

## GLOBALISATION: SENSE AND NONSENSE

### Talking Points

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There is a lot of sense being propagated about globalisation.

- FDI can be wonderful.
- There is a lot of magic in the marketplace.
- Liberalisation can be extremely critical to ensure competitiveness, efficiency and productivity
- Opening borders, like opening minds can perform miracles.

On the other hand, there is a lot of baloney about globalisation :  
GLOBALONEY.

Causes: failure or inability to define  
Political propaganda/ theology

I will focus on ECONOMIC globalisation

- Not media globalisation... CNN
- Or cultural globalisation... hollywoodization  
or technological globalisation  
or environmental globalisation  
or crime globalisation  
or security globalisation, etc.

I will concentrate on three conventional wisdoms about globalisation  
which lie at the core of GLOBALONEY and 3 facts about globalisation  
which I put on the "SENSE" side of the ledger.

### ON THE NONSENSE SIDE OF THE GLOBALISATION LEDGER. 3 CORE ASSERTIONS OF GLOBALISATION THEOLOGY:

- 1) "Globalisation" is a new phenomenon which the world has never seen before.
- 2) "Globalisation" is good for everybody.
- 3) "Globalisation" is inevitable.... Note the identical arguments on "Socialism" a century ago.

The fact is that globalisation is not novel. There are winners and losers. Some win big and some lose big. And economic globalisation certainly is far from inevitable.

ON THE SENSE SIDE OF THE GLOVBALISATION LEDGER.  
3 FACTS ON GLOBALISATION:

- 1) All the great believers in, propagandists, and high priests of globalisation believe only in **SELECTIVE GLOBALISATION**.... The globalisation of areas where they or their cause or their paymasters will secure selfish benefit.

They all believe in *only 3 fundamental economic freedoms*:

- Freedom of trade.
- Freedom of corporate direct investment.
- Freedom of capital/financial flows.

NO NO NO NO to freedom of labour flows.....why not?

- 2) There is a **LAW OF DIMINISHING RETURNS**.  
This is of particular relevance to Malaysia.

- 3) There is the fact of **ASYMETRICAL STRUCTURES**.

The biggest winners of the freedom to trade (globally, unfettered, across borders) are those who have competitive exports.

The biggest winners of the freedom to invest in production platforms (globally, unfettered, across borders) are transnational corporations (TNCs).

The biggest winners of the freedom of capital/financial flows (globally, unfettered, across borders) are high net worth individuals and capital-rich institutions.

GIVEN THESE REALITIES, HOW SHOULD MALAYSIA RESPOND?

**FOUR STRATEGIC IMPERATIVES: THE 4 Rs**

1. **Readiness.** Ensure early warning system, ensure proper sequencing, don't be a dumbo.
2. **Rationality.** Minimise the costs and disbenefits. Maximise the gains and the benefits.
3. **Representation.** Fight to ensure representation. No globalisation without representation.
4. **Self DeteRmination.** Malaysia must decide for Malaysia.

**FOUR TACTICAL PRINCIPLES**

1. **The principle of pragmatism.** Non ideological, non theological. Fast on our feet. Do what works and what catches the mice.
2. **The principle of statecraft.** Be cunning and crafty. We must be world class practitioners in non-tariff and non-conventional resistance and defence.
3. **The principle of united front.** Build alliances.
4. **The principle of national interest.**