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Eve of a new dawn

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LONG before Marco Polo got an audience with the great Kublai Khan in the 14th century and discovered what the emperor's country had to offer, the Chinese were already known as excellent, formidable traders.

Any Malaysian who has studied history would have come across stories about the saudagar and pedagang Cina who, like the famous Venetian, sailed

across the oceans bearing shipments of jade, porcelain, silk and ivory.

Many of these seafarers would later settle down in foreign lands and continue to hone their innate skills, flourishing in the business of buying and selling goods, as their ancestors did for centuries.

But now the tide is changing.

Australian business analyst and best-selling author Michael Backman says

that a shift is taking place, one that could see the much beaten track of

the Silk Road - built by the Han Dynasty in 130 BC to promote trade with the West - coming to a metaphorical end.

The millennium is said to be cradling a different breed of merchants.

A

new era is emerging. Another race is poised to take over the long-held reigns of trade from the ethnic Chinese.

The dawn of the Indians, says Backman, has arrived.

And the new big deal of the century is information technology which, Backman says, is like second nature to Indians.

"The Indian century has arrived," quotes Backman from his new book Big in Asia which, among other subjects, discusses this topic at length.

"For years, the overseas Chinese dominated trade and business. And this

particular race has been disproportionately successful. Its impact on the

industry has been greater due to binding Chinese ties across many borders," explains Backman in a recent interview, just before giving a talk at the Malaysian Institute of Economic Research.

But while the Chinese have always been adept at trading in tangible items and manufactured goods, Backman, 35, says they are less savvy when dealing with the abstract, like services, and when using the Internet, a tool that could help them forge ahead in business.

"The Chinese are not as strong or well-equipped as the Indians in what Malaysians call the Knowledge Economy. Because of this, they are about to

lose out. It is the result of a traditional structure, a historical preference of a race for trading in tangible products."

Backman adds that while the Chinese have preferred to set up their own companies and employ their children and relatives to work for the family enterprise, Indians, on the other hand, have been happy to be employees.

This, apparently, has worked to the latter's advantage.

"Generally, the Chinese have never been civil servants unlike the Indians, who have always favoured this. Through the years, they have

acquired and developed new skills.

"While the Chinese have continued to stick with tradition, thus remaining stagnant, the Indians have grown to become professional managers in their respective fields.

"Take a scenario like the Silicon Valley in the United States, where almost half of the workers are Indians. You can more or less deduce the amount of knowledge they've picked up from being in this industry; how much they have benefited by just being employees.

"The Indians are like guns for hire ... glad to be working for someone else for a fee, but always learning something that would benefit them at the end of the day.

"Coupled with the fact that, like the Chinese, they are also everywhere in the world, and that they have a much better command of English, these all add up to become strong push factors assisting Indians in this 'transition'," explains Backman.

But what of the Malays and their prospects for the future?

"The Malays are a gentle people," says Backman. "They are civil and kind. Your Prime Minister Datuk Seri Dr Mahathir Mohamad has been very important for the Malay community. He has provided them with self confidence.

"Malaysia Boleh, Malays Boleh. But please also understand that life is not just about business, the successes and debacles."

As for the country, he continues: "Malaysia is the star of this region."

Backman, who regularly contributes articles to the International Herald Tribune, points out that the country's remedial efforts in the wake of the Asian financial crisis have worked well.

"The banks were fixed up very quickly. The mergers are good. The financial institutions are now much stronger with bigger capitalisation. The aggregate in the finance sector has also been quite impressive. The peg, at RM3.80 to US\$1, in 1998 was timely, a good move.

"The work that has been done at the Kuala Lumpur Stock Exchange is exemplary. There is more transparency, less favouritism. The suspension and delisting of counters show the seriousness of the Government in handling real problems. The reforms and restructuring processes are admirable.

"All of this lends investors outside and inside more confidence. It augurs well for the country," he says.

Backman disagrees with negative media reports from the West, saying that Malaysia is a modern and sophisticated country that offers a conducive environment for investors.

"The infrastructure is excellent. The country is politically stable. The society is harmonious. The place is safe, clean and offers a pleasant lifestyle for expatriates.

"The civil service here is among the best in Asia. It is relatively free from corruption. Enforcement of the law is really outstanding compared to

some of its neighbours..."

Backman pauses. Then he earnestly adds: "But what's really sad is that the country's own people don't realise it enough!"

When compared to Singapore, he says, Malaysians should realise that this country offers better value for money as the cost of living here is lower.

"The media here is also competitive and a lot more dynamic. This is essential for any modern country. Politics is more pluralistic in Malaysia."

As for countering bad, unfair or biased Press from abroad, Backman says the Government has to improve its public relations campaign. "I think this is where the major failing of your country lies. There is also insufficient explanation of the country's policies and decision-making process. This usually results in talk and gossip about the lack of transparency.

"The Malaysian story is a good story that has come out of a multi-ethnic society. Dr Mahathir has done a wonderful job in forging a sophisticated, extraordinary, outstanding country. He is a good example of a great leader. He has world presence. He is articulate, intelligent and politically astute.

"Islam has been corrupted by political issues and by the intransigent stance of the Palestinians and Israelis but Dr Mahathir is showing the real Islam to the world. He is a reformer with moderate Islamic views for a contemporary society. Malaysia has benefited much from this.

"Now, it seems like the Islam that's being practised by the Malays is actually purer than in the Middle East. Malaysians talk of co-operation, not confrontation. Dr Mahathir has shown that you can be both a Muslim and a reformer at the same time."

Backman adds that Islamic business networks seem to have flourished in Malaysia, making it a model for other Islamic countries.

The author's last book, *Asian Eclipse: Exposing the Dark Side of Business*, largely predicted the economic downturn that affected the region about five years ago and went against the prevailing sentiment about Asia's economic prospects.

Thankfully, his new book is entitled *Big in Asia!* - had the Italian merchant been alive today, this would have been a good reference book he'd have gladly bought.

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