

**SPEECH BY
THE HON. TUN DR MAHATHIR BIN MOHAMAD
AT THE UNIVERSAL FORUM OF CULTURES
AT BARCELONA, SPAIN
ON FRIDAY, 2 JULY 2004**

**“ETHICS AND GLOBALISATION :
GLOBAL VALUES AND LOCAL VALUES”**

FIRSTLY I WOULD LIKE TO THANK FORUM BARCELONA FOR INVITING ME TO SPEAK AT THIS DIALOGUE BETWEEN EAST AND WEST.

2. I AM GOING TO SPEAK ON “ETHICS AND GLOBALISATION”, WHICH I RELATE ALSO TO THE RELATIONSHIP BETWEEN EAST AND WEST.

3. I AM GLAD THAT I HAVE NOW A CHANCE TO SPEAK ON THIS SUBJECT ON ETHICS IN GLOBALISATION, ABOUT VALUES, GLOBAL AND LOCAL, IN A FORUM PHYSICALLY LOCATED IN EUROPE.

4. HITHERTO WHENEVER GLOBALISATION IS DISCUSSED, THE ONLY ASPECT OF IT WHICH GETS ATTENTION IS TRADE, OR MORE SPECIFICALLY, THE OPENING UP OF COUNTRIES TO TRADE.

5. TRADE IS ENRICHING. TRADE ADDS VALUE TO GOODS AND THEREFORE CREATES WEALTH. THE PARTNERS IN TRADE STAND TO GAIN AS GOODS ARE BOUGHT AND SOLD AND PROFITS MADE. TRADE THEREFORE SHOULD BE WELCOME BY THE SELLER AND THE BUYER, THE EXPORTER AND THE IMPORTER, BY SOCIETY AS A WHOLE. UNFORTUNATELY THE PROFITS ENJOYED BY THE TWO TRADING PARTNERS ARE NOT ALWAYS EQUITABLE. IN FACT AT TIMES THE PRICE TO BE PAID BY ONE OR THE OTHER OF THE PARTNERS MAY BE TOO HIGH. AND AT TIMES SOCIETY, PEOPLE AND NATIONS SUFFER BECAUSE OF TRADE.

6. THE DESIRE FOR TRADE WAS WHAT DROVE THE EUROPEAN ADVENTURERS OF OLD TO SAIL UNCHARTERED SEAS. COLUMBUS WANTED TO FIND THE RICHES OF INDIA WHEN HE SAILED WEST ACROSS THE

ATLANTIC. FUTILE ATTEMPTS WERE MADE TO DISCOVER THE NORTHWEST PASSAGE, AGAIN IN ORDER TO TRADE WITH FABULOUS INDIA.

7. ALFONSO D'ALBUQUERQUE SAILED AROUND THE CAPE OF GOOD HOPE IN ORDER TO DEVELOP A SEA ROUTE TO THE EAST AND THE SPICE ISLANDS. THE SILK ROADS ACROSS CENTRAL ASIA, THE ONLY ROUTE FOR TRADE BETWEEN EAST AND THE WEST AT THAT TIME EXCLUDED THE EUROPEANS.

8. IN FACT WHAT THESE INTREPID EUROPEAN SAILORS WERE DOING WAS TO GLOBALISE TRADE AND NO LESS. THEY WANTED TO EXPAND WORLD OR GLOBAL TRADE. THEY WERE REALLY THE PIONEERS OF GLOBALISATION.

9. BUT THE EUROPEAN WAY OF TRADING WAS DIFFERENT FROM THAT OF THE ARABS, THE INDIANS AND THE CHINESE. THESE ASIAN PEOPLE BRAVED THE STORMS AND PIRATES IN THEIR FLIMSY JUNKS, UNARMED AND UNESCORTED. THEY RISKED NOT JUST THE UNCERTAIN ELEMENTS AND PIRACY BUT ALSO THE UNCERTAIN TREATMENT AT THE HANDS OF THE LOCAL PEOPLE THEY WERE TRADING WITH. THEY HAD NO OTHER INTENTION EXCEPT TO TRADE BUT THE EUROPEANS LIKED TO MAKE CERTAIN THAT THEIR MERCHANTS CAME BACK WITH THE MERCHANDISE SAFELY AND WITH MAXIMUM PROFITS.

10. AND SO THE EUROPEANS SENT ARMED MERCHANTMEN INSTEAD THEY SENT NAVAL FLEETS. THEY FORCED THE COUNTRIES ALONG THEIR ROUTES TO ALLOW THEM TO BUILD FORTIFIED TRADING STATIONS. THEY DEMANDED MONOPOLY OF TRADE FROM THEIR PARTNERS. THEN FINALLY THEY CONQUERED THE LAND OF THEIR TRADING PARTNERS AND MADE COLONIES OF THEM. WHERE IT WAS POSSIBLE TO ELIMINATE THE LOCALS, THE NATIVES, THE EUROPEANS SEIZED THEIR LAND TO SET UP EUROPEAN COLONIAL SETTLEMENTS, WHICH EVENTUALLY DEVELOPED INTO THE SEPARATE INDEPENDENT EUROPEAN NATIONS THAT WE SEE TODAY OUTSIDE EUROPE. INSTEAD OF BARTERING OR BUYING THE PRODUCTS OF THE NATIVES, THEY OFTEN SEIZED THEM. EVEN BUCCANEERING WAS CONSIDERED AS LEGITIMATE.

11. THUS WHAT BEGAN AS TRADE PIONEERED BY THE GREAT COMPANIES LIKE THE BRITISH EAST INDIA COMPANY, THE DUTCH EAST ASIATIC COMPANY ETC ENDED UP IN EUROPEAN EMPIRES AND NEW EUROPEAN NATIONS OUTSIDE EUROPE.

12. THE MEMORY OF THIS IS STILL FRESH IN THE MINDS OF SOME OF THE PEOPLE WHO HAD BEEN COLONISED OR FORCED TO OPEN UP THEIR COUNTRIES TO EUROPEAN TRADE. AND BECAUSE OF THAT, THEY ARE WARY ABOUT THE NEW PROPOSALS ON GLOBALISATION WHICH AGAIN BEGINS WITH TRADE. WILL WHAT FOLLOWED TRADE IN THE PAST; ONCE AGAIN FOLLOW

TRADE IN THE MODERN WORLD. WILL GLOBALISATION END UP WITH A NEW IMPERIALISM?

13. SOME WOULD DISMISS THIS AS PARANOIA. BUT IS IT? ALREADY WE ARE SEEING COUNTERVAILING DUTIES AND SANCTIONS BEING APPLIED AGAINST RECALCITRANT NATIONS. THE NEGOTIATION IN THE WTO (WORLD TRADE ORGANISATION) ARE ABOUT OPENING UP COUNTRIES WITH VERY LITTLE TALK ABOUT SAFEGUARDS. THERE HAS BEEN NO TALK OF ETHICS, OF RESPECTING LOCAL SENSITIVITIES AND VALUES.

14. THEN THERE IS IRAQ. ONE CANNOT BUT SUSPECT THAT THE WAR AGAINST IRAQ IS NOT ABOUT WEAPONS OF MASS DESTRUCTION OR EVEN REGIME CHANGE. IT IS ABOUT GETTING AT THE OIL OF A COUNTRY WITH THE SECOND BIGGEST RESERVES IN THE WORLD.

15. THREATS AND FORCE ARE ALREADY BEING USED TO OPEN UP COUNTRIES FOR TRADE. REFUSAL MAY LEAD TO PRESSURES FOR REGIME CHANGE, OSTENSIBLY IN ORDER TO PROMOTE DEMOCRATIC GOVERNMENT, FREE SPEECH, HUMAN RIGHTS ETC, BUT AT THE END OF IT, OPPORTUNITIES FOR CONTRACTS, FOR SECURING SUPPLIES OF CERTAIN COMMODITIES, FOR TRADE GENERALLY, AFTER DOCILE GOVERNMENTS HAVE BEEN INSTALLED.

16. FOR THE FORMER COLONIES NOTHING SEEMS TO HAVE CHANGED. HISTORY SEEMS TO BE REPEATING ITSELF. OUTRIGHT COLONISATION OF THE OLD KIND THERE MAY NOT BE BUT SOMETHING AKIN TO IT IS STILL POSSIBLE, SOMETHING LIKE MORE COMPLIANT GOVERNMENTS BEING INSTALLED WHICH ARE PREPARED TO GIVE TRADE CONCESSIONS TO CERTAIN BIG ECONOMIC POWERS ETC.

17. ALL THESE ARE ALREADY HAPPENING. IT MAY BE TOO LATE TO TALK OF ETHICS, OF GLOBAL AND LOCAL VALUES, OF MORALITY. BUT AS THEY SAY, IT IS BETTER LATE THAN NEVER. IF WE DO NOT WANT VIOLENT RESISTANCE TO GLOBALISATION, WHICH MAY LEAD TO TERRORISM ETC, IT IS BETTER IF WE TAKE UP THE IDEA OF ETHICS IN GLOBALISATION, RESPECT FOR LOCAL VALUES AND THE FORMULATION OF GLOBAL VALUES NOW. THE NEGOTIATORS IN THE WTO SHOULD TAKE UP THIS AGENDA AHEAD OF MARKET OPENING AND THE LIKE.

18. THE SIMPLEST ETHICAL RULE IS TO PROSCRIBE THREATS AND THE USE OF FORCE IN NEGOTIATIONS WITHIN THE WTO ITSELF. WHETHER BILATERAL OR MULTILATERAL, THE NEGOTIATIONS MUST BE FREE FROM PRESSURES. THE VIEWS OF EVERYONE MUST BE RESPECTED. IF ONE COUNTRY CAN REFUSE TO ACCEDE TO A MULTILATERAL UNDERTAKING THEN OTHER COUNTRIES MUST HAVE THE SAME RIGHT.

19. COMPETITION SHOULD BE BETWEEN COUNTRIES OR CORPORATIONS OF THE SAME SIZE, OR HANDICAPS MUST BE GIVEN. NO MONOPOLY SHOULD BE ALLOWED, NOT EVEN OLIGOPOLY. MERGERS AND ACQUISITIONS SHOULD BE LIMITED SO AS TO PREVENT BUSINESS CORPORATIONS FROM BECOMING TOO BIG THAT THEY BECOME A LAW UNTO THEMSELVES, RIDING ROUGHSHOD OVER THE SMALL NATIONS WITH WHOM THEY DO BUSINESS. THERE MUST BE PROVISIONS IN INTERNATIONAL LAW TO PREVENT THIS. AND EVERYONE MUST SUBMIT TO THESE LAWS. THERE MUST BE NO EXEMPTION IF A COUNTRY WISHES TO BE IN THE WTO.

20. TODAY BY THREATENING NOT TO INVEST OR TO PULL OUT, THE MNC'S ARE FORCING POOR COUNTRIES TO GIVE THEM DEBILITATING TAX CONCESSIONS. THIS IS AGGRAVATED BY RICH COUNTRIES OFFERING MATERIAL INCENTIVES TO DRAW INVESTMENTS AWAY FROM THE POOR COUNTRIES. THERE MUST BE SOME REGULATION REGARDING THE INCENTIVES THAT CAN BE OFFERED BY COUNTRIES WANTING FDI. AND THESE REGULATIONS MUST PROTECT THE WEAK AGAINST THE STRONG.

21. SPECULATIVE AND MANIPULATIVE TRADE IN CURRENCY AND SHARES MUST BE SUBJECTED TO RULES AND REGULATIONS. THEY MUST BE COMPLETELY TRANSPARENT. THE TRADERS MUST BE PREVENTED FROM DESTROYING THE ECONOMIES OF COUNTRIES THEY OPERATE IN. ADEQUATE PUNISHMENT MUST BE PRESCRIBED FOR THEM IF THEY DO THIS. WE DO NOT WANT TO SEE THE TRAGEDIES OF THE ASIAN FINANCIAL CRISIS OF 1997 AGAIN.

22. AGREEMENTS BETWEEN COUNTRIES OR CORPORATIONS MUST BE FAIR AND TRANSPARENT. SO MUST THE OPERATIONS OF THE NUMEROUS FUNDS BE TRANSPARENT. LIMITS MUST BE PLACED ON ACCESS TO BORROWINGS BY THE FUNDS.

23. THERE ARE MANY OTHER RULES AND REGULATIONS WHICH MUST BE PUT IN PLACE SO THAT GLOBALISATION WILL NOT BE A FREE-FOR-ALL FIGHT TO GRAB WEALTH BY THE RICH WITHOUT REGARD FOR THE EFFECTS ON THE POOR. WHAT THESE RULES WILL BE SHOULD BE THE SUBJECT OF DISCUSSIONS AND NEGOTIATIONS IN THE WTO AND OTHER FORA. BUT THEY MUST BE SUCH THAT TRADE BENEFITS THE WHOLE GLOBE INCLUDING THE COUNTRIES WHICH FOR SOME REASON OR OTHER ARE UNABLE TO TRADE AND BENEFIT FROM GLOBALISATION. THEN AND THEN ONLY WILL GLOBALISATION BE MEANINGFUL FOR IT WILL INVOLVE THE WHOLE GLOBE AND WOULD BE BENEFICIAL TO THE WHOLE GLOBE. OTHER NON-TRADE ASPECTS OF GLOBALISATION MUST ALSO BE DETERMINED INCLUDING THE FREE MOVEMENTS OF PEOPLE.

24. GLOBALISATION WITHOUT ETHICS, RULES AND REGULATION WOULD BE ANARCHIC AND WOULD BE UNWORTHY OF AN AGE WHICH PRIDES IN BEING

CIVILISED. I HOPE THAT THE NEGOTIATORS IN THE WORLD TRADE ORGANISATION WILL TAKE HEED OF THE VIEWS ON ETHICS EXPRESSED AT THIS CONFERENCE AND ELSEWHERE.
