



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

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**STATEMENT BY THE HONOURABLE MR. NASHARUDIN MAT ISA, MEMBER OF PARLIAMENT AND REPRESENTATIVE OF MALAYSIA ON AGENDA ITEM 51: GLOBALIZATION AND INTERDEPENDENCE, AT THE SECOND COMMITTEE OF THE 63RD SESSION OF THE UNITED NATIONS GENERAL ASSEMBLY, NEW YORK, 29 OCTOBER 2008.**

Thank you, Madam Chair,

We associate ourselves with the statements delivered by Antigua and Barbuda on behalf of the G77 and China and with Indonesia on behalf of ASEAN. We also thank the Secretary-General for his reports.

Madam Chair,

2. The reports clearly illustrate one stark fact – namely, we have yet to find a humane form of globalisation, which places development, in its fullest sense, at its heart. Indeed, we are further away from this ideal as compared to a decade ago.

3. We believe that the prognosis will continue to be dire. In the absence of radical changes in assumptions, the overall global power architecture and governance structures, globalisation will continue to result in:

- 3.1 Greater income inequalities, among and within regions and countries. It should be noted that it was only a few days ago in this very hall that Professor Hausmann stated that the GDP per capita level of 58 of the 112 developing countries had peaked before 2000 while GDP per capita of the 24 members of the OECD continue to grow;
- 3.2 More volatile boom-bust cycles, with the rich benefiting disproportionately more during the good times and the poor suffering disproportionately more during the lean, as the costs of market failure is socialised;
- 3.3 The creation of a globalised, trans-boundary elite in all countries which has more in common among themselves rather than the poor in their own countries. This will have significant repercussions for the nation-building process in the developing world.

4. We need to do the following if we are to address this situation effectively:
  - 4.1 Firstly, cease to view globalisation purely as an economic phenomenon, in which individuals are assumed to be rational, profit seeking material agents;
  - 4.2 Secondly, divest ourselves of the notion that regulations are intrinsically bad. Rather, we must seek to find a level of regulation that balances issues of equity and at the same time does not kill individual initiative;
  - 4.3 Thirdly, stop viewing markets as separate from society in which they function and that left on their own, markets are inherently self-correcting. It should be noted that just a few days ago, Mr. Alan Greenspan, the Former Chairman of the US Federal Reserve Bank admitted that he made a mistake in presuming that the self-interest of banks and others, was such that they were best capable of protecting their own shareholders, and that lending institutions would carry out proper surveillance of their counterparties;
  - 4.4 Fourthly, establish an objective test for a form of globalisation that works, and the test should be this:

*'The form of globalisation that works is one which is inclusive and the maximum number of people benefit from it, not one which simply enlarges the area and potential for those with more to make more'.*

Madam Chair,

5. One of the first lessons taught in any economics class in any self-respecting university is that pro-cyclical policies in economic downturns must be avoided.

6. Extending this logic to our present day situation in which our interdependent world is suffering a collective economic downturn implies that the developed world must not adopt isolationist and protectionist policies. Instead, they must increase ODA and take measures to rapidly integrate the entire developing world into the global economic mainstream. In this way, all of the developing world and not just the emerging economies can become engines of global economic growth. Spreading the wealth more evenly increases the chances of sustaining growth in wealth for all.

Madam Chair,

7. Nowhere is the human face of globalisation more clearly seen than in the phenomenon of migration, which has grown at an exponential rate in some cases resulting in migrant workers forming a significant proportion of some countries' workforce.

8. Malaysia is such a case. Consider the following facts:

- 8.1 There are 2.2 million foreign workers out of a total workforce of 11.3 million people. In percentage terms, almost 20 per cent of the labour force in Malaysia are foreigners;
- 8.2 Almost half of more than 252,600 jobs created last year were filled by foreigners; and
- 8.3 Foreign workers sent a total of 1 billion dollars back as remittances.

9. The increasingly liberal policy towards employment of foreign workers is due to high economic growth based on rapid industrialisation. Studies are being conducted on the impact of foreign workers on the Malaysian labour environment, including the issues of wages, working conditions, health, compensation and employment conditions. However, preliminary studies already conducted indicate notwithstanding the positive role that foreign labour play, its over-utilisation also has a significant downside. These include lower average productivity, displacement of local workers, depressed wages, an unfavourable balance of payment, and social and safety issues.

10. Discussions that the government has had with employers, unions and non-governmental organisations indicate that there is a consensus on the need to reduce dependence on foreign workers, improve the management of foreign workers and to have clear and more stringent procedures on their entry.

11. On this basis, the government has decided to progressively reduce the current level of dependency on foreign workers from 2.2 million presently to 1.5 million by 2015. Various measures have been taken to achieve this, targeted at the various sectors. These include promoting the greater participation of women, mechanisation and automation.

12. As members of a common human family, migrant workers are entitled to their human rights. Further, we believe that these rights, comprising their civil and political rights as well as economic, social and cultural rights, must be promoted and protected in a balanced fashion at all stages of the migration chain. The sending countries must above all, take steps to realise their citizens' right to work, the lack of which is the main cause of migration to begin with.

13. Another vital area to be addressed in this regard is the need to have clear contracts prior to departure from sending countries and hold third party engaged in labour movement accountable for any breaches.

14. We believe that the Global Forum on Migration and Development (GFMD) plays an important role in promoting discussions on how the international community can best address the issue of migration and development. The GFMD as a state-led initiative linked to the UN through the office of the Special Representative of the UNSG on International Migration and Development therefore has Malaysia's full support.

Madam Chair,

15. There is nothing inevitable about the form of globalisation that we live in. The structures, rules and norms underlying and buttressing the globalisation process are human constructs. We must therefore endeavour to construct a humane form of globalisation that places Man, in all of its infinite variety – material, ethical and spiritual, at its centre. We would do well to heed the words of Malraux, in contemplating the carnage wrought in the first half of the previous century - 'the 21<sup>st</sup> century would be spiritual, or perish'.

Thank you.