

**KEYNOTE ADDRESS BY
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HUMAN DEVELOPMENT: THE ENGINE OF ECONOMIC GROWTH

BISMILLAHIR RAHMANIR RAHIM

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD MORNING

EXCELLENCIES AND DIGNITARIES OF THE ARAB WORLD

DISTINGUISHED PANELISTS AND PARTICIPANTS

LADIES AND GENTLEMEN

1. IT IS INDEED A GREAT HONOUR FOR ME TO BE HERE IN THE PRESENCE OF SUCH A DISTINGUISHED GATHERING OF LEADERS AND EXPERTS FROM ALL KEY SECTORS OF SOCIETY, FROM SO MANY PARTS OF THE WORLD. WE ARE GATHERED HERE TO DELIBERATE ON THE FUTURE OF THE ARAB WORLD, AND I AM HUMBLED TO BE GIVEN THIS OPPORTUNITY TO SHARE WITH YOU SOME THOUGHTS ON THE TOPIC OF "HUMAN DEVELOPMENT: THE ENGINE OF ECONOMIC GROWTH".

2. AS I UNDERSTAND IT, HUMAN DEVELOPMENT IS DEVELOPMENT THAT IS CENTRED ON THE HUMAN PERSON. IT IS ULTIMATELY AIMED AT IMPROVING THE HUMAN PERSON'S WELFARE IN ALL ITS DIMENSIONS, AND ENABLING HIM TO FULFILL HIS FULL POTENTIAL AND HIS HIGHEST ASPIRATIONS. THE HUMAN DEVELOPMENT REPORT OF THE UNITED NATIONS DEVELOPMENT PROGRAMME ASSESSES JUST A FEW OF THE KEY, MEASURABLE INDICATORS. BUT WE KNOW THAT HUMAN DEVELOPMENT EMBRACES MUCH MORE THAN THOSE INDICATORS, AND THAT IT INCLUDES AMONG OTHERS THE SPIRITUAL AND PSYCHOLOGICAL DIMENSIONS.

3. IN MY SPEECH TODAY I AM GOING TO FOCUS MAINLY ON THE ECONOMIC DIMENSION OF HUMAN DEVELOPMENT, BECAUSE THAT IS THE ESSENCE OF THE THEME GIVEN TO ME. AS WE ARE ALL NO DOUBT AWARE, THE WORLD ECONOMY IS UNDERGOING A REVOLUTIONARY SHIFT AT ITS FOUNDATIONS. WHAT WERE ONCE CONSIDERED THE PRIME ENGINES OF GROWTH AND WEALTH CREATION ARE, TO A LARGE EXTENT, NO LONGER SO. THE RICHEST PEOPLE IN THE WORLD WERE ONCE THOSE WHO OWNED COMMODITIES LIKE LAND, OIL OR CAPITAL. TODAY, THE RICHEST PERSONS IN THE WORLD ARE THOSE WHO OWN SYSTEMS, PROCESSES AND TECHNOLOGY. THIS SHIFT IN THE DRIVERS OF GROWTH AND WEALTH CREATION, FROM COMMODITIES TO KNOWLEDGE, HAS PROFOUND IMPLICATIONS FOR THE ECONOMIC AND COMMERCIAL STRATEGIES OF ALL NATIONS.

4. NOWHERE PERHAPS ARE THE PROFOUND IMPLICATIONS OF THIS REVOLUTIONARY SHIFT MORE DRAMATICALLY APPARENT THAN IN THE ARAB WORLD. DURING THE PERIOD 1960 TO 1985, THE ARAB REGION SURPASSED ALL OTHER REGIONS EXCEPT EAST ASIA IN TERMS OF INCOME GROWTH. THERE WAS MASSIVE FOREIGN INVESTMENT, INFRASTRUCTURE DEVELOPMENT, AND EXPANSION OF EDUCATION AND HEALTH FACILITIES. POVERTY RATES WERE REDUCED TO THE LOWEST LEVELS IN THE WORLD. THE ARAB WORLD THEREFORE ACHIEVED REMARKABLE PROGRESS IN HUMAN DEVELOPMENT DURING THIS PERIOD.

5. THERE WERE SEVERAL REASONS FOR THIS REMARKABLE DEVELOPMENT. BUT THE MOST IMPORTANT WAS THE COMMODITY CALLED OIL. THE PRICE OF OIL REACHED UNPRECEDENTED HEIGHTS AND FUNCTIONED AS THE PRIMARY ENGINE OF GROWTH AND HUMAN DEVELOPMENT. THIS GROWTH, HOWEVER, COULD NOT BE SUSTAINED. OIL PRICES BEGAN TO FALL, AND TOGETHER WITH OTHER FACTORS LED TO THE DECLINE OF PRODUCTIVITY AND GROWTH IN THE REGION. THE ARAB ECONOMIES COULD NO LONGER BE COMMODITY-DRIVEN. FURTHER SUSTAINABLE GROWTH COULD ONLY BE POSSIBLE THROUGH MAJOR ECONOMIC AND SOCIAL REFORMS, AND CENTRAL TO THEM WAS THE NEED TO SEEK NEW ENGINES OF GROWTH. THIS WAS BEST ATTAINABLE THROUGH ADOPTING POLICIES THAT MADE KNOWLEDGE THE PRIMARY DRIVER OF GROWTH.

6. THE IMPORTANCE OF KNOWLEDGE AS A VITAL ASSET TO THE POLITICAL, ECONOMIC AND SOCIAL WELL-BEING OF A NATION IS NOW WELL-DOCUMENTED. AT PRESENT, MORE THAN 50 PERCENT OF THE GROSS DOMESTIC PRODUCT (G.D.P.) IN MAJOR O.E.C.D. ECONOMIES IS NOW BASED ON THE PRODUCTION AND DISTRIBUTION OF KNOWLEDGE.

7. CONSEQUENTLY, IT FOLLOWS THAT THE MAJOR SOURCES OF ECONOMIC GROWTH IN THIS NEW ECONOMY ARE NO LONGER MATERIAL RESOURCES SUCH AS LAND OR COMMODITIES. INSTEAD, KNOWLEDGE, INNOVATION AND TECHNOLOGY HAVE BECOME THE NEW SOURCES OF VALUE IN A KNOWLEDGE-BASED ECONOMY, AND THEREFORE, THE MAIN DRIVERS OF A NATION'S ECONOMIC GROWTH. CONSEQUENTLY, A MULTITUDE OF INDUSTRIES AND COMPANIES HAVE BEEN DEVELOPED THROUGH CREATIVE AND INNOVATIVE APPLICATION OF TECHNOLOGY, WHICH DRIVE MANY OF THE WORLD'S MOST SUCCESSFUL ECONOMIES TODAY.

LADIES AND GENTLEMEN

8. KNOWLEDGE, INNOVATION AND TECHNOLOGY ARE NOT TANGIBLE ASSETS IN THEMSELVES. NEVERTHELESS, IN THIS NEW ECONOMY, INTANGIBLE CAPITAL HAS BECOME AT LEAST AS IMPORTANT AS TANGIBLE GOODS, WITH A GREATER SHARE OF THE VALUE OF TANGIBLE CAPITAL BEING BASED ON INTANGIBLE INPUTS. THIS TREND IS DEMONSTRATED BY THE FACT THAT THE ECONOMIC OUTPUT OF THE U.S. ECONOMY, AS MEASURED IN TONS, IS ROUGHLY THE SAME AS IT WAS A CENTURY

AGO. YET, ITS REAL ECONOMIC VALUE IS 20 TIMES GREATER. IN OTHER WORDS, INTANGIBLE ATTRIBUTES – THE MOST IMPORTANT BEING KNOWLEDGE – HAVE BEEN ADDED TO THE REAL PRODUCTION OF GOODS AND SERVICES.

9. ULTIMATELY, THE INTANGIBLE ASSETS OF A KNOWLEDGE-BASED ECONOMY RESIDE IN THE HEARTS AND MINDS OF OUR PEOPLE. IT IS FOR THIS REASON THAT I FIRMLY BELIEVE THAT THE FOUNDATIONAL DRIVERS OF A NATION'S ECONOMY LIE WITH ITS HUMAN RESOURCE CAPITAL.

10. ORDINARY PEOPLE ARE THE CENTRE OF KNOWLEDGE CREATION AND INNOVATION. OUR PEOPLE ARE TRULY OUR GREATEST RESOURCE AND ASSET. WHETHER THEY ARE IN THE SMALLEST COMPANIES OR IN THE HIGHEST LEVELS OF GOVERNMENT, PEOPLE ARE THE BUILDING BLOCKS OF ALL THAT WE DO – AND IT IS IMPERATIVE THAT WE RECOGNISE THIS FACT. MACHINES CAN BE FIXED, SYSTEMS AND POLICIES MAY BE REVAMPED, AND ORGANISATIONS CAN BE RESTRUCTURED. HOWEVER, THE SUCCESS OR FAILURE OF ANY ENDEAVOUR IS STILL LARGELY DEPENDENT ON THE PEOPLE INVOLVED.

11. IT IS PEOPLE WHO DO THE THINKING AND PLANNING; PEOPLE WHO EXECUTE AND IMPLEMENT; PEOPLE WHO BUILD AND DEVELOP INDUSTRIES. IN SHORT, IT IS PEOPLE WHO ADVANCE NATIONS. THAT IS WHY ECONOMISTS AND NATION BUILDERS ARE PERSUADED THAT ENHANCING HUMAN CAPITAL IS CRITICAL FOR G.D.P. GROWTH. SUSTAINED G.D.P. GROWTH DOES NOT JUST HAPPEN. IN ORDER TO MAKE INVESTMENTS IN TECHNOLOGY, A COUNTRY MUST HAVE SUFFICIENT HUMAN CAPITAL. HUMAN CAPITAL IS THE FORMAL EDUCATION, TRAINING AND ON-THE-JOB LEARNING EMBODIED IN THE POPULACE. COUNTRIES THAT HAVE ENCOURAGED THEIR PEOPLE THROUGH EDUCATION AND LIFELONG LEARNING AS WELL AS BY INVESTING HEAVILY IN RESEARCH AND DEVELOPMENT ARE WELL POSITIONED TO TAKE ADVANTAGE OF THESE NEW GLOBAL MARKET TRENDS.

12. HOWEVER, THERE IS NO QUICK AND EASY METHOD TO DEVELOP HUMAN RESOURCE CAPITAL. THE SOLUTIONS WE PURSUE CANNOT MERELY BE BASED ON A REACTION IN THE SHORT TERM. THERE MUST BE RESOLUTE DETERMINATION TO STAY COMMITTED TO HUMAN DEVELOPMENT. THIS IS TRUE EVERYWHERE, INCLUDING IN THE ARAB WORLD.

LADIES AND GENTLEMEN

13. PLEASE PERMIT ME TO BE HONEST AND TO HUMBLLY SHARE WITH YOU A FEW OBSERVATIONS. IF WE ARE HONEST WITH OURSELVES, WE MUST ADMIT THAT THE ARAB WORLD TODAY FACES MANY ECONOMIC, SOCIAL, POLITICAL AND SECURITY CHALLENGES.

14. ECONOMICALLY, THE ARAB NATIONS RANK POORLY IN TERMS OF OVERALL COMPETITIVENESS. ONLY 6 OUT OF THE 22 COUNTRIES IN THE ARAB WORLD WERE RANKED IN THE 2004 WORLD ECONOMIC FORUM GROWTH COMPETITIVENESS INDEX. OF THESE, ONLY THE UNITED ARAB EMIRATES WAS RANKED WITHIN THE TOP 20 AT NUMBER 16. THE REMAINING FIVE COUNTRIES WERE RANKED 28 AND

BELOW. THIS IS AN ASTONISHING FACT CONSIDERING THAT TWO-THIRDS OF THE WORLD'S OIL SUPPLY – A MAJOR SOURCE OF ECONOMIC WEALTH – COMES FROM THE REGION.

15. BECAUSE THE MAJORITY OF ARAB COUNTRIES ARE BLESSED WITH NATURAL RESOURCES, THEY HAVE CONCENTRATED ONLY ON A VERY NARROW-BASED ECONOMY FOCUSED ON OIL OR TOURISM. THE MAIN ECONOMIC FOCUS IS ONLY ON SELLING THESE OIL AND GAS RESOURCES. AS I HAD ALLUDED TO EARLIER, THIS ARRANGEMENT MAY NOT LAST FOR VERY MUCH LONGER. UNLESS IMMEDIATE AND EFFECTIVE MEASURES ARE TAKEN TO ADDRESS THE SITUATION, THE ECONOMIC FOUNDATIONS OF ARAB SOCIETY AND CIVILISATION WILL BE GRAVELY THREATENED ONCE RESOURCES ARE DEPLETED OR AS ALTERNATIVE FORMS OF ENERGY ARE EXPLORED AND DEVELOPED.

16. THE ARAB WORLD HAS MADE GREAT STRIDES IN EDUCATION SINCE THE 1960'S. SCHOOL ADMISSIONS INCREASED BY MORE THAN 150 PERCENT, A RATE UNMATCHED BY ANY OTHER REGION. HOWEVER, THE PROBLEM IS THE QUALITY OF THE EDUCATION. THIS IS COMPOUNDING THE DIFFICULTY OF THE ARAB REGION, AND INDEED MANY OTHER PARTS OF THE DEVELOPING WORLD, IN TRANSFORMING ITS ECONOMY TO BECOME KNOWLEDGE-BASED. THE ARAB HUMAN DEVELOPMENT REPORT IN 2003 CHARACTERISED THE VARIOUS EDUCATION SYSTEMS IN THE ARAB WORLD AS CONSISTING OF OUTDATED CURRICULA, UNQUALIFIED TEACHERS, SUBSTANDARD FACILITIES AS WELL AS INEFFICIENT INSTITUTIONS AND POLICIES. LACK OF FAMILIARITY WITH THE ENGLISH LANGUAGE ALSO MEANS THAT EXPOSURE TO KNOWLEDGE SOURCES IS LIMITED. AS A DIRECT RESULT OF THESE INADEQUACIES, SOME ARAB STATES ARE UNABLE TO ENRICH THEIR KNOWLEDGE BASE AND PRODUCE ADEQUATE SKILLED WORKERS TO SUSTAIN AND DEVELOP THEIR ECONOMIES.

17. ADULT LITERACY IS ANOTHER IMPEDIMENT. OF SERIOUS CONCERN IS THE FACT THAT THE ADULT LITERACY RATE IN ARAB STATES AVERAGED AT ONLY 63.3 PERCENT IN 2002, WHICH UNFORTUNATELY, IS ONE OF THE LOWEST IN THE WORLD. THE AVERAGE FOR DEVELOPING COUNTRIES IS 76.7 PERCENT, AND FOR THE LEAST DEVELOPED COUNTRIES THE RATE IS 52.5 PERCENT. MANY FIRST-WORLD ECONOMIES HAVE REACHED ALMOST 100 PERCENT LITERACY RATES. THERE ARE ALSO STARK DISPARITIES BETWEEN LITERACY RATES IN THE REGION. MORE DEVELOPED ARAB COUNTRIES SUCH AS JORDAN, SAUDI ARABIA, KUWAIT AND QATAR HAVE ABOVE 80 PERCENT LITERACY RATES, WHILE LESSER DEVELOPED COUNTRIES HAVE LITERACY RATES BELOW 60 PERCENT. EVEN THOUGH THE LITERACY RATE AMONG YOUNG ARABS AGED 15 TO 24 YEARS WAS 81.2 PERCENT IN 2002, IT IS STILL LOW COMPARED TO THE AVERAGE FOR DEVELOPING COUNTRIES, WHICH WAS 88.1 PERCENT AS WELL AS FOR EAST ASIA AND THE PACIFIC, WHICH WAS 98 PERCENT.

18. WITH SUCH GREAT CHALLENGES FACED IN RAISING THE QUALITY OF EDUCATION AND IMPROVING LITERACY RATES, IT IS DOUBLY DISCOURAGING TO OBSERVE THE NATIONAL PRIORITIES OF SOME COUNTRIES IN THE REGION. IT WILL BE DIFFICULT TO TRANSFORM A COUNTRY'S COMMODITY-BASED ECONOMY INTO A KNOWLEDGE-BASED ONE IF WE CANNOT FIND THE POLITICAL

COMMITMENT TO ALLOT THE NECESSARY HIGHEST PRIORITY FOR THE PEOPLE'S EDUCATION AND ALLOCATE A SIGNIFICANTLY HIGHER PROPORTION OF OUR BUDGET FOR IT. FOR INSTANCE, ONE ARAB COUNTRY SPENDS 12 PERCENT OF ITS G.D.P. ON MILITARY EXPENDITURE, COMPARED TO ONLY ONE-THIRD OF THAT ON EDUCATION. IN OTHER INSTANCES WHERE EXPENDITURE FOR EDUCATION IS LARGER THAN EXPENDITURE FOR THE MILITARY, THE DIFFERENCE IS NOT SUBSTANTIAL.

19. VERILY, IN SURAH 96 OF THE QURAN, ALLAH INSTRUCTED OUR BELOVED PROPHET (PEACE BE UPON HIM) TO "PROCLAIM! (OR READ!)", AS THE FIRST STEP IN ACQUIRING HIGHER KNOWLEDGE. BEING FOLLOWERS OF THE FAITH, IT IS INCUMBENT UPON US TO LEARN AND IMPROVE OURSELVES. MANY COUNTRIES IN THE ARAB WORLD NEED TO REVIEW THEIR PRIORITIES, AND SPEND MORE ON EDUCATING THEIR YOUNG, AND TRAINING AND RE-TRAINING THEIR WORK-FORCE.

20. INDEED, THE ARAB WORLD IS IN GREAT DANGER OF FALLING FURTHER BEHIND IF IT DOES NOT ALLOCATE GREATER PRIORITY AND RESOURCES TO ITS EDUCATION NEEDS. THIS IS DUE TO THE ENORMOUS PRESSURE THAT HIGH POPULATION GROWTH IS EXERTING UPON ARAB SOCIETY. THE ARAB POPULATION GROWTH RATE, AT NEARLY 3 PERCENT PER ANNUM, IS ALMOST THREE TIMES THE GLOBAL AVERAGE. FINDING ADDITIONAL PLACES IN SCHOOLS AND UNIVERSITIES, AND NEW JOBS FOR NEW ENTRANTS INTO THE JOB MARKET, WILL BECOME EVEN MORE CHALLENGING IN THE FUTURE.

21. AS I HAVE STRESSED THROUGHOUT THIS SPEECH, PEOPLE ARE THE MAIN DRIVERS IN A KNOWLEDGE-BASED ECONOMY. IN THIS REGARD THE WOMEN ARE NO LESS IMPORTANT THAN THE MEN. YET IN MANY PARTS OF THE DEVELOPING WORLD, WE HAVE FAILED TO DEVELOP THEIR POTENTIAL FULLY. THIS IS ONE OF THE MAJOR REASONS WHY WE LAG BEHIND, AND WHY OUR QUEST FOR GREATER PROSPERITY AND A KNOWLEDGE-RICH ECONOMY IS PROGRESSING SLOWLY.

22. WOMEN, WHO ARE HALF THE POPULATION OF MOST ARAB COUNTRIES, DO NOT WORK EITHER BECAUSE IT IS ILLEGAL TO DO SO, OR IT IS SOCIALLY UNACCEPTABLE. EVEN THOUGH MORE AND MORE WOMEN NOW HOLD UNIVERSITY DEGREES MANY FACE DIFFICULT OBSTACLES IN THEIR QUEST TO SECURE EMPLOYMENT OR CONDUCT ANY FORM OF ECONOMIC ACTIVITY. SOMETIMES THERE ARE NOT MANY JOBS AVAILABLE FOR WOMEN, AND WOMEN ENTREPRENEURS MUST EMPLOY A MALE REPRESENTATIVE TO HELP OBTAIN A BUSINESS LICENSE. ALHAMDULILLAH, THE SITUATION IS BEGINNING TO CHANGE NOW. THE NUMBER OF WOMEN IN BAHRAIN'S LABOUR FORCE, FOR INSTANCE, INCREASED FROM JUST OVER 5 PERCENT IN 1971 TO ALMOST 40 PERCENT IN 2001. I AM MADE TO UNDERSTAND THAT THE STATISTICS ARE ALSO SIMILAR FOR DUBAI, HERE IN THE EMIRATES. THIS TREND, IF EMULATED THROUGHOUT THE REGION, BODES WELL FOR THE ARAB WORLD.

LADIES AND GENTLEMEN

23. EVEN THOUGH THE SITUATION MAY SEEM OVERWHELMING, THERE IS CERTAINLY HOPE AND A WAY OUT, AS PROMISED BY ALLAH. EACH COUNTRY OBVIOUSLY HAS ITS OWN UNIQUE CHALLENGES AND OPPORTUNITIES, AND EACH MUST FIND THE FORMULA BEST SUITED TO ITS SPECIAL SITUATION. IN THIS REGARD, PLEASE ALLOW ME TO SHARE WITH YOU SOME OF THE EXPERIENCE THAT WE IN MALAYSIA HAVE IN THIS FIELD, WHICH MIGHT BE USEFUL. MY COUNTRY, NO LESS THAN YOURS, IS ALSO INTENSELY ENGAGED IN RAISING THE HUMAN DEVELOPMENT LEVEL OF OUR PEOPLE.

24. MY GOVERNMENT LAUNCHED A MASTER PLAN TO TRANSFORM THE MALAYSIAN ECONOMY FROM A LARGELY PRODUCTION-BASED ECONOMY INTO A KNOWLEDGE-DRIVEN ECONOMY IN THE YEAR 2000. THE SINGLE MOST IMPORTANT STRATEGIC THRUST IDENTIFIED IN THE PLAN IS TO DEVELOP A KNOWLEDGE-RICH HUMAN RESOURCE BASE FOR THE COUNTRY. THE HUMAN RESOURCE DEVELOPMENT THRUST CALLS FOR INCREASED INVESTMENT IN THE CRITICAL AREAS OF PRE-PRIMARY, PRIMARY AND TERTIARY EDUCATION – BECAUSE THIS WAS WHERE IMPROVEMENT WAS CONSIDERED MOST CRITICAL AND URGENT. IT ALSO CALLED FOR CHANGES TO THE TEACHING-LEARNING PROCESS AND CURRICULUM TO DEVELOP CRITICAL THINKING AND INNOVATIVE SKILLS. WE AGREED TO DEVELOP THE SKILLS OF OUR TEACHERS FURTHER. WE COMMITTED TO FURTHER IMPROVING KNOWLEDGE OF THE CRITICAL LANGUAGES, IN PARTICULAR THE ENGLISH LANGUAGE, BECAUSE MUCH OF KNOWLEDGE IS ACCESSED THROUGH THAT LANGUAGE. WE ARE NOT SUFFICIENTLY STRONG IN MATHEMATICS, SCIENCE AND TECHNOLOGY; WE SEEK TO REMEDY THIS QUICKLY. WE ARE INVESTING IN LIFELONG LEARNING, BECAUSE LEARNING DOES NOT END WITH FORMAL EDUCATION, AND NEW KNOWLEDGE IS ALWAYS BEING CREATED AND NEW SKILLS REQUIRED. WE ATTACH GREAT IMPORTANCE TO IMPROVED TRAINING AND RE-TRAINING PROGRAMMES, SO THAT THE WORK FORCE IS VERSATILE AND AGILE, CAPABLE OF MIGRATING TO NEW JOBS WITH MINIMAL ADJUSTMENT.

25. OUR MASTER PLAN ALSO CALLS FOR DEVELOPING OUR SCIENCE AND TECHNOLOGY BASE AND THE HIGH TECHNOLOGY AND SERVICES SECTOR, BECAUSE THIS IS WHERE MUCH NEW KNOWLEDGE AND NEW WEALTH LIES. AT THE SAME TIME WE ARE ONLY TOO WELL AWARE OF THE DANGERS OF NEGLECTING THE TRADITIONAL SECTORS OF THE ECONOMY, WHERE MANY OF OUR PEOPLE EARN THEIR LIVING. OUR KNOWLEDGE-BASED ECONOMY AGENDA THEREFORE ALSO CALLS FOR ENRICHING THE TRADITIONAL SECTORS LIKE AGRICULTURE WITH GREATER KNOWLEDGE AND VALUE ADDED.

26. MY GOVERNMENT HAS BEEN INVESTING HEAVILY IN IMPROVING AND EXTENDING INFORMATION AND COMMUNICATION TECHNOLOGY INFRASTRUCTURE AND ACCESS FOR CLOSE TO TWO DECADES NOW. WE ARE NOT ABOUT TO SLOW DOWN. WE WILL CONTINUE TO VIGOROUSLY EXPAND OUR INFRASTRUCTURE AND ENHANCE ACCESS AND SKILLS, SO THAT WE TRULY EMPOWER EVERY MALAYSIAN FOR THE DIGITAL AGE. THIS MEANS WE MUST ALSO TACKLE THE DIGITAL DIVIDE BETWEEN THE HAVES AND HAVES-NOT, AND WE ARE DETERMINED TO DO SO.

27. MORE IMPORTANTLY, MY GOVERNMENT TRIES TO CONSISTENTLY UPHOLD THE VALUES OF GOOD GOVERNANCE OVER ITS PEOPLE. IN THIS RESPECT, I TAKE GOOD GOVERNANCE TO MEAN HAVING A SET OF SOCIETAL INSTITUTIONS THAT FULLY REPRESENT THE PEOPLE, WHOSE PURPOSE IS TO ELEVATE THE WELFARE OF ALL STAKEHOLDERS. ELEMENTS OF GOOD GOVERNANCE INCLUDE COMMITMENT TO THE PUBLIC GOOD, EFFICIENT PROVISION OF QUALITY PUBLIC SERVICES, UPHOLDING THE RULE OF LAW, A PARTICIPATORY GOVERNMENT, HAVING HIGH LEVELS OF TRANSPARENCY AND ACCOUNTABILITY AS WELL AS CONCERN FOR THE POOR AND DISADVANTAGED.

28. INDEED, GOOD GOVERNANCE SEEKS TO EMPOWER AND INCLUDE EVERYONE IN THE NATION-BUILDING PROCESS. WE ARE COMMITTED TO PROVIDING ALL OUR CITIZENS, INCLUDING THE PHYSICALLY CHALLENGED, ADEQUATE ACCESS TO EDUCATION AND EMPLOYMENT. GENDER EQUITY AND THE EMPOWERMENT OF OUR WOMEN IS AN ESPECIALLY CRITICAL GOAL OF MY ADMINISTRATION. WOMEN ALREADY OUTNUMBER MEN IN OUR INSTITUTIONS OF HIGHER LEARNING. I HAVE MADE IT MY ADMINISTRATION'S GOAL TO HAVE WOMEN OCCUPY 30 PERCENT OF DECISION-MAKING LEVEL POSITIONS IN THE PUBLIC SECTOR, AND I EXPECT THE PRIVATE SECTOR TO FOLLOW SUIT. WE ARE DEDICATED TO ACCORD OUR WOMEN THE DIGNITY AND THE EQUAL RESPECT THEY FULLY DESERVE, BECAUSE FAILING TO DO SO IS TO ONLY IMPOVERISH OURSELVES AND MARGINALISE ONE FULL HALF OF OUR HUMAN CAPITAL.

29. WE ARE EQUALLY DEDICATED TO INVESTING IN OUR YOUTH, TO ENCOURAGE THEM TO ACHIEVE THEIR DREAMS AND REALISE THEIR FULL POTENTIAL. WE TRY TO DO THIS NOT ONLY THROUGH EDUCATION, BUT ALSO THROUGH MANY YOUTH DEVELOPMENT PROGRAMMES. WHEN FULLY REALISED, I FIRMLY BELIEVE THAT ALL GROUPS – WOMEN, YOUTH AND OTHERS – POSSESS GREAT RESERVOIRS OF UNTAPPED POTENTIAL WEALTH THAT WILL ENHANCE THE SOCIO-ECONOMIC LANDSCAPE OF MY NATION OVER THE LONG-TERM.

LADIES AND GENTLEMEN

30. THE GLORIOUS AGE OF ISLAM AND THE ARAB WORLD WAS NOT ONLY MARKED BY FAITH AND PIETY TO ALLAH; IT WAS ALSO A TIME WHEN KNOWLEDGE AND LEARNING WAS PERVASIVE, WHEN UNIVERSITIES AND SCHOLARSHIP THRIVED, AND WHEN DISCOVERIES AND INNOVATION WERE UBIQUITOUS. APPRECIATING HOW POWERFUL AN IMPERATIVE RELIGION CAN BE, I HAVE ESPOUSED THE CONCEPT OF ISLAM HADHARI (LITERALLY, CIVILISATIONAL ISLAM) TO INSPIRE MY PEOPLE TOWARDS PROGRESS AND DEVELOPMENT. IT IS AN APPROACH THAT VALUES SUBSTANCE, AND NOT FORM. IT IS AN APPROACH THAT SEEKS TO MAKE MUSLIMS UNDERSTAND THAT PROGRESS IS ENJOINED BY ISLAM. IT IS AN APPROACH THAT IS COMPATIBLE WITH MODERNITY AND YET REMAINS FIRMLY ROOTED IN THE NOBLE VALUES AND INJUNCTIONS OF ISLAM. IT PUTS FORTH TEN FUNDAMENTAL PRINCIPLES THAT MUSLIM COUNTRIES MUST DEMONSTRATE:

I. FIRST, FAITH AND PIETY IN ALLAH;

- II. SECOND, A JUST AND TRUSTWORTHY GOVERNMENT;
- III. THIRD, A FREE AND INDEPENDENT PEOPLE;
- IV. FOURTH, A VIGOROUS PURSUIT AND MASTERY OF KNOWLEDGE;
- V. FIFTH, BALANCED AND COMPREHENSIVE ECONOMIC DEVELOPMENT;
- VI. SIXTH, A GOOD QUALITY OF LIFE FOR THE PEOPLE;
- VII. SEVENTH, PROTECTION OF THE RIGHTS OF MINORITY GROUPS AND WOMEN;
- VIII. EIGHTH, CULTURAL AND MORAL INTEGRITY;
- IX. NINTH, SAFEGUARDING NATURAL RESOURCES AND THE ENVIRONMENT;
AND
- X. TENTH, STRONG DEFENCE CAPABILITIES.

31. AS CAN BE NOTED, THE PURSUIT OF KNOWLEDGE IS AN IMPORTANT HALLMARK OF ISLAM HADHARI, WITHOUT WHICH PROGRESS AND ADVANCEMENT CANNOT BE MEANINGFULLY ACHIEVED. THE POSITION OF WOMEN IS LIKEWISE SAFEGUARDED AND ENHANCED. MALAYSIA THEREFORE STANDS COMMITTED TO HUMAN DEVELOPMENT. WE KNOW OUR ECONOMIC PROSPECTS ARE INEXTRICABLY TIED TO THE QUALITY OF OUR HUMAN CAPITAL. WHILE I FULLY ADMIT THAT NO COUNTRY CAN FULLY IMPLEMENT ALL THE PRINCIPLES PERFECTLY, IT IS IMPORTANT THAT THE LEADERSHIP'S POLITICAL WILL REMAINS FOCUSED ON DEVELOPING HUMAN RESOURCE CAPACITY.

LADIES AND GENTLEMEN

32. POWER AND INFLUENCE STEM FROM VARIOUS FACTORS, BUT NOTHING IS MORE IMPORTANT THAN ECONOMIC PROWESS AND TECHNOLOGICAL CAPACITY. POOR NATIONS ARE WEAK NATIONS. THEY WILL ALWAYS BE DOMINATED AND MARGINALISED BY THE WEALTHIER POWERS. INDEED, ECONOMIC SUCCESS IS PERHAPS THE MOST IMPORTANT FACTOR IN SECURING DIGNITY AND RESPECT FOR OUR PEOPLES AND NATIONS. IT MUST THEREFORE REMAIN CENTRAL TO OUR STRUGGLE.

33. LET ME END BY AGAIN STRESSING THAT THE ASSET MOST PRECIOUS TO ALL NATIONS – WHETHER LARGE OR SMALL, RICH OR POOR – IS THE PEOPLE. NO INVESTMENT IS MORE REWARDING OR PRODUCTIVE THAN INVESTING IN OUR OWN PEOPLE. ULTIMATELY, IT WILL BE THEY WHO WILL DETERMINE OUR PROSPERITY AND OUR DESTINY. ULTIMATELY, IT WILL BE THE PEOPLE WHO WILL HELP RESTORE PRIDE AND DIGNITY TO THE ARAB WORLD.

THANK YOU.