



*Permanent Mission of*  
**Malaysia**  
*to the United Nations*

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**STATEMENT BY THE HONOURABLE MR. LOH SENG KOK, MEMBER OF PARLIAMENT AND REPRESENTATIVE OF MALAYSIA ON AGENDA ITEM 56: GLOBALIZATION AND INTERDEPENDENCE AT THE SECOND COMMITTEE OF THE 62<sup>nd</sup> UNITED NATIONS GENERAL ASSEMBLY, NEW YORK 31 OCTOBER 2007**

Thank you Madam Chair.

Malaysia aligns itself with Pakistan's statement made on behalf of G77 and China. We would like to thank the Secretary General for his reports.

Madam Chair,

2. It was fitting that the Secretary General's report on this subject addressed the theme of 'Impact that, inter-alia, international commitments, policies and processes can have on the implementation of national development strategies'. We took away from the report the following points:

- 2.1 Firstly, developing countries face many challenges as they endeavour to balance their international obligations with their national priorities;
- 2.2 Secondly, these international obligations sometimes conflict with national policies and priorities established through legitimate democratic processes;
- 2.3 Thirdly, international disciplines, rules, policies and processes are often not flexible enough to respond to fast-changing domestic and external circumstances; and
- 2.4 Fourthly, owing to their inherent weaknesses, developing countries in particular, face greater difficulty not only in managing the negative implications, but also of managing globalization as a whole.

3. By all accounts, globalisation will in the future, permeate more fully into every single aspect of a nation's policy-making process - be it in the field of trade, or investment, or even in the prioritising of a country's expenditure. Time will only make it more powerful as a concept and as a movement.

4. I would hasten to add that Malaysia, which has gained so much from globalization, would be the last to deny its benefits. We cannot deny however, that its mismanagement is the cause of so much misery today. The sharing of the benefits of today's brand of globalisation is uneven at the extreme, and governance of it is shoddy at best. Market liberalisation, a major thrust of the globalisation process, has been applied selectively with the rules changed periodically, often at the behest of the powerful to suit their particular interest in a certain point

in time. This inhibits developing countries' ability to penetrate a particular market, and thereby impacts upon our ability to generate income and hence improve our economic wellbeing and social welfare.

5. Such protectionist tactics are particularly reprehensible in light of the fact, as noted in the Secretary General's report, that the economies of developing countries have become increasingly dependent on the export markets of the developed countries. Changing the rules mid-game cannot be anything but protectionism in a different guise. If anything, if market liberalisation is to be fair and just, the greater burden of its application must fall on the more lucrative markets of the world, not imposed upon the world's poorest to squeeze them below the poverty line.

Madam Chair,

6. It is clear that globalisation is here, is here to stay and will not go away. At the same time, it is also clear that economic growth in the future will be framed by the following main trends:

- 6.1 Globally, financial speculation will continue to be a significant creator of individual wealth. Some have estimated that 90 percent of financial flows are unrelated to the real economy;
- 6.2 Continued increases in the price of oil; and
- 6.3 Higher costs related to climate change, which will increasingly be borne by the poor.

7. As matters stand, all of these factors will widen rather than reduce the gap between the rich and the poor. It is therefore imperative that the international community find ways of managing globalisation better, so that its benefits accrue most to the poorest and most marginalised, and in doing so make it more humane.

8. To achieve a more humane form of globalisation, we need to firstly reassess the basis of relations between the rich and the poorer countries. At present, relations are characterised by asymmetries of power between the rich and the poor, resulting in perpetual antagonism. While interdependent, we still view gains as mutually exclusive events, in which one wins only at the expense of another. This results in the weakening of the whole. We need to recognize that the deepening process of globalisation should not only result in interdependence, but in inter-reliance. The notion of inter-reliance, rather than interdependence, will bring more sharply into focus the importance of the human chain only being as strong as our weakest link. As humanity increasingly faces collective challenges requiring collective action, our only hope for continued prosperity is to strengthen our weakest links.

9. Secondly, we must recognise that equal treatment is not just treatment. If justice is to be the main organisational principle of a humane form of globalisation, the international economic system must be tilted in favour of the poor. A level playing field assumes that all countries are in the same stage of development. We are not. This is where the principle of special and differential treatment and other special safeguard mechanisms come into play. Without such a handicap, the poor and the disadvantaged will only get poorer and more disadvantaged.

10. Thirdly, we must recognize that we must recast the international economic structure so that it amplifies, rather than diminish, the strengths of the poor. Perhaps nothing can better illustrate this point more than the present intellectual property regime. Despite being in

possession of the vast majority of global biodiversity and bio-resources, developing countries are unable to tap into this vast potential of wealth due to bio-piracy and bio-prospecting. A few months ago, there was some controversy when the government of Indonesia refused to share samples of the avian flu, after finding out that its samples have been used to make vaccines for which it would be charged the full amount of US\$20 a dose. It was only after a more equitable sharing system was introduced that the matter was resolved. It seems that in this brave new world, for the developing countries, even our diseases are stolen from us as a potential source of wealth for the richest pharmaceutical companies.

11. Further, in the rush to patent technology, countries and companies forget that improvements on the original model, which can be facilitated by the transfer of technology, can make it more efficient and cost-saving. Had it not been for the lapse in the patent caveat filed by Antonio Meucci, it might have taken Alexander Graham Bell a whole lifetime for the opportunity to improve upon the technology already available. The intellectual property regime, while well meaning in many ways, is an obstacle in others, namely the transfer of technology and access to life-saving medicines.

Madam Chair,

12. To conclude, globalisation, if it is to fulfill its fullest potential and the benefits that come with it, must provide the developing world with a greater stake in the global decision-making process. Establishing rules and norms without the inclusion of a large chunk of the international community should not continue. If it is a truly globalised human family that we seek, then the principles of justice, equity and inclusion must form the cornerstone of this new, more humane, global order.

Thank you, Madam Chair.

