

91年1月30日
TAIPEI TIMES P.17 Business

Experts say enforce law business

Symposium: Pundits from Taiwan and overseas said that less government interference coupled with better enforcement of rules would help matters

By Richard Dobson (Staff Reporter)

The government needs to pull back from meddling in the economy and create a mindset of self-governance among Taiwan's business community. Such changes should be based on solidly enforced laws. According to foreign experts.

"We hear the heavy footsteps of the government everywhere," said Morris Chang(張忠謀), chairman of Taiwan Semiconductor Manufacturing Co(台積電), who was speaking in Taipei at a symposium on the role of government in globalization.

Actions by the government, such as intervening in the bourse and bailing out banks, are "not only an exercise in futility it's damaging to the normal operations of the stock market and...market mechanisms, Chang said.

Chang also once again vented his frustration at the government's continued restrictions on investment in China, using some of the most colorful language yet to describe his emotions.

"What pisses me off even more is that the government says [the 'go slow, be patient policy] is for your own good. You must go slow and be patient or otherwise you will lose money. That's really a blatant, blatant interference in business," Chang said.

Even if the government uses national security concerns as reasons for the policy - whose slogan has been changed to "active opening, effective management" - the government risks damaging the economy, Chang said.

"When the government starts to interfere in business decisions it had better understand all the ramifications of what it is doing. Because if it doesn't ... it may well be damaging to the national economy and in turn be damaging to national security too", he said.

This sentiment was echoed by Chu Yun peng(朱雲鵬), a professor at the National Central University(中央大學), who said that, "Large-scale further deregulation is strongly called for."

While "some economists still agree that market failures exist even in matured

economics... the state still has an 'active' role to play," Chu said.

However, "the state should be very selective in its intervention activities and make good use of market forces," he said.

Lester Thurow, professor of management and economics at the kept in check.

"You have to have a set of social norms so you believe there is a purpose to these regulations other than just having rules and regulations," Thurow said.

Thurow cited the collapse of Enron Corp in the US that is currently topping international business headlines.

The main reason for Enron's collapse was that it was located in Texas where social norms don't consider stepping over the limit of the law in financial matters as wrong, Thurow said.

In Texas "You go to your lawyer and ask, 'where is the line between legal and illegal?'"...and you say Massachusetts Institute of Technology, likened the role of government to being the builder of an airport but not an airtraffic controller.

"When you talk about being an airport builder there are three major things: educating people, infrastructure - which includes rules and regulations - and investment in R&D," Thurow said.

He said that government also needs to develop the right kind of social attitudes that instill respect for the law.

While the major driving force behind the success of the capitalist system remains individual human greed, such desired may need to be you want to take one step farther across the line into illegality," he said.

"And I keep taking steps until somebody calls halt. And in this particular case, somebody didn't call halt for a long time."

Chang added that "There's a bit of Texanism in Taiwan," and that a value system must be established to limit such activity.

"Laws can't do everything...before the laws even go into action there needs to be a company-accepted value system that will prevent the excessively greedy people from wandering too far from the limits of what we would allow," Chang said.