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Mahathir-Globalisation

REGULATED GLOBALISATION PROPOSED FOR THE FUTURE

By: Salmly Hashim

NEW YORK, Feb 4 (Bernama) -- "Regulated globalisation" -- one that is not absolutely free nor purely market driven -- can still be compatible with today's concept of globalisation, Prime Minister Datuk Seri Dr Mahathir Mohamad said here Sunday.

The kind of globalisation promoted by the rich western countries had not convinced Asia that this was the answer to economic ills or the "vitamin" for economic growth, he said at the World Economic Forum's Asia Networking Dinner.

He cited the example of the economic devastation experienced by East Asian countries as a result of unchecked globalisation which was precipitated by the free inflow of capital that had brought unprecedented growth, but later followed by the free exit of capital that had caused some countries to go bankrupt.

He said the challenge for Asia was to influence the thinking on globalisation, to reshape it, to reduce the chances of it going awry and destroying economies and countries.

"There is nothing sacred about the present concept of globalisation that it cannot be changed, radically if necessary, so that it will pose less danger to those accepting and practising it," he said.

Dr Mahathir is in New York to participate in the five-day annual World Economic Forum attended by some 2,700 participants from 106 countries.

"Free trade is not synonymous with globalisation. If we have to regulate trade in order to benefit from globalisation, why not?" Dr Mahathir said in his speech on "Globalisation: Challenges and Impact on Asia."

He said that in business, fair competition could only be between entities of fairly equal strength because level playing fields were not enough.

"The contestants must be evenly matched. If we cannot match them then give them handicaps," he said referring to the world of golf where "handicaps" are unlikely to be abolished.

While East Asian countries are recovering from its slump, countries like Argentina are not so lucky. "Sovereign loans are not so safe after all as countries can go bankrupt when the IMF (International Monetary Fund) imposes its policies," Dr Mahathir said.

Even big western corporations could not escape the failure of globalisation as experienced by LTCM, the US-based hedge fund, and Enron, the energy giant that went bankrupt, he said.

"Indeed, the bigger they are, the harder they fall, dragging down everyone with them," he added.

He cautioned the west that "the world is likely to fail to recover," if it continued to impose its own version of globalisation on the rest of the world.

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