

Newspaper	Malaysian Business
Date	16/4/2013

ISSUES



BY C CELESTINE

Innovating Governance in a Challenging World

The human mind when equipped with knowledge enables it to keep on innovating, to improve performance and stay competitive even as the world develops fast.

Malaysian Business - 16 April 2013

Innovation is the development of new values through solutions that meet requirements and it refers to the use of a novel idea or method.

Former Prime Minister Tun Dr Mahathir Mohamad says that idea defines anything we use or do in order to improve performance.

"While the initial idea remains, the new idea introduced results in continuously improved performance. Think of the wheel, innovated from its simple form to rubber tyres, springs and shock absorbers," he stresses.

And people are frustrated if their ideas and applications, to improve the quality of life though identified are going nowhere, he adds.

He was speaking on "Strength in Innovation: How to Stay Competitive in the Fast Developing World" at the Human Life Advancement Foundation and World Conference on Global Innovation at Putra World Trade Centre last month.

Dr Mahathir says that innovations in ideologies and systems of government are constantly sought after especially when the government of the day is facing conflicts, be it internally or externally.



"Through innovations we saw that the first government on power accorded to the strongest man in the community evolved into a monarchical system. It then led to dynasties, which was accused of abusing the power. This, later on, introduced us to Republicanism, which was not really workable. A party system was then introduced which adopted ideologies like constitutional monarchy, republicanism and communism," he adds.

"Innovation in the system of government continues on as the government's main role is to provide laws, to ensure security for the people. Thus, the need to innovate on laws to tighten the security of the nation so terrorists do not infiltrate our

territories, laws for doing business, the construction of buildings and for vehicles and usage of public roads. For these laws to be enforced, new authorities have to be formed, requiring funds from new taxes."

According to Dr Mahathir, when it was decided that the government should provide utilities, innovation was there to introduce suitable taxes and fees in order to finance those services. As tax collection was not easy, taxes on personal incomes and corporate tax was established, again through the methods of innovation.

"The ultimate innovation would be when the government taking over all commercial activities so it will get to pay workers an equal pay – a very communist idea. Upon nationalisation, workers demanded to be paid more, which resulted in increased costs and reduced profits.

"Nationalisation was also an innovation process but that did not improve the role of government or well fare of the people."

Dr Mahathir points out that although it rejected socialism, Malaysia adopted socialist ideas like the five-year economic plan, subsidised education, nationalisation

PERDANA LIBRARY
PERDANA LEADERSHIP FOUNDATION
NEWSPAPER CLIPPING

Newspaper	Malaysian Business
Date	16/4/2013

of the petroleum industry.

"The idea of mixing socialist and free market systems is also innovative but we innovate upon that further, of course," he adds.

"For example, Malaysia did not reject foreign participation in the economy unlike newly independent countries. The leadership, which got us Independence, saw the sensibility of working together without parties accusing and opposing each other," he says.

"With incentives, setting up industrial parks and giving tax holidays, foreign participation was encouraged," he added.

As the people demanded better means

of transportation (and) infrastructure, it was decided privatisation was necessary, which necessitated fees and allowed it, to be collected by private entities.

Adopting a business friendly policy through Malaysia Incorporated, the idea was to speed up businesses and make them profitable.

Both ideas, according to Dr Mahathir, represent innovation in governance with the objective of growing the economy, faster and further.

"This met the infrastructural needs of the people, reflected in high GDP and per capita income."

Dr Mahathir says that the abolition of import duty on luxury goods was another innovative idea.

When the tax was abolished, Malaysia became a shopping haven, tax free shops made profits and paid corporate income taxes more than import duties collected previously. It was also difficult to collect taxes on personal items imported by individuals.

All in all, Dr Mahathir believes that in the governance of this country, many innovations were introduced, which helped speed up the development of Malaysia.

TECHNOLOGICAL INNOVATION

Dr Mahathir also points out that in today's social media world, innovation made access easier by categorising and classifying information. Writing key words through search engines like Yahoo, Google, Yandex and Bing obtained the relevant and desired.

"Innovation in technology presented opportunities for technological applications. Systems were developed and programmes written, to perform functions once problematic. Innovations in software design kept on being produced, to increase the usefulness of the computer."

"As with governance and administration, management of business can benefit from innovation," he observes.

"We know the structure of business management can be improved, to enable decisions to be made faster, to enable managers to know enough about the

subject, to decide if the proposals are feasible or not."

"There is "Kaizen" a Japanese Management Innovation where as production is taking place, the process is studied to find ways, to speed up or shorten the process, to improve the products by detecting faults."

He says that automation requires new programming skills leading to innovation of all kinds. An understanding of electronics is advantageous— cars are electronically programmed, to prevent crashes.

Innovators study the process of starting and driving, to see if the vehicle can be improved in order to make driving safer and comfortable, to detect failures of any part of the car, to remind the driver when lubrication oil needs to be changed or filling up the tyre.

"The microchip enabled all kinds of innovations for anything mechanical, electrical or electronic. The human mind when equipped with knowledge enables it to keep on innovating, to improve performance and stay competitive even as the world develops fast."

"Those who are not encumbered by the straight jacket of orthodoxy will be able to innovate, to stay ahead in competition all the time," Dr Mahathir adds.

The Human Life Advancement Foundation (HLAF), with Dr Mahathir as its chairman operates to foster ideas by promoting and sustaining commercialisation of Intellectual Properties (IP), transfer of knowledge and technologies and opportunities for business sustenance.

"It is wider than just providing scholarships. We need to identify people whose ideas and innovations improve the quality of life through new preventions, to communicate with academic centres and business experts – to enable knowledge and technology to go where it is for the common good."

The HLAF came about to explore innovation a decade ago. Operations on technologies and knowledge through scholarships to post graduate students, collaboration with centres on R & D, product and service commercialisation started in November 2011. **mb**

