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"GLOBALISATION: MEETING FUTURE CHALLENGES"

Saya bersyukur kehadiran Allah S.W.T. kerana dengan limpah, kurnia, dan innayahNya kita dapat bertemu di majlis yang serba penting ini. Saya ingin mengucapkan terima kasih kepada Persatuan Perkhidmatan Tadbir dan Diplomatik (P.P.T.D.) kerana telah memberi penghormatan kepada saya untuk sekali lagi menyampaikan ucapan di persidangan ini. Tahniah juga diucapkan kepada pihak penganjur, terutamanya kepada P.P.T.D. dan INTAN, di atas inisiatif menganjurkan Persidangan Tahunan Perkhidmatan Awam bagi kali yang ketujuh.

2. Kerajaan menghargai keikhlasan dan kesungguhan anggota perkhidmatan awam melaksanakan segala polisi dan dasar kerajaan. Keutuhan di peringkat pengurusan dan kecekapan di peringkat pentadbiran telah mengupayakan negara mengatasi cabaran dan dugaan kemelesetan ekonomi dunia. Malaysia terus mencatat pertumbuhan ekonomi secara positif. Walaupun pertumbuhan berlaku pada kadar rendah, namun secara relatif prestasi pencapaian ekonomi negara memperlihatkan rekod lebih baik daripada kebanyakan negara di rantau ini, malah mengatasi pencapaian negara-negara maju, dan insya-Allah ekonomi kita akan terus berkembang dengan lebih pesat lagi.

3. Malaysia bernasib baik kerana mempunyai perkhidmatan awam yang cekap dan berkesan. Saya percaya perkhidmatan awam di negara kita antara yang terbaik di dunia, terutamanya di kalangan negara-negara membangun. Namun demikian, perkhidmatan awam di Malaysia perlu sentiasa diperkukuh dan dipertingkatkan, sejajar dengan usaha negara untuk mencapai status negara maju di bawah wawasan 2020. Perkhidmatan awam perlu peka dan prihatin kepada cabaran-cabaran masakini dan akan datang. Oleh itu, Saya bersetuju dengan tema persidangan pada tahun ini, iaitu "Globalisation: Meeting Future Challenges" kerana globalisasi adalah antara isu paling utama sekarang. Jika kita dapat memperolehi kejelasan mengenai peluang dan cabaran yang akan dihadapi, maka sudah tentulah kita dapat membuat persiapan yang relevan dan strategik bagi menghadapi proses globalisasi.

4. Much has been said about globalisation and its impact on nations and economies; whether there should be more or less of it; whether we should allow the process to go unfettered; or whether we should exercise some caution and restraint against its full force. Malaysia's stand has been consistent, in that we have always worked within the confines and challenges of globalisation. We support the process so long as it results in a fairer and more equitable world. We want the benefits of globalisation to be shared by all.

5. The forces at work in pushing globalisation are powerful and all-encompassing. It can be overwhelming for many, not least the developing countries. The global new economy, for example, is being driven by four forces - FIRSTLY, rapid technological innovation, particularly in information and communications technology (I.C.T.); SECONDLY, tremendous rise in capital mobility, as witnessed in the global debt and equities markets; THIRDLY, THE emergence of common global standards such as

English, Dollar, G.S.M. and Microsoft Windows; and FOURTHLY, continuous liberalisation and deregulation of trade and tariffs.

6. The results of globalisation can be seen in many forms. Consider that between 1990 and 2000, world trade (exports plus imports) grew by 81 percent, from US\$ 7.1 trillion to US\$ 12.8 trillion. About US\$ 1.5 trillion moves in and out of financial markets around the world daily. The number of international travellers and tourists has risen to three million per day, up from one million per day in 1980. Foreign direct investment (F.D.I.) Reached a record-high of US\$ 1.3 trillion in 2000 (although it has since fallen because of current economic conditions). Globally, international call traffic touched 100 billion minutes IN 2000. And last, but by no means least, there were about 400 million internet users in the world IN 2000, and this figure is expected to exceed one billion people, OR 15 percent of the world's population, in 2005.

7. These numbers may appear impressive. But they mask the fact that globalisation is not an even-handed process. There is still a lot of unfairness and inequity in the world today. For example, the richest countries account for 86 percent of world G.D.P., while the poorest nations account for only one percent. The gap between the rich and the poor continues to grow. Worldwide, 1.2 billion people live on less than US\$ 1 per day, while more than a billion people in developing countries lack access to safe water, and more than 2.4 billion people lack adequate sanitation.

8. So while the process of globalisation is SURE to continue, we have to guard against the perils associated with it. The CONCEPT OF "Globalisation" can be confusing, and is sometimes misunderstood. I would like to make a few general points to start with. Firstly, globalisation is not a God-given, ironclad law of Nature or humanity. In reality, besides being propoled by technological advances, globalisation is SHAPED BY a set of concepts and policies drawn up by human beings. As such, it is not infallible, and IT can be re-conceptualied, reshaped and changed. The concept as it now stands seems deceptively simple: The free market must be allowed to function without interference; and governments must remove barriers that prevent the full and free movement of goods and services, capital, and firms across borders.

9. Malaysia cannot participate in THE process of globalisation without proper thought and consideration for our best interests. As such, we must recognise the benefits and act upon the challenges of globalisation. I will share with you some of my thoughts about the challenges relating to the multi-lateral process of globalisation, as well as the broader challenges for the civil service in Malaysia.

10. The first challenge of globalisation is to understand and appreciate the process itself, so that we can exert some influence over it, or at least be able to come to terms with the process. We must be aware of the policies and institutions that drive globalisation. Once the policies are in place, we must gain an understanding about the internal logic and dynamic of the globalisation process. Among other things, we have to be aware of the interconnectedness or interdependence within the world today. Events occuring half way around the globe will impact upon us like never before. Risk and volatility will need to be factored into our planning processes. For example, consider that there were 65 serious financial crises in the world in the 1990's, almost one and a half more times than in the 1980's. These events add to the turbulence of our times. As such, we have to be nimble, agile and flexible - always ready to adapt our plans to fit the changing circumstances. We have been able to do this in the past, but we will need to do more of it in the future.

11. As a responsible participant in the global economy, we have to follow the rules set at the international level by multilateral organisations such as the World Trade Organisation (W.T.O.), where Malaysia is a member together with 138 other countries, big and small. AS a member, we must share in the responsibility OF shaping the rules to ensure that they are fair and just for all - we cannot plead that the rules have been imposed on us. Certainly, the developed countries have a bigger advantage and more clout over THE smaller NATIONS. We therefore need to work with other developing countries to reach a consensus on issues of common interest. The second challenge of globalisation is therefore: how do we equip ourselves to participate actively and meaningfully at international-LEVEL negotiations, including at the W.T.O.?.

12. In this regard, I want to emphasise the need for all sectors - public, private and civil society - to master negotiation skills, including the art OF communication and persuasion. As English is one of the main languages for such negotiations, our negotiators must be proficient in the language. Negotiations in multilateral fora, as some of you might have come to SEE through your own experiences, are rather peculiar. Besides the need to lobby and find alliances, the negotiations themselves put a high premium on matters such as nuances in the meaning of words. Accordingly, competency in the art of negotiation as well as strong language skills must be further developed to enable us to participate meaningfully in the multilateral globalisation process.

13. The third related challenge is for the government to ensure that the multilateral process is not disruptive or damaging. The national economy must be allowed to continue to develop without being overwhelmed. For example, we cannot permit our institutions and businesses to be destroyed, or have our corporations swallowed UP by giant transnational companies when they come to our shores under the umbrella of globalisation and trade liberalisation.

14. Malaysia's approach, therefore, is to participate in the process of globalisation, but to engage in selective and strategic integration with the world market in certain areas. In this manner, we determine the way and the degree to which we open up our markets; the timing and sequence of our actions; the form of cooperation and competition between local firms and foreign firms; and the particular sectors we want to liberalise and those sectors we believe still need some protection. Our decisions in these matters, however, should complement our intention to find our own niches and to sharpen our competitive edge. We must therefore be careful in strategising our next steps and not be close-minded. For Malaysia, this is one of the most important aspects of globalisation - to participate on our terms so that we can continue to be competitive but at the same time preserve what we value. Our sovereignty and independence is non-negotiable. Political independence is meaningless if we cannot decide our own future. Furthermore, Financial and economic autonomy is crucial in determining our own destiny.

15. We saw how financial and economic independence was undermined in the Asian financial crisis. Decades of development were wiped out overnight by capital flight and manipulation. Malaysia chose to implement brave and unorthodox measures to counter the financial crisis - we managed to pull ourselves out of the economic doldrums and are now back in the business of pursuing growth with equity. We understood that when the welfare of our citizens is at stake, we cannot leave matters to the invisible hand of the market. A responsible government must do what is necessary to ensure recovery and survival. The crisis demonstrated to us the need to

anticipate possible threats posed by globalisation, and to deal with them boldly with innovative policy responses.

16. Globalisation has and will continue to exert tremendous pressures on our private sector. The global new economy is changing what commentators call "the rules of the game" in business. There is an explosion of consumer choice, and intangibles such as brand and intellectual capital have become crucial to differentiate one business from the others. There is intense competition in the marketplace, with a "winner takes all" environment. Geography and industry barriers mean less and less, as many markets become global.

17. The fourth challenge, therefore, is for the public sector to provide every possible support for our businesses, in the true spirit of Malaysia incorporated. We must continue to ensure that it is easy to do business in Malaysia. Our policies will have to be more predictable and transparent, our legal system will have to be more efficient, and our bureaucracy more flexible to ensure that we remain a competitive economy.

18. In particular, we need to move more rapidly in our decision-making processes. Companies need us to resolve their cases fast as business is both time-sensitive and quality-conscious. As such, time commitments in the client charter of the respective agencies should be revised regularly. Bottlenecks should be avoided, and greater empowerment for junior officers should be considered to speed up the process.

19. The fifth challenge has been mentioned before on other occasions, but I will state it again here because of its importance: members of the civil service must continuously upgrade their skills and enhance their knowledge. I understand that globalisation and I.C.T. threaten to overwhelm us with too much information, what some people call "information overload". But this can never be an adequate reason to excuse yourself from life-long learning.

20. The civil service should always be receptive and open to new ideas, whether they are from within or outside. New ideas should not be viewed with suspicion or be pushed out simply because they may disrupt the current pattern of work. We should avail ourselves of the many opportunities provided in the internet age, to learn, unlearn and relearn. Above all, we should never get too comfortable with the routine and mundane, but we should always move out of our respective comfort zones to seek new knowledge and wisdom.

21. The public sector should thus be at the vanguard of MALAYSIA'S transition to a knowledge-based economy. All of the government's plans and policies - the national vision policy, the third outline perspective plan, the eighth Malaysia plan and other sector-specific plans - have been drawn up with this transformation in mind. Members of the civil service should lead by example and equip themselves with the latest knowledge, the most up to date information, and the most relevant statistics. Training and further education will be important human capital development programs for all levels of the government. I hope that other sectors in Malaysia will follow this move towards the k-economy.

22. The sixth broader challenge of globalisation is for the civil service to constantly upgrade its service delivery to clients and consumers. Globalisation and technology have exposed our society to many facets of the world. As a result OF this and of the government's deliberate policy on education and modernisation, our citizens have become more educated, more discerning, and more "connected". As living standards

have risen, so have expectations about the goods and services provided by government institutions.

23. I am aware that many government processes are being re-engineered through I.C.T. to improve and enhance services provided to citizens and businesses. The E-Government flagship is a major component of the multimedia super corridor, and many sub-projects have been launched under this application. These projects will no doubt improve government service delivery and reform many parts within the civil service. We have made major strides to improve our "keutuhan pengurusan kerajaan". I hope the improvement initiatives led by I.C.T. will be complemented by an organisation-wide culture of service, openness and responsiveness. We should value feedback as a means to improve the public sector. For example, complaints from the public must be acknowledged and attended to quickly. Public opinion and comment should be encouraged and be used to upgrade our services.

24. Many of the transformations and changes taking place today are attributed to the all-powerful process of globalisation. The world has become more complex, more unpredictable and more volatile. Financial crises and the current war on terrorism come to mind as two of the many phenomena that can have global repercussions. Globalisation has also been used to explain the unheralded riches and prosperity at the end of the 20th century, and yet is said to be the main cause for the misery of millions across the globe.

25. But we are not powerless to act against globalisation, to temper the process to better suit our needs. We can confront some of the challenges by taking an active part in shaping the policies and institutions that drive the multilateral process of globalisation. Beyond that, we can prepare ourselves for some of the consequences of globalisation. The civil service in Malaysia should be further strengthened through a continuous process of renewal and rejuvenation, so that the public sector can play a central role in putting us on the right track in the new global economy.

26. Maka dengan harapan itu, saya dengan segala sukacita merasmikan Persidangan Perkhidmatan Awam Kebangsaan ketujuh pada pagi ini.

Sekian, terima kasih.