulation of the international financial and economic systems," he said.

Dr Mahathir pointed out that while some countries had adjusted and benefited from the liberalisation and globalisation process, many, because of their low level of development, have not managed to get a share in the benefits of globalisation.

In the present environment, capital flows have been channelled to where the returns are highest, and not where capital is most urgently needed to uplift the level of development.

This, the Prime Minister said, was the natural consequence of relying on market forces. "The bottom line is what counts."

There is no doubt that globalisation, if properly interpreted and practiced, can result in a more equitable world order where wealth is more evenly distributed between the rich and poor. Badly interpreted it can destroy the poor especially, and by extension stifle the growth of the rich.

But there are already signs that globalisation is becoming a religion that tolerates no heresy. This is unfortunate as globalisation, if properly interpreted and regulated, can bring about a great deal of wealth and benefit to the world, rich as well as the poor.

"The important thing is to focus on the results rather than the dogma. If the results are good than by all means implement it, but if the results are bad for anyone, then globalisation must be reinterpreted and modified until the expected results are achieved."

Dr Mahathir told the business leaders that many developing countries had, on their own, undertaken liberalisation measures by opening their markets to trade and investment, evolving their institutional and regulatory systems, orienting their economies to external challenges and eventually accepting globalisation, in the hope of benefiting from the opportunities afforded by the process.

These developments have occurred against a backdrop of changes over "which we have little control ... We are not certain we can deal with this new complex environment, which changes even as we try to adjust to them. And because we are not so competent in dealing with these, our developments have been and will be affected adversely."

Even though the path of development has never been easy even at the best of times, despite the concerted efforts, inequality between the developed and developing countries is rising, with continued high levels of poverty and unequal and inequitable benefits from globalisation.

Currently one in five of the world's people still live in abject poverty and Dr Mahathir said "tackling this is the greatest moral challenge facing our generation."

The United Nations has set a target of the year 2015 to halve the number of people living in extreme poverty.

Governments, the private sector and wider civil society need to cooperate particularly closely on a major threat to development and the reduction of poverty in developing countries: the HIV/AIDS epidemic.

"This means pursuing effective disease prevention programmes, investing in the search for new medication, making these treatments more affordable, and improving health care delivery.

"Poor governments cannot do this if the rich think only of returns on investments," he said.