IMPACT OF GLOBALISATION ON MALAYSIA

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ABSTRACT

It is the finding of this study that globalisation has impacted Malaysia both positively and negatively. The inflow of foreign investment, increase in trade, high domestic economic growth, the development of infrastructure and the rise in social living standards could be described as the positive impact of globalisation. However globalisation is never without its cost. Heavy dependence on foreign investment, capital goods, export of commodities and manufactures, migrant labour and the income gap among the various classes has negatively impacted Malaysia. More importantly although the Malaysian state has been transformed by globalisation, it is not really weak in its character. Whatever changes have taken place are due to the policies undertaken by the government. The priorities of the state have changed. Its earlier emphasis on welfare has somewhat neglected due to globalisation. In this respect, the finding of this paper on the impact of globalisation is quite relevant to the argument made by the transformationist approach, that in the process of globalisation the market force to some extent determines the fate of the nations but ultimate the state still has its powers. So the state should regulate the domestic economy through it policies that have somehow or rather been neglected in Malaysia to a certain degree.
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