

THE SECOND SOUTHERN AFRICA INTERNATIONAL DIALOGUE ON SMART PARTNERSHIP

SWAKOPMUND, NAMIBIA, 28 JULY 1998

At the first Southern Africa International Dialogue, I spoke of globalisation, its inevitability and its challenges. I spoke of the possible social and economic injustice that can result from unfettered globalisation where the interest of the strongest reigns supreme. Finally, I spoke of the need for developing nations to present a united front and to form smart partnerships to face these challenges. This need has become very acute for the developing world is now under siege.

2. When I said all those things at the first Southern Africa International Dialogue I had no inkling of the economic catastrophe that was soon to befall my country and the other countries of prosperous dynamic Southeast Asia. I had every faith in the milk of human kindness, in the belief that in this day and age the exploitation of the poor by the rich is a thing of the past and our modern civilisation would not allow it to come back. Now I know otherwise.

3. I am not a racist nor am I anti-white or anti-European but I cannot help but notice that ethnic Europeans have an infinite capacity to convince themselves that whatever it is they may be doing at the moment is right, is proper, is just. Thus when they were colonising us, exploiting our wealth in Asia, Africa and the Americas, even warring and killing us, they were able to convince themselves that it was a burden imposed on them by God, a cross that they must bear for what they were doing was to civilise the natives and to bring culture and religions to them. They called it the White Man's burden. If in the process the natives were oppressed it was incidental and quite unavoidable.

4. In their own countries their capitalists exploited the working classes. They believed it was right because they were using their capital and their industries to create jobs for the miserably poor. The working classes knew no better. Left to themselves they would starve or resort to crimes.

5. Their working classes revolted, and influenced by economic and political theories, they adopted Socialist and Communist ideologies. Again they were convinced completely of the justice and the righteousness of their ideologies. And being convinced they were prepared to fight and kill in order to achieve their objectives. The hated Capitalists were exterminated in order to set up Communist republics of the workers. Elsewhere the Socialists banded together, initiated strikes, disrupted the Capitalist economies, set up workers and Socialist parties and grabbed power. In Germany the infamous Nazis, or National Socialist, used terrorism in order to seize power and set up a dictatorship, completely convinced that Aryan domination of the world was their destiny.

6. The Communist and the Socialists were absolutely convinced that they had the formula for human salvation. What could be more fair and just than to give everyone an equal share of the wealth of the nation? If in the course of doing so people were killed or oppressed or otherwise terrorised, that could not be helped.

The main thing was that their way and objectives were right.

7. And so country after country were forced in one way or another to choose between socialism or Communism or Capitalism, all of which were perfect and God-given. Millions were killed in the process, wealth was destroyed, whole populations were enslaved, all because a minority was convinced of the superiority of the ideologies they believed in and the ultimate heaven for the people which they were going to create.

8. When they could not conquer they subverted the people by spreading their ideology. Even as the Capitalists ruled their colonies with an iron hand, the Communists and the Socialists promoted the supremacy of the state and its need to own all the means of production in order to spread the wealth of the nation. And many of us were convinced. In the early years of our independence we nationalised everything, frequently seizing the properties and enterprises of the rich. Then we messed up everything with our inexperience and our wealth was destroyed. Far from becoming rich egalitarian states, we became poor and indebted to foreign agencies and banks. Soon we were working merely to service these loans.

9. In the meantime the Communists and the Socialists of Europe were having second thoughts. After 70 years they finally decided their Socialism and Communism did not deliver the promises that they had made. Having convinced themselves that these ideologies were wrong they abandoned them. And the poor Asian and African countries which had been converted to Socialism and Communism were left stranded with massive poverty, huge debts and Governments which were not only inefficient but oppressive.

10. While the Communists and the Socialists were gaining ground in Europe, the Capitalists were making judicious adjustments in order to survive. They curbed their greed and put on a friendlier face. They accommodated their workers, allowing them to unionise, to strike and to form political parties. They increased the pay packets and the social benefits. They renamed capitalism 'market economies'. And so they not only survived but they prospered as well.

11. The collapse of the Communist bloc deprived the poor countries of the option to defect to the other side. Now there is only capitalism. The need for a friendly face for capitalism is no longer there. And so capitalism, baleful unmitigated capitalism is free to do what it likes.

12. But their countries have become too small for the capitalists and the huge capital they had amassed or invented. They need a bigger arena. They need the world for the maximum deployment of their capital. Borders which divide countries are barriers to their acquisitiveness and unlimited greed.

13. And so borders must be done away with. Why should there be borders in a world of instant communication and high-speed travel? There must be just one world for capital to operate in. Capital must be free to go anywhere regardless of borders.

14. Again the justification for this convinced them. Capital would enrich the poor countries through investments and financial skills. Best of all capital would enable the best goods and services to be universally available at the lowest cost. The efficiency of the developed world would flow into the developing world, to create a better and richer society.

15. The developed ethnic-European countries were convinced that they were actually doing the developing Asian and African countries a favour. It was the white man' s burden all over again, only this time no gunboats. Money does a better job.

16. Malaysia and the countries of East Asia had developed fast after gaining independence. Instead of accepting wholesale the system and the ideologies of the West we had devised our own system and maintained what we consider our Asian values. We accept democracy, but not the liberal democracy of the West. We are relatively open.

17. Our Governments may not be the cleanest and the most incorruptible in the world, but we do care for our people and our country enough to work hard to develop and to progress, to industrialise and to build prosperous economies. In less than half a century we had converted our agrarian nations of poor peasants into fairly sophisticated industrialised economies. Our people were reasonably well-off, were employed and our poverty was reduced to a bare minimum. We believed that we could eventually join the privileged group of developed countries.

18. Then suddenly came disaster, not due to any natural catastrophe, not due to our doing something different, not revolution or civil war or invasion by our neighbours. The disaster that came was in the simple form of currency devaluation against the US Dollar. The result was to impoverish us. Malaysia had a per capita income of US\$5000 before. A 70 per cent devaluation reduced the per capita to US\$1500. The per capita and the GDP of some other countries of East Asia are even worse.

19. But the currency is not the only target for attacks. The share markets are also attacked. Share prices tumbled, in some cases by 90 percent, rendering companies incapable of paying debts or operating normally. Profits were greatly reduced or losses sustained.

20. The Governments which depended on corporate taxes to finance administration and development are finding themselves bereft of funds. Social and political unrest explode and Governments either become ineffective or are overthrown.

21. We are told that all these things are happening because our Governments are corrupt and our countries are badly run. Considering that we have been able to develop and prosper our countries remarkably well, this accusation seems strange. If we were badly run, surely we would not have prospered, surely we would have suffered devaluation long ago.

22. But the Western media insisted again and again that the economic turmoil we are experiencing is our own doing. We are told it is no good blaming others. We, our Governments are to be blamed for we are not transparent, we practise crony-capitalism and nepotism. Now market forces have come to discipline us, to teach us how to run our countries properly.

23. Who are the market forces? Certainly they are not the locals. These market forces are foreign, located in some countries where they cannot be seen. Taking advantage of their ability to breach borders with their capital, they are able to devalue currencies at will. And when our currencies are devalued we will of course suffer. But how else can you discipline people if you don' t make them suffer?

24. Today tens of millions of workers have lost their jobs, thousands of companies have been bankrupted, banks and finance companies have closed down taking with them the deposits of their clients. Today millions of people are without food and medicine. Today Governments are unable to function, much less to help the suffering masses. Today shops are looted, people are raped and killed. And all these things and more are happening because our Governments have to be disciplined, to be forced to become transparent, to remove obstruction to the free flow of foreign capital, to the purchase and control by foreigners of national banks and businesses.

25. We are told that this is how the globalised world functions. The media tells us this and tells us that this turmoil, all this impoverisation of our people and our countries, is good for us because they will help us to get good Government, help us attract foreign investments.

26. While the market forces were disciplining us, they were making billions of dollars for themselves. Apparently the market forces have to be well-paid for disciplining Governments.

27. I am sorry but we still think it is a gross injustice. We think it is inhuman to impoverish millions of people in order that capital should flow freely. We think it is unjust to destroy the prosperity of countries in order to realise a globalised, borderless world. We think there must be a better way to discipline Governments, a way which does not involve misery for innocent people .

28. We believe in globalisation. Yes we want the prosperity that a free flow of capital can bring. But what we are experiencing is not prosperity but massive impoverishment. Since this is not what we expect, since this is not what is good for us, can we not ask that there be some rules and regulations governing the flow of capital.

29. But we are told currency trading is special. It cannot be regulated or made transparent. It cannot be taxed. It is the essence of a free market.

30. The ethnic-Europeans, having given up empires, Communism and Socialism have now embraced capitalism totally. Nothing must stand in the way of

capitalism. Globalisation, deregulation, liberalisation, borderless world -- these are the fundamentals of the new theology. The high-priests are the people with capital, unlimited capital. Their hand-maidens are the great writers, journalists and economists, the media practitioners who propagate the religion with fervour. And like all religious fanatics they tolerate no recalcitrance.

31. It is a pity. All these. It is a pity because the world is indeed getting smaller and we are all getting closer to each other. National boundaries are indeed anachronistic because we can see and hear each other across borders, across vast spaces. Nothing happens in one part of the world that does not affect other parts, affects immediately sometimes, affects profoundly. We can no longer isolate ourselves. No man, no nation is an island. The world is our country, the nation to which we belong. Globalisation is therefore the right way, the inevitable consequence of information technology.

32. But like everything else globalisation needs to be carefully handled. It is a means, not an end. Globalisation must result in a better life for everyone in this world. If it does not then we have to reexamine it, not to do away with it, but to eliminate what is harmful and promote what is good.

33. Remember that the Western ideologues have been wrong so many times before. They could be wrong again. They could be wrong about globalisation, at least about their interpretation or concept of globalisation.

34. We must globalise, but we must do so carefully and slowly. We must recognise that the countries and nations whose borders we are going to dismantle are not all of the same strength or level of development. They need to be protected from the predators, at least for some time. Surely the rich and the powerful can wait.

35. It is now argued by the developed countries that Malaysia would benefit if we allow for unrestricted and tax-free imports of low-cost goods from the highly efficient industries of the developed countries. We would be able to buy the best products at the lowest price.

36. But if we do not industrialise we will not develop. Our people will remain unemployed and poor. Even if the imported products are of good quality and cheap we will not be able to buy them.

37. Yes, we should globalise but countries must be allowed to open up in their own time, when they are ready. We should also not confine borderlessness to capital only. People too should be able to cross borders freely.

38. The rich countries, particularly those with vast uncultivated land should allow for migration of the people from poor countries. Just as the financial capital of the rich will benefit poor countries, the hard-working peoples of the poor countries can benefit the rich countries.

39. Globalisation is a great idea whose time has come. But it must be interpreted correctly if it is going to bring about a better world. Presently we are not too

convinced that it is going to be good for us in the developing countries. We have seen how the free flow of capital has damaged our economies and we fear that globalisation may turn out to be like Socialism and Communism, ideas which were touted for a time and are then discarded as wrong. Globalisation might one day go the way Imperialism, Communism and Socialism went. But we are willing to give it a try, at our own pace. We would like the proponents of globalisation to remember that it may be harmful. We would like them to accept the need for consulting us and for our complaints and suggestions to be heard and when legitimate be accepted.

40. God Willing globalisation may yet be the route to equitability for the peoples and the nations of a borderless world.

41. I would like to pledge my support for a globalisation that is concerned not just with the means but also the ends. Let us form partnerships, smart partnerships. Let us have good governance. But let us not forget that our quest is for the well-being of our people. The best ideology or system or philosophy means nothing if the result is not justice, fair-play and prosperity for us.

42. I would now like to invite the Heads of Government present at this dialogue to attend the Langkawi International Dialogue in July 1999.