

A New Globalisation In A New World Order

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Almost exactly ten years ago, in the euphoria that gripped many parts of "the Western world" immediately after the Gulf War, a president of a great, powerful and triumphant nation by the name of George Bush made a historic speech at Maxwell Air Force Base in Montgomery, Alabama, calling for "A New World Order". This was a man who had repeatedly called for a "kinder, gentler America". His son is now President. The new Bush talks of unity and solidarity and of compassionate conservatism for the United States. I am sure many will wish him every success in his mission.

2. This morning, allow a simple Prime Minister from this small country in what some still call "the Far East" to make a simple speech in his capital of Kuala Lumpur also calling for "A New World Order". Let me also make a simple plea for a world order that is not only new but that is much more just, much more productive -- a kinder, gentler world order that is a lot more caring, a great deal more compassionate.

3. Such a New World Order must care a great deal for ethics and morality, for liberty and independence, for equality and mutual respect, and for productive democracy and comprehensive human rights. Comprehensive human rights, among which the right to human dignity, to work and the right to put food on the family table are as basic and fundamental as any other.

4. Let me make a passionate plea for the unity not of a segment of humanity but for all of mankind; for compassionate widespread developmentalism, for the development and prosperity of all the children of Adam - for not only the strong, the rich and the incredibly empowered who should survive and thrive in the fiercely competitive global jungle but also for the disadvantaged, the poor and the miserably disenfranchised who cannot.

5. Let me make a passionate plea for a new globalisation in a New World Order.

6. The new globalisation that we must foster must rightly reward enterprise and excellence; but it must contribute to and not detract from this more just, more caring, kinder, gentler, more compassionate New World Order.

7. The new globalisation that we must foster must contribute to and not detract from greater ethics and morality, greater liberty and independence, greater equality and mutual

respect, greater productive democracy and comprehensive human rights.

8. What do I mean by justice? It is not the hallowed and civilised principle of "special and differential", for a temporary privilege to be afforded to the especially weak and vulnerable, that was the hallmark of the global system for so long. Today, most of us do not even dare to mention "special and differential". Today, all that we ask for, is plain old simple fair play.

9. Even the IMF says that the developed countries impose the highest trade barriers on the manufactured goods in which the developed countries have the greatest comparative advantage. These manufactured goods are textiles, clothing and footwear. Is this fair?

10. When the developing world goes to the WTO and asks for trade liberalisation on textiles, on clothing and footwear, it is out-stone-walled and it is told that this is simply not do-able. The political costs to the Governments of the rich which have to get elected are simply too high. Is this fair? Is this just?

11. Poor developing countries must move heaven and earth to liberalise. In fact, when they are under the thumb of the IMF, they have very little choice but to move heaven and earth, no matter the merciless consequences on their people and their societies.

12. Health services must be terminated. Medicines must be dispensed with. Schools should be closed. Children should stop going to them. Huge masses of people should be thrown out of work. And food and fuel be priced beyond the reach of most people. What are these things? Merely what the IMF and the well-tutored economists call "structural adjustment". But for the rich and powerful, even the most marginal concessions on textiles, clothing and footwear are not possible.

13. For that matter, for most of the rich, the most basic fair play on agriculture, the hope of the non-industrialised developing world, is also politically un-doable.

14. Mr Bill Clinton recently made a speech, one of his last as President of the United States, at the University of Warwick, where he spoke passionately, with wit and a heavy dose of civility, on globalisation. Mr Clinton was on the side of the angels when he noted: "If the wealthiest countries ended our agricultural subsidies, leveling the playing field for the world's farmers, that alone could increase the income of developing countries by \$20 billion a

year." So why not do it? Why not remove the subsidies? Why not play fair? Why not level the playing field? Why not give the hundreds of millions of farmers in the developing world a better chance to put food in the mouths of their children and a few cents in their pocket?

15. Mr Clinton, a great champion of globalisation, himself gave the answer. It is "not as simple as it sounds," Mr Clinton says. "I see these beautiful fields in Great Britain; I have driven down the highways of France; I know there is a cultural social value to the fabric that has developed here over the centuries." Indeed.

16. Perhaps the point has also to be made with equal force and passion that putting food in the mouths of one's children and a few cents into one's pocket is also of some "cultural social value". Perhaps it may even be arguable that this could be of a higher human value than the beauty of manicured agricultural fields, which can be admired by all motorists driving down the highways of Europe - especially since the luxury of this great "cultural social value" can be secured in other ways, not at the cost of impoverished farmers in the poor developing world.

17. So much for justice. How about caring and compassion, and a more productive globalisation, focussed on development, in a kinder and gentler world?

18. The market fundamentalists and the globalisation theologians have elevated what they call "survival of the fittest" and "economic efficiency", the maximisation of profits, the making of money as the most important moral basis of their religion. All too often survival of the fittest merely means survival of those with the least scruples. It certainly does not mean survival of the best or the most worthy.

19. We must throw off the intellectual hegemony of the globalisation theologians. It is time to put people before profit, to ensure that in the process of globalisation there are many more winners and many fewer losers.

20. It is time to have a new globalisation that works less in the service of the very wealthy and much harder in the service of the very poor. It is time for us to ensure that development is brought to the very centre of the global agenda as our principal objective.

21. It is time to put our mental house in order, to distinguish between means and ends, to make sure that everyone understands that trade and investment

liberalisation, marketisation and competitiveness, the entire WTO agenda, are means to the ultimate end of human development.

22. Some may refer to my aversion to gobbledygook, globaloney and gobblisation - indeed, to all I have said -- as a return back to basics. I prefer to see it as an attempt to move forward to the fundamentals.

23. I do realise that this new globalisation in a New World Order that I advocate is a new paradigm. It is a strange intellectual universe compared to the dog-eat-dog world and the law of the jungle that the globalisation theologians of this day are committed to. The fact that this is so, the fact that they will oppose and discredit this new paradigm should fortify us in our conviction and in our commitment.

24. We must make absolutely sure that we will not swallow the absolute market fundamentalism that the globalisation extremists try to ram down our throats, that the absolute capitalism that the globalisation extremists want to unleash on this planet will not run riot, that the absolute globalisation that the globalisation extremists want to impose on the entire world will not come to pass.

25. Please do not get me wrong. I do not advocate abandonment of the market system. I do not advocate the rejection of capitalism. I do not advocate opposition to globalisation.

26. I must confess to being a believer in the market system. I am a believer in the capitalist system. I am also a believer in globalisation. You don't have to watch my lips. You don't have to examine the words I use. You merely have to look around you at the Malaysia that exists today.

27. Ever since we imposed selective currency controls on September 1, 1998, the so-called world media and the high priests of globalisation have been accusing this country of turning its back on the world. The so-called world media daily refers to my "xenophobic diatribes" my antics. No doubt, my speech today will also be described as a "xenophobic diatribe" designed to justify putting my former Deputy in jail. Let me merely state a simple fact: Malaysia today is amongst the half dozen most globalised and open countries in the world.

28. This did not happen in an extended fit of forgetfulness. It did not happen by accident. The world did not descend on us. We had to grab the world by the throat to bring them to us. We had to work tirelessly. The fact that we are such an open economy and such an open society is the result of

deliberate policy, consistent determination and an ocean of toil, tears and sweat. We are not crazy. We cannot turn our back from the world from which we earn our living today and from which our future prosperity depends.

29. Let me briefly outline just how globalised and open we are, after more than two decades of deliberate effort.

30. In 1999, our exports to the globe account for 114 per cent of our GDP, our imports for 83 per cent of our GDP. In terms of trade, we were 10.8 times more globally engaged than was the United States. In terms of tourists to population, exactly twice as many tourists visited Malaysia as visited the United States.

31. Foreign investors play a much much bigger role in the Malaysian economy than they do in the US economy. Foreign banks in Malaysia held 29 per cent of all banking assets in 1999 and accounted for 31.32 per cent of all bank loans. As a share of total banking, foreign banks play a role three times as large in Malaysia as they do in the United States.

32. Let me now turn to the flow of foreign labour.

33. As you know, we are now in the second decade of the second great age of globalisation. In the first great age of globalisation from the middle of the 19th century through La Belle Epoch to the First World War, there was not only the free movement of goods and services and the free flow of capital. There was also the free movement of labour, a point that today's capital-poor and labour-rich countries will increasingly note as the globalisation debate heats up. Does anyone doubt that if the world balance of political power were different and today's powers-that-be are India and China rather than the United States and Western Europe, we will today be discussing not the freest movement of capital, goods and services but the unfettered cross-border movements of labour, which no doubt will be seen as by far the most important welfare and prosperity enhancing sector of globalisation. The WTO in Geneva would probably be what the ILO is today. No doubt the "WLO", the World Labour Organisation, appropriately situated in Hong Kong or Colombo would be working day and night, figuring how to get the stubborn, recalcitrant OECD countries to agree to a new round of negotiations.

34. In Malaysia, foreign workers account for more than 20 per cent of all workers. For the United States to be as open, there would have to be an immediate inflow in excess of 25 million foreign workers.

35. Malaysians watch American and foreign television, read foreign newspapers and magazines, in several languages. We sometimes see American shows even before they are released in the United States. I wonder how many Malaysians do not know where Little Rock, Arkansas is, or the names of at least a dozen American presidents. I wonder how many Americans know the name of a single Chinese leader or emperor of the last 2,000 years, never mind the name of any Southeast Asian. I wonder how many Americans watch foreign television, read foreign newspapers and magazines, even those in the English language.

36. In the past, before fees were hiked, when costs were much lower and there was no concern for foreign exchange, there were years when more than 60,000 young Malaysians studied abroad. There were years when there were more Malaysians studying in foreign institutions of higher learning than in Malaysian institutions of higher learning.

37. More than 50 per cent of the Congressmen and Senators in the United States today do not have a passport. I honestly do not know of any Malaysian Parliamentarian who has not been overseas.

38. I choose the United States for comparison because US statistics are so readily available and because the United States is so clearly a committed advocate of globalisation, even though it is a comparatively non-globalised economy and a comparatively non-globalised society.

39. As a country which has so dramatically marketised over the last two decades, as a country that has so dramatically dismantled state capitalism and moved on to private sector capitalism, as country which has so dramatically globalised, perhaps Malaysia can speak with some experience and some legitimacy on the market system, capitalism and globalisation. As someone who is somewhat guilty of marketising, privatising and globalising the Malaysian economy and our society, perhaps I too can speak with some experience and legitimacy.

40. The bottom line is this: despite all their obvious flaws, weaknesses and dangers, the market system, capitalism and globalisation have a tremendous potential for good.

41. But the bottom line is also this: the absolute market system, untempered by responsibility and civilisation, is a grave threat to mankind; absolute capitalism, inconsiderate of humanity and caring, is a monster machine for misery and injustice; absolute globalisation, unguided by rationality

and sound judgement is perhaps the greatest danger to the world at the dawn of our new century.

42. I have spent some time on ends and objectives. Let me now turn to means, measures and action.

43. It is quite obvious that to ensure the new globalisation in the new world order that we must have, we must work at the global and international level, at the regional level, and within the boundaries of our own national jurisdiction. We must work on all three fronts.

44. At the global and international level, we must obviously work to strengthen the solidarity of the South. We must not forget the entire South, even as we must build effective, more compact core-groups and action coalitions, which can concert and mobilise on specific issues and agendas - from indebtedness to commodity prices and terms of trade to the digital divide.

45. As members of the South, we must also build specific action coalitions with Northern NGOs, governments and interests, when and with whom we share a common cause.

46. We must exploit the small strategic window of opportunity that exists this year and in 2002, afforded by the Fourth WTO Ministerial Meeting, the UN High Level Event on Financing for Development and the Rio Plus Ten Summit on Environment, besides the important annual meetings of the WTO and the IMF/World Bank.

47. We must not be mere responders to the agendas and negotiating drafts of others. We must be pro-active in forwarding our own agendas and our own proposals, to which others will need to respond.

48. At the WTO, it is absolutely critical that we hold firmly to the firm position taken in Seattle that the present grave imbalances be rectified and that the implementation issues be resolved. We must not agree to a new Round until these issues are satisfactorily settled and until we can all agree to the agenda for any new Round. We need to ensure adequate negotiating and action capacity in Geneva before we enter the perilous halls of negotiation. We must work together to strengthen not only our heads but also our hearts and our hands.

49. We must beware of the Trojan Horses lining up outside the WTO building. We must be especially careful of the seemingly innocuous issues - such as transparency in government procurement - which are merely first steps down the slippery

slope, which will finally end up in our loss of capacity to pursue our national social and socio-economic policies.

50. We must build upon the Havana Programme of Action. We must ask UNCTAD to join the process of moving forward to the fundamentals. There are many who have been convinced by the-powers-that-be that the old issues of terms of trade are old hat, passe, relics of the past. They are in fact critical keys to our future. We must all fully examine the costs and the consequences of business cartelisation and the escalation of mega business mergers, and a lot more.

51. At the regional level too, there is little time to be lost.

52. In Asia, I believe that the idea of Asian regional economic cooperation -- which was ridiculed and the unwelcome recipient of political bombardment of megatonnage proportions when I first proposed it more than ten years ago - is progressing apace. It must be given greater depth and greater width.

53. I strongly believe also that it is high time for Asia to establish the Asian Monetary Fund, whatever we choose to call it. We are privileged to have in our midst today one of the inventors and architects of this historic initiative.

54. As I have stressed, we must work on three fronts to ensure a new globalisation in a New World Order. The third front, for those nations that are still free and not yet colonised, is our own domestic jurisdiction. Let no-one hoodwink us into thinking that the nation state is dead. It is not. It is alive and kicking. I believe that it is also the most crucial action front.

55. Let me wish this conference well. Let me leave you with one parting thought.

56. It is probably a universal fact of life that no one can do anything to us worse than what we can do to ourselves. Fortunately, it is also probably as true that no one can do anything for us better than what we can do for ourselves.

57. We must not let absolute globalisation roll all over us. We must make sure that productive globalisation will work for us and for the bounteous benefit of our people.

58. The most important helping hand that we need is at the end of our own right arm.

