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## Sharing prosper thy neighbour policy with Iraq

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THE International Monetary Fund (IMF) has invited Malaysia for discussions on the reconstruction of post-war Iraq. This is not the first time that Malaysia, a developing country, will be lending its expertise and experience to a war-torn country.

Malaysia has undertaken reconstruction, offered financial assistance, helped with technology transfer, devised and adopted novel ways to generate and increase bilateral and multilateral trade and provided the tools for citizens in many poor countries to help themselves.

It has shown the world that there are alternatives to solutions offered by the developed world, Washington Consensus and multilateral institutions.

In post-war situations, Malaysia has been active in Sarajevo, Bosnia and Afghanistan. Malaysian companies are active in a number of developing countries including South Africa, Nigeria, Vietnam, Cambodia and Sudan.

Individuals have also been active in many crisis-hit and poor countries to offer their specialised expertise.

Malaysia has been providing assistance to developing countries on a bilateral basis since the 1960s.

The training, study visits, attachment, dispatch of experts and provision of technical assistance were consolidated under the Malaysian Technical Co-operation Programme (MTCP) launched in 1980.

It has been sustained, expanded and pushed by Prime Minister Datuk Seri Dr Mahathir Mohamad with companies and individuals urged to take on the challenge of helping some of the poorest countries in the world.

Petronas is an example of a company from a developing country that has extended its reach far and wide.

It has achieved recognition on the world stage and is ranked among the Fortune Global 500. While it is involved in the oil industry, it also provides technology transfer and helps with education in some 25 countries worldwide where it operates.

Companies like IJM, Bumi Highway, Kumpulan Guthrie, Sime Darby and YTL are involved in construction of low-cost housing, infrastructure, roads, highways, plantations and power in Third World countries.

Then there are individuals and non-governmental organisations including Malaysian Medical Relief Society (Mercy Malaysia), which provide medical and humanitarian aid. Mercy Malaysia has helped people in Kosovo, Albania, Afghanistan and Bosnia.

It has provided medical and food relief to Maluku, Indonesia, and to earthquake victims in Gujarat, India. It signed a memorandum of understanding with the Qatar Red Crescent Society - a move which will make way for Mercy Malaysia to offer disaster relief to the Palestinians.

Malaysian expertise in economic development and financial management is highly sought after in developing countries. To cater to some of these needs, individuals such as Datuk J. Jegathesan spent time in several African countries helping to set up organisations similar to the Malaysian Industrial Development Authority (Mida).

Datuk Dr Jaafar Ahmad, who was the first non-British central banker in Namibia, helped train locals to take over the job from him.

Datuk Azman Yahya of Danaharta and Dr K. Govindan of the National Economic Action Council were in Argentina to study the situation and seek possible solutions to Buenos Aires' financial problems.

The IMF remedies have not worked in the past and the present situation in Argentina shows that they are not working.

Malaysia's enlightened prosper thy neighbour and win-win approach has been adopted as a policy. Kuala Lumpur has also devised and instituted other novel measures to help poor countries to help themselves. While developed countries continue to preach "trade, not aid" Malaysia drew up a practical scheme which enabled poor and emerging countries to trade.

The Bilateral Payment Arrangement (BPA), for example, helped increase bilateral trade among developing members of the G-15. Malaysia has concluded such agreements with over 30 countries, especially those facing foreign exchange difficulties.

The scheme fosters closer economic and banking relationships among G-15 countries, eliminates the exchange risk and the risk of non-payment, enhances confidence for exporters and ensures importers have easier access to banking facilities.

To make the scheme more versatile and acceptable to the Muslim world, Malaysia has proposed the use of the gold dinar as a substitute currency for international trade.

Malaysia's contribution to the world community, and especially in developing countries, has certainly been recognised. Now the IMF has approached Malaysia for discussions on Iraq's reconstruction.

It is a significant move as Malaysia was criticised by the multilateral institution for its policies during the 1997-1998 financial crisis. Now, according to Second Finance Minister Datuk Jamaludin Jarjis, "Malaysia has been invited to explain the programmes and approaches it implemented to overcome the economic downturn without seeking financial aid from IMF".

Malaysia, besides China, is the only developing country invited for the talks. It is also the only Muslim country as others invited include the US, Britain, France, Germany, Japan and Russia.

Kuala Lumpur's self help and unorthodox methods have shown the world that there are other alternatives.

For example, the selective capital controls that Malaysia resorted to were certainly unorthodox and as some analysts and observers believed "violated one of the most sacred canons of economic orthodoxy". But they worked better than the orthodox cookie-cutter remedies dished out by the IMF.

By taking a different route Malaysia has done the world and financial markets a favour by drawing attention to the shortcomings and unsuitable remedies imposed on the poor and the unsuspecting.

Malaysia's experience is more relevant to developing countries as the policies adopted by the rich and developed countries are not always applicable to today's ever changing world economic, political and social scenario.

More importantly, the Islamic and multi-ethnic dimension in Iraq will have to be dealt with sensitively. This is where Malaysia's experience as a moderate, modern, developed and respected Muslim state and a successful multi-racial, multi-ethnic, multi-religious democracy will be useful for any discussion on reconstruction of Iraq with its Arab, Kurds, Turkmen and Assyrian population.