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Development and the Group of Eight

THE Prime Minister believes that the Group of Eight dialogue with the developing nations is a step in the right direction because it shows that rich countries are willing to listen and pay attention to the views of developing countries. At a time when the members of G8 are on barely speaking terms with each other because of the rift over Iraq, this takes on added significance.

The host of the G8 Evian Summit, President Jacques Chirac, who initiated the "enlarged dialogue", said that if globalisation is to be beneficial, "it is critical for everyone to have a seat at the table and take part in discussions". President George Bush has promised RM57 billion to fight HIV/AIDS. It is to be hoped this will not be the only crumb from this rich men's table, and that the developing countries in the "enlarged dialogue" are not treated as supplicants who have been invited to plead their case.

Rather than plead its case that it did not need further financial liberalisation, or the IMF prescription of high interest rates and tight monetary and fiscal policies, Malaysia asserted its right to economic self-determination and adopted capital controls of its choice to fight the 1997 financial crisis. Now that the IMF has acknowledged Malaysia's financial management as a model to be emulated, it is about time that the fund showed it has listened and paid attention to Malaysia's view that the global financial architecture needs to be reformed by initiating, for example, international regulations to control the activities of hedge funds, currency markets, and the derivatives trade.

The G8 should also listen and pay attention to Datuk Seri Dr Mahathir Mohamad's concern that the development agenda in the WTO rounds has been hijacked and the plight of the poor and emerging economies ignored because the focus has been on opening up their markets rather than on development. To develop a global partnership for development - Goal Eight of the UN Millennium Development Goals adopted in September 2000 - requires true dialogue and real understanding of the needs of developing countries by the G8. To broaden its remit, perhaps China should be enlisted as a member.