

29 JUL 1996

Mahathir-Dialogue

MAHATHIR TELLS OF MALAYSIA'S SECRET OF SUCCESS

LANGKAWI, July 29 (Bernama) -- Bucking the trend, rejecting conventional wisdom and developing business through the Malaysia Incorporated concept are some of the secrets for Malaysia's economic success which Prime Minister Datuk Seri Dr Mahathir Mohamad shared with participants of an international business dialogue here tonight.

In many areas, Malaysia not only did not do the conventional thing but went the opposite way instead, such as not seizing foreign-owned businesses from their owners on achieving independence but encouraging them to stay on and to invite new foreign businesses to come to the country.

" As a result, there were more white colonial faces after independence than before independence," said Dr Mahathir in setting the tone for the three-day Langkawi International Dialogue, which brings together 250 government leaders and captains of industry at the Berjaya Langkawi Beach Resort, here.

Dr Mahathir said that through the Malaysia Incorporated concept introduced in the early 1980's to forge partnership between the civil service, the private sector and the political masters, Malaysia had managed to debunk the myths about the private sector as being avaricious, caring nothing for the people and the nation while they pursue maximum profits.

Citing some of the differences in the style of government brought about by Malaysia Incorporated, he said a businessman who may have a wonderful idea for a project could only present his project to the most junior of officials under the previous non-cooperation system.

The junior officials, thinking only about approving or not approving, may very well reject the proposal.

Although the rejection was both legitimate and right, a perfectly good project which could benefit the country had to be abandoned, said the prime minister.

But under the Malaysia Incorporated concept, the story does not end there.

The promoter may meet more senior officials to ask for a proper presentation, including meeting a minister or even the Prime Minister, all of whom are accessible under Malaysia Incorporated.

According to Dr Mahathir, the rationale is that it is entirely possible that a proper presentation will reveal the beneficial aspect of the project, including the fact that the project can be profitable and can contribute to the government coffers by way of taxes.

The presentation may reveal the failure to meet certain conditions and this could be overcome through some changes or even by overruling the objection in the larger interest of the public good.

"This kind of objectivity and purpose cannot be observed by minor officials who have limited authority. Only senior officials or the topmost people can do all these things in order to push a project." he said.

The prime minister also cited Malaysia's national car project by Proton as an example, saying that it would not have started if the topmost people had not overcome all sorts of bureaucratic objections and procedures, assembled all the approving authorities in one meeting where all the requirements and problems were discussed, obstacles ironed out and approval in principle given.

" The top man insisted that action be taken immediately and a report be submitted within a week. The result was that what would have taken two

years was resolved in two weeks. The national car project was off to an early start because of this Malaysia Incorporated approach," said Dr Mahathir in recalling details of how one of Malaysia's most successful projects took off in 1985.

Dr Mahathir, the architect of the national car project as part of putting Malaysia into the heavy industry sector, was particularly proud of its success today, especially its many spin-offs which have enriched the government and the nation.

"So why should bureaucratic delays and petty conditionalities be allowed to get in the way. The Malaysia Incorporated concept of cooperation is what enabled a project like Proton to take off.

" And it is the same with other major projects by the government, the privatised entities and the private sector. Without the active support and cooperation of the civil service and members of the government they would practically all be delayed, their construction or implementation slowed down and their cost escalated," he added.

The prime minister also compared this with the once ugly image of businessmen, especially among the civil service, including that of being bloodsuckers thriving on the sweat and toil of their workers, and this made it a normal thing for civil servants to put as many obstacles in the way of business as possible.

The prime minister spoke at length on the civil service in particular, saying that it had always regarded the private sector as its natural enemy and always making things difficult for the private sector through its complicated bureaucratic procedures.

The private sector was also never considered as contributing towards nation building or the welfare of the people.

Indeed, it used to be the order of the day in the civil service to never do today what can be done tomorrow, he said.

One Malaysian ministry actually adopted as its slogan "to be inefficient is to be efficient", Dr Mahathir quipped.

Inefficiency of the civil service was also very obvious in the way some 2,000 government-owned companies and statutory bodies set up by the government were run, he added.

Billions of dollars were poured into these companies through yearly capital injections because they never seemed able to generate funds internally to enable them to expand.

Despite this, said Dr Mahathir, they, like government departments, made out a case for expansion all the time in order, as they claimed, to "fulfil their unwritten social obligations".

However, run by civil servants very much in the way civil servants run government departments, most of these government-owned corporations merely got in the way of private enterprises even as they failed.

"But worse than that they often spawned subsidiaries which also failed miserably," said the prime minister.

It was only then that the state and federal governments were asked to cease setting more government-owned corporations and instead the private sector would be asked to take over these entities and certain government functions and activities -- thus giving birth to the privatisation programme in 1982.

Again, Dr Mahathir said, even these privatised entities were not spared and in many instances, the civil service could really make life miserable for the privatised companies.

With the civil service treating the private sector as its natural enemy, things were difficult and even the taxes these business enterprises paid were just dues to be collected as a kind of punishment for their making so much money for themselves.

Another perception of the civil service about the private sector and its wealth is that while government servants got so little by way of salaries, every approval by government results in millions for the private sector, while the approving authorities got almost nothing from these millions.

Therefore, if they want the civil service to service them, they should come to the civil service, resulting in even the lowliest of civil servants assuming a higher status than the most successful businessman.

But the Prime Minister said the private sector views were no better because away from the civil servants they established their own exclusive society.

They may be polite to the civil servants but they always manage to imply that the civil servants are failures, poverty stricken and inferior to them.

They also manage to create an impression that although the civil servants may think they are superior, they are in fact inferior.

Dr Mahathir then posed some very basic questions for civil servants to ponder.

"Why shouldn't civil servants help the private sector to make money. Who really pays for the salaries of civil servants anyway?"

"Who pays for the running of the government, for the development of the country, if not the business people?"

He said: " The poor pay practically no tax. If everyone is poor how do we run government, pay salaries and develop the country for the benefit of the people."

On corruption, the Prime Minister said that actually corruption is more likely when civil servants keep away from businessmen and tie up everything in red tape.

This is because frustrated with the delays, the more enterprising and brazen businessmen would offer bribes.

But if all the business people have easy access to civil servants, deliberate delays become more difficult because if everyone gets attended to quickly, there would be less reason for bribes, he said.

The Prime Minister told the top businessmen from many well-known corporations worldwide attending the dialogue to help inject new ethics into the business world.

"Business should enrich our world and help to relieve poverty and distress everywhere, even as profits are made and enjoyed," he said. --

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