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Japan must show the way

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JAPAN must lead East Asian nations in facing the onslaught of globalisation and the prevailing threat of free trade, said Datuk Seri Dr Mahathir Mohamad.

The Prime Minister said that Japan should also resume its own ways of handling its economic shortfalls and management system rather than applying measures recommended by others with no understanding of its culture and values.

Elaborating extensively on how the Land of the Rising Sun was a role model for East Asians even before Malaysia adopted the Look East policy 20 years ago, Dr Mahathir said Japan's leadership was vital in the wake of globalisation and the so-called free trade which discriminated against small and developing countries.

"Globalisation needs to be handled properly.

"So far, there is little input from East Asian countries.

"If there is, the world does not take heed. The East Asians are not working together. They need to work together and they need leadership.

"And the challenge for Japan is to take on the leadership role," Dr Mahathir said in his address titled Look East Policy - The Challenges for Japan in a Globalised World.

Dr Mahathir was delivering his keynote address at the seminar on the 20th anniversary of the Look East Policy - Future Relationship Between Japan and Malaysia - yesterday.

Speaking before senior Japanese and Malaysian Government officials, corporate leaders, academicians and members of the Japanese public at the Okura Hotel, he said that Japan must choose to lead in its own proven ways and not merely follow others who had lost their senses.

Touching on Japan's evident desire to westernise its system, he said that while it was understandable for the Japanese to do so, the end results would not necessarily be favourable for the nation which has a proven track record.

"When systems are suddenly changed, even if it is for the better, there will be severe disruptions.

"It is far better to stick to the system which worked. And the Japanese system has worked very well for the Japanese.

"It has enabled Japan to recover rapidly from the destruction wrought by the war and it has made Japan the second most powerful economy in the world. It may not be the Western way, but it cannot be all wrong if it can achieve so much.

"If you must change, then change slowly to avoid too much disruptions," Dr Mahathir said in his address which drew constant applause from the floor.

He stressed that Asians would rather learn from Japan's success, like in the past, rather than learning from its costly mistakes, adding that Japanese corporations which were expanding to the envy of many were in a difficult position now after Japan decided to westernise its business practices.

Citing the concept of Japan Incorporated which was regarded by free traders and certain international institutions as some kind of cronyism involving the Government and the private sector, he said that Malaysia saw nothing wrong in the close collaboration between the Government and the private sector.

This happened in the West also and when LTCM (Long-Term Capital Management) failed, the (US) Government moved in to bail it out, he said.

"We in Malaysia believe that it is right for the Government to help the private sector, not to cheat of course, but to overcome bureaucratic bottlenecks which often result in unnecessary losses by the businesses.

"The Japanese people as a whole must wake up and appreciate that the (economic) disaster that you face now is of your own making. Just as your post-war recovery was through your own way, you can recover now by your own way."

He said he was not trying to dictate or tell Japan what to do, but was merely imparting his sincere views for the benefit of Japan and the East Asian nations that it should lead in facing the onslaught of globalisation.

"I am not trying to advise you but these are critical times," he said.

Dr Mahathir said that Malaysia had identified patriotism, discipline, good work ethics, competent management system and, above all, the close co-operation between the Government and the private sector as factors which had contributed towards Japan's success.

The Malaysian Government adopted and tried to inculcate such practices and culture in its people and succeeded to the extent that it had made better progress than most developing countries, he added.

Dr Mahathir also said that Malaysia was not against the idea of globalisation, but was against the form of globalisation which only served the rich free traders and provided no breathing space for the poor and the developing nations.

Thus, he said, Japan had an important role to play in the wake of globalisation, for the common benefit of all East Asian nations.