

07/09/2003

True test of a K-economy is its ability to generate new ideas

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THIRTY years ago, if anyone had suggested that a revolution should take place in Malaysia, he would probably have been locked away as a communist insurgent.

Today, however, the Government appears to be advocating nothing less than a revolution if it is true to its desire to bring about a knowledge-based economy. This somewhat hackneyed phrase has been around for some time, but what does it mean?

Not having been able to get my hands on an official copy of the Government's Knowledge-based Economy Master Plan, which was "launched" in September last year, the closest official definition I could find for a "knowledge-based economy" was this: "A knowledge-based economy is one in which knowledge, creativity and innovation play an increasing and important role in generating and sustaining growth."

This was culled from the 2002 Budget speech and appears to be part statement of intention and part definition. It is not very enlightening but it will have to do for now.

Notwithstanding, it seems reasonably clear from all that has been written about this "K-economy" and the references to the master plan, that new economic paradigms are needed if we are to continue to see our economy grow as before. This will involve knowledge, creativity and innovation, together playing a pivotal role.

It is also implied that these growth drivers are not currently as significant in the formulation of economic policies as they ought to be in the Malaysian economy of the future. So a fundamental change in emphasis is needed.

If knowledge and innovation are to play "an important role" in the K-economy, it would be logical that economic decisions of the future will be taken in a way that will facilitate and promote knowledge-based activities through appropriate incentives, or at least by rewarding those who possess the right kind of knowledge or experience.

"Knowledge" as it were, would become a commodity that would have priority over traditional commodities such as tin, palm oil and manufactured goods. In theory, those who possess it should benefit more than those who do not in the K-economy. Let me share a few thoughts on what this means.

Firstly, knowledge acquisition and accumulation alone are not enough. In fact, it has never been easier than the present to acquire and accumulate knowledge. In today's world, information flows freely across borders through a host of seemingly endless new technologies.

Greater mobility of labour also means that human resources can be exported anywhere, allowing the brightest minds to share ideas and knowledge with a far greater cross-section of humanity than ever before. In short, knowledge is available to practically anyone who has the means to buy or have access to it.

The strength of our economy in the past two decades has also given us this power. We have been able to tap knowledge from almost anywhere.

But clearly, our ability to possess knowledge has not as yet created a K-economy in Malaysia. It takes much more for this to happen and we should be concerned about our ability to develop one. The success and true test of a K-economy will lie in our ability to generate new ideas and bring about innovation.

In such an economy, it is not sufficient merely to be a follower of trends and ideas. A K-economy must also have the ability to add to the wealth of knowledge, not just borrow from it. Whilst money may be able to buy knowledge, knowledge itself does not always create new knowledge.

If knowledge is to become a commodity, it follows that we must have enough of our own to sell, whether it takes the form of an original idea or an improvement on another person's idea. Short of this, we can only broker knowledge or trade in it.

I suppose if we fail in this ambitious endeavour, we may adopt this as a business model - that is assuming by then, the free flow of knowledge has not done away with the need for middlemen!

Secondly, as far as creativity and innovation are concerned, shiny new spaces containing magnificent imported architecture, even if they are equipped with the latest technology, are not going to bring about a K-economy, if that is all we have to offer. That would be too simplistic. A First World environment may attract multinationals to places like the Multimedia Super Corridor but it doesn't necessarily inspire creativity among Malaysians.

Recent experience has shown that exciting new technology is as likely to come from modest laboratories or the dingy basement habitats of unassuming teenagers who have little more to go on than a computer. This is not to say that we should not have good research and incubation facilities. This merely shows that a hi-tech environment is not essential in the creative process if there is ability and a conducive socio-political atmosphere.

It follows that it is unnecessary to spend so much on opulence when a less lavish but equally functional environment could serve the same objective. The savings could then be spent, perhaps more productively in the long run, on knowledge resources such as teachers, researchers and other professionals who have the skills to nurture the minds of the next generation of Malaysians.

Thus, we need to re-think our priorities and the re-allocation of our resources towards effective soft infrastructure.

How then do we precipitate a creative revolution? We can't tell for sure. It may or may not ever happen. But what seems certain is that something more vital than optic fibre, steel and mortar is needed for the recipe.

We could start with tolerance of change and new ideas. Not every new idea will meet with the approval of the authorities or all segments of society. But the right ideas cannot be generated at will. To find the good ones, one has to tolerate the bad ones, or lose them altogether.

This tolerance will mean nothing less than a transformation of Malaysian society and politics as we know it. It cannot be the measured process our politicians would perhaps like to think possible. If a true K-economy is to evolve, the Government must be prepared to open the Pandora's box of knowledge and free expression and accept what comes its way.

It must also be ready to test the boundaries or political, social and religious tolerance. It would be naive to assume that it is possible to limit political fallout by tolerating radical ideas only within the technology sector. Technology, like art, is linked to all other aspects of our lives and it requires the whole breadth of human experience to be truly meaningful because it is for this that it exists. It cannot flourish in isolation.

Malaysians must be encouraged to put forward their ideas and creative thoughts on a wide variety of subjects. There is no greater damper of creativity than the fear of censure. A free flow of ideas benefits everyone.

For instance, important government strategies suffer from a lack of

creativity because the influence of public opinion and, hence, diversity of views, is limited. This is due to the opaqueness of government and the centralised character of decision-making.

We are clearly far away from this ideal position. As Datin Paduka Marina Mahathir pointed out recently, we are good at shouting about what we can do, but forget that what we cannot do runs into volumes. For instance, our Malaysia bolehness does not permit us to explore racial and social issues, such as sexuality, and many others.

Rewarding talent and knowledge and giving credit where it is due is also something we do not do very well. Our culture of favouring those with connection or status rather than those who have the ability, makes it difficult to practise the essential habits of a K-economy - transparency, competition and meritocracy.

Unless these cultural traits are removed, there will be an inefficient allocation of knowledge resources in an economy where efficiency will mean everything, because speed and result will dictate success or failure.

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