

**SPEECH BY  
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AT THE E-REVOLUTION : MALAYSIA BEYOND 2020 CONFERENCE  
AT SUNWAY LAGOON RESORT HOTEL  
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Firstly, allow me to thank MCKU 2000 for kindly inviting me to give the keynote address this morning. I would also like to congratulate MCKU for their effort in organising this important conference, entitled E- Revolution: Malaysia Beyond 2000.

It is certainly heartening and reassuring to see so many committed young Malaysians coming together to discuss and debate key issues that face our country. I also find it extremely encouraging that the participants of this conference come from both local and foreign universities. The vast network of students that MCKU is trying to harness through activities such as this conference will naturally showcase a diversity of opinions and ideas. The key to success for peer group forums such as MCKU is for each and every member to respect one another's opinion. I hope that the different viewpoints that all of you bring here today will be accepted in good faith and will lead to a broad consensus emerging with the national interest in mind.

Ladies and gentlemen,

1. Different challenges confront every generation. The founding fathers of Malaysia were faced with the challenge of agitating for independence from British. Soon after independence, another generation was faced with the threat of communism spreading through our country. This period was also characterised by the beginning of nation-building and, later, the formation of a social contract among the various races of our country, a contract which until this very day holds the fabric of our society together. Another generation transformed the economy from one dependent on agriculture and commodities to one propelled by manufacturing and exports. Another generation will take Malaysia to greater heights, infusing knowledge into our society and economy.

2. As members of the generation that will have to lead Malaysia towards our vision 2020, you will inherit a country that is in pretty good shape. If you look around the world at countries that are populated by people of different races, religions and cultures, you will see that not many have succeeded in promoting peace and prosperity as we have done. But as the leaders of tomorrow, I will caution you not to take this peace and prosperity for granted. It has taken nearly 43 years of compromise, tolerance and cooperation to achieve this equilibrium. But it is a delicate equilibrium. So while the challenges that confront every generation of Malaysians may be different, I believe that the ultimate goal will always be the same, that is to preserve this delicate equilibrium.

3. As the torch bearers of a new era, you will have to ask searching questions, challenge every assumption and disabuse yourselves of any prejudices. What Malaysia needs in order to sustain our nation-building effort and to propel our transition into a knowledge economy is a critical mass of idealistic, intelligent, open minded youths with sharp, critical minds. There will be no role for those who remain close minded, bigoted and unable to expose themselves to new experiences and different cultures. But what I do ask of your generation is to always look back at history. Try and understand the challenges that were surmounted by your parents' generation and your grandparents' generation. As your generation prepares to articulate and realise Vision 2020, remember that you stand on the shoulders of

those who have come before you. Remember those who unshackled this land, those who crafted peace among our people, and those who have enabled our nation to prosper.

Ladies and gentlemen,

4. You are all coming of age at a critical juncture for Malaysia. We are faced with the potent force of globalisation that threatens to tear down our economic walls. We are faced with explosive developments in Information and Communication Technology (ICT). We are faced with the rise of a global culture that may, in fact, be a form of value hegemony. In all of this, we need to ask ourselves, as Malaysians: Will we be able to succeed in this rapidly changing world?

5. Globalisation, for instance, promises sustained prosperity for countries in every corner of the globe. Trade liberalisation, which drives the process of globalisation, is said to result in the efficient allocation of global resources where the theory of comparative advantage will guide international economic relationships. Countries will export what they produce most efficiently, and import products for which they are not competitive. Investments will, in turn, flow in pursuit of this comparative advantage.

6. While it cannot be denied that Malaysia has benefited from trade liberalisation and inflows of foreign direct investment, we have also seen the ugly side of globalisation rearing its head. We have seen how the liberalisation of capital markets and the unfettered movements of short-term capital has been able to destabilise and debilitate economies with sound fundamentals. We are also now seeing a reaction against globalisation symbolised by rioting NGOs in Seattle, Davos, Bangkok and Washington D.C. More and more people are questioning the efficacy of globalisation in bringing global prosperity. Consider, for instance, the fact that the per-capita income of the richest industrial country, Switzerland, is now four hundred times that of Mozambique.

7. So where does Malaysia fit into all of this? We are a relatively small but open economy dependent on international trade and foreign investments to drive our economic development. While we will consistently push for a more equitable form of globalisation, we are also aware that the developed countries who drive the international political economy agenda will resist our attempts to put a human face on globalisation.

8. The only option left to us will be to enhance our competitive edge and build our economic capacity. If we are unable to change the rules of globalisation, we must learn to excel at it. I have repeatedly stressed the need for economic planning to focus on our competitiveness. This is not merely limited to how productive our industries are, or how advanced our physical infrastructure is. It also involves the development of our human resources, namely education and training.

9. As university students at some of the best universities at home and abroad, you are going to be our greatest assets. Your minds, ideas and knowledge will drive our economic development beyond what we have achieved today. When the government recently articulated our intention to move Malaysia into a knowledge based economy, we were referring to more than just the Multimedia Super Corridor (MSC) and putting a computers in every home, although these are important initiatives. A knowledge economy refers, fundamentally, to the maximum utilisation of knowledge in all sectors of the economy. For example, greater automation, robotisation, the use of just-in-time supply chain management systems, and on-line procurement are

examples of how more knowledge can be infused into our manufacturing or production sectors that is putting more `K' into `P'. Similarly, the use of sophisticated equipment, better fertiliser and biotechnology can transform the agricultural sector into a knowledge-based sector.

10. In order for Malaysia to make this transformation, it is not enough that the government builds Smart Schools, Smart Cities and Fiber Optic Highways. We need to create more smart citizens who will be able to benefit from Smart Schools, who will be able to administer Smart Cities and who will be able to utilise our Fiber Optic Highways to its greatest potential. Without a pool of innovative and creative individuals our quantum leap into becoming a technology savvy, educated and knowledge-based society will come to naught.

11. However, even as we talk of a Malaysian k-economy in the future, we have to come to terms with some realities that we must overcome. When we talk of an e-revolution happening, we need to ask ourselves if this revolution is affecting everyone, or merely the privileged few.

12. At the international level, Malaysia is far behind those countries that we aspire to catch up to. If we look at human resource, the performance of Malaysian students, in general, in mathematics and science-based subjects is far behind students in developed economies. The number of Malaysian students winning places at top universities abroad is still significantly lower than some of our more competitive neighbours. In terms of hardware, we are no better off. For example, Malaysia's internet penetration of 6 per 100 of the population is far behind the 28 per 100 of the United States.

13. Within our country, we are also seeing a growing digital divide. A recent study concluded that approximately 40% of Malaysians are in danger of being left behind in the digital revolution. This group consists of those outside the labour force, those without skills, school drop outs and those with no formal education. This potential schism is exacerbated by a rural urban divide in terms of connectivity.

14. These realities are worrying and serve as ominous signals regarding our future development. Malaysia's march towards a k-economy must not come at the expense of a large portion of the population. I believe that growth with equity will remain relevant even in a k- economy. We must find a way of educating and retraining those who are not qualified; and we must find economic roles for those that are out of the work force but would like to work. Malaysia Beyond 2000, must not be an elitist Malaysia in which only those who can afford it, or those who have already been given education opportunities can succeed. Malaysia Beyond 2000 must be a knowledge society for all its citizens.

15. It will therefore be increasingly imperative for us to, yet again, find a balance for Malaysia in the new millennium. While we do not want to leave many of our countrymen behind in our march towards a k-economy, we also do not want to hold back those who are able to succeed and compete globally. This will mean that the government will constantly have to refine our socioeconomic policies to ensure that, not only is growth with equity is preserved, but at the same time, excellence is rewarded.

Ladies and gentlemen,

16. Globalisation and the e-revolution brings with it cultural change. People the world over have the option of exposing themselves to a multitude of cultures and lifestyle.

From here in Kuala Lumpur, you can surf the net for French cuisine recipes on your laptop seated in Starbucks. Air travel has also made it easier for people to see different parts of the world. In 1978, for example, when the world's population was 4.4 billion, 290 million people took an international trip; by 1996, when the population had increased to 5.7 billion, the number of travelers had doubled.

17. Access to different cultures has led to a more fluid transfer of information and knowledge. In Malaysia, the internet, satellite TV and the presence of so many symbols of contemporary western civilisation has resulted in changes to the aspirations of certain segments of the population. Among some groups, outward manifestations of western culture has increased, be it in clothing, choice of entertainment, or in thinking. At the same time, there are those who, partly in response to this development, have intensified the outward manifestation of their own beliefs.

18. These cultural changes, in themselves, can be seen as groups reaffirming their identities or indicating their lifestyle preferences which are both quite natural in plural societies. However, when such cultural affirmation leads to polarisation and disunity, the equilibrium that I spoke of earlier is threatened.

19. As university students some of you may be aware of racial polarisation taking place at our local varsities. According to a recent study, the problem is now worse than it has ever been. Students do not mix freely with colleagues from other races, and there have been cases where some students have refused to share dorm rooms with someone of another race.

20. I am worried that the polarisation among our students which symbolises cultural change and reaffirmation will in the long run drive a permanent wedge between races. Once we reach a situation where irreconcilable differences separate us, our social contract will be void and our equilibrium lost.

21. I urge you to consider this problem, especially in light of Hari Merdeka on the 31st of August. For 43 years, we have managed to keep three of Asia's great civilisations united under the Malaysian flag. For intolerance and chauvinism to creep in at such a crucial stage of nation-building is to put in great risk all that has been achieved. Remember, this is a Malaysia for all Malaysians. But plurality can only be successful if we make the effort to get to know one another and to find common ground. As members of the vision generation, you will have to strengthen the bonds of unity. If you allow culture, religion or ideology to separate you, Malaysia Beyond 2000 will not be something that any one of us would have ever wanted to envision.

22. I hope that you will be able to use this conference as a starting point for future cooperation among one another. By all means, argue, debate and challenge each other's opinions. Only then will the best ideas emerge. But I hope that you will put the e- revolution and Malaysia's future into the socio- economic and cultural context that I have tried to set. Having ideals is important, but so too is having one eye on the ground of reality.

Thank you.