

**REMARKS BY
THE HON. DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE JEDDAH ECONOMIC FORUM AT JEDDAH, SAUDI ARABIA
20 FEBRUARY 2005**

*"THE CREATION OF A FLEXIBLE, LEARNING SOCIETY: PEOPLE AS A SOURCE OF
SUSTAINABLE GROWTH"*

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD MORNING

EXCELLENCIES

DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

1. THE ORGANISERS OF THIS IMPORTANT FORUM VERY GENEROUSLY STATE IN THEIR OVERVIEW INTRODUCING THIS SESSION THAT "BY PUTTING "PEOPLE FIRST" MALAYSIA HAS SUCCESSFULLY DESIGNED AND IMPLEMENTED A STRATEGY FOR ECONOMIC AND SOCIAL DEVELOPMENT THAT HAS BEEN A MODEL FOR THE ISLAMIC WORLD". THEY GO ON TO SAY: "MALAYSIA HAS A STORY TO TELL AS TO WHY IT IS IMPORTANT TO PUT PEOPLE FIRST IN STRATEGIC DEVELOPMENT".

2. LET ME BEGIN BY SAYING THAT MALAYSIA'S OBSESSION WITH HUMAN CAPITAL FORMATION AND HUMAN RESOURCE DEVELOPMENT HAS BEEN IN PLACE ONLY SINCE THE EARLY 1990'S, AT THE BEGINNING OF OUR SECOND GENERATION AS AN INDEPENDENT NATION. IT WOULD HAVE BEEN A GRAVE ERROR HAD WE MADE IT THE FIRST PRIORITY OF THE MALAYSIAN PEOPLE TOO EARLY; EVEN AS IT WOULD HAVE BEEN A GRAVE ERROR NOT TO MAKE IT THE FIRST AND MOST IMPORTANT TASK OF GOVERNMENT TODAY AND IN THE DECADES TO COME.

3. IN THE EARLIER YEARS, THE MAIN CONCERN OF MY PEOPLE WAS TO PUT PEACE AND STABILITY IN PLACE, TO SECURE OUR FREEDOM AND INDEPENDENCE, AND TO BUILD THE MALAYSIAN NATION. IT MIGHT BE OF INTEREST TO YOU TO KNOW THAT DURING THE PERIOD 1945 TO 1957, THE YEAR IN WHICH WE GAINED OUR INDEPENDENCE FROM THE BRITISH, WE MIGHT HAVE BEEN CHARACTERISED AS A "FAILED STATE", IF THAT TERM HAD THEN BEEN IN EXISTENCE. TERRORISM AND POLITICAL INSTABILITY PLAGUED THE LAND. GIVEN THE TURMOIL, OUR AVERAGE ANNUAL RATE OF ECONOMIC GROWTH WAS 3.5 PER CENT, BARELY ABLE TO KEEP PACE WITH OUR RATE OF POPULATION GROWTH. ALL THAT WE COULD DO WAS TO PRODUCE RUBBER AND TIN. WE MANUFACTURED PRACTICALLY NOTHING. INFRASTRUCTURE WAS NON-EXISTENT OR IN DISREPAIR. LITERACY RATES WERE VERY LOW. BIRTH RATES WERE VERY HIGH.

4. THE FIRST BATTERY OF ECONOMISTS FROM THE WORLD BANK TO COME TO AN INDEPENDENT FEDERATION OF MALAYA CONCLUDED WITH A HISTORIC FORECAST. THE WORLD BANK PREDICTED THAT THE MOST LIKELY SCENARIO FOR INDEPENDENT MALAYA WOULD BE A MEDIUM TO LONG-TERM SUSTAINED AVERAGE ANNUAL RATE OF GROWTH OF 3.5 PER CENT – NOT BAD FOR A TYPICAL THIRD WORLD DEVELOPING COUNTRY, BUT HARDLY ENCOURAGING FOR A PEOPLE WITH HIGHER ASPIRATIONS.

5. FOR A DECADE THEREAFTER, THE WORLD BANK APPEARED TO BE SPOT ON. THEN, FOR VARIOUS REASONS, THINGS BEGAN TO CHANGE. FROM 1969 ONWARDS, AS THE RESULT OF DETERMINED NATIONAL LEADERSHIP, MALAYSIA BEGAN TO GROW STRONGLY. IT HAS SINCE CHALKED UP A SUSTAINED ANNUAL RATE OF 7 PER CENT TO THIS DAY, A GROWTH RUN INTERRUPTED ONLY BY ONE-YEAR STUMBLES BROUGHT ON BY TWO WORLD OIL CRISES, TWO GLOBAL RECESSIONS AND ONE ASIAN FINANCIAL CRISIS.

6. I SAY ALL THIS BECAUSE FOR SOME COUNTRIES BESET BY OTHER URGENCIES, PRIORITIES OTHER THAN HUMAN RESOURCE DEVELOPMENT MUST HOLD SWAY. I SHOULD ALSO NOT FAIL TO STRESS THAT NATION-BUILDING AND NATIONAL DEVELOPMENT, EVEN ECONOMIC DEVELOPMENT, IS A MOST COMPLICATED BUSINESS.

7. AFTER SO MANY DECADES OF ENORMOUS ATTEMPTS AT DEVELOPMENT – ECONOMIC, SOCIAL, POLITICAL, CULTURAL, RELIGIOUS DEVELOPMENT IN EVERY CORNER OF THE GLOBE – EVEN THE GREATEST SO-CALLED EXPERTS OF DEVELOPMENT HAVE RUN OUT OF SIMPLE PRESCRIPTIONS. ALMOST WITHOUT EXCEPTION, THEY HAVE COME TO THE CONCLUSION THAT THERE ARE GOOD REASONS WHY THE VAST MAJORITY OF DEVELOPING COUNTRIES HAVE FAILED OR ARE HAVING THE MOST DIFFICULT OF TIMES. IT IS SIMPLY A FACT THAT SUSTAINED ECONOMIC DEVELOPMENT IS A VERY DIFFICULT FEAT TO ACCOMPLISH. INDEED, IT MIGHT BE ARGUED THAT ALTHOUGH SOME CITIES HAVE MOVED FROM THIRD TO FIRST WORLD, AND A FEW COUNTRIES (PERHAPS MALAYSIA AMONG THEM) LOOK WELL ON THE WAY THERE, OVER THE LAST CENTURY AND A HALF POSSIBLY ONLY JAPAN HAS BEEN ABLE TO BECOME A FULLY DEVELOPED COUNTRY, DEVELOPED IN A COMPREHENSIVE WAY.

8. I SAY ALL THIS IN ORDER TO STRESS NOT ONLY THAT DEVELOPMENT IS A DIFFICULT PROCESS BUT ALSO TO STRESS THAT, QUITE OBVIOUSLY, DEVELOPMENT IS NOT A 'ONE SIZE FITS ALL' PROPOSITION.

9. ROLE MODELS ARE OF COURSE USEFUL. THOSE WHO REFUSE TO LEARN FROM THE MISTAKES OF OTHER NATIONS ARE OFTEN CONDEMNED TO LEARN FROM THE MISTAKES OF THEIR OWN. THOSE WHO ARE QUICK ON THE UPTAKE ON WHAT WORKS ELSEWHERE AND WHAT WILL WORK IN THEIR OWN CASE CAN TAKE MANY SHORT CUTS. BUT IT MUST BE STRESSED THAT THE WORLD IS A COMPLEX AND COMPLICATED PLACE WHERE NO COUNTRY IS THE SAME, AND EACH COUNTRY HAS ITS OWN UNIQUE STRENGTHS AND WEAKNESSES, OPPORTUNITIES AND

CHALLENGES. AS SUCH, EACH ONE OF US MUST DEVISE OUR OWN UNIQUE WINNING FORMULA TO GROW AND DEVELOP.

LADIES AND GENTLEMEN

10. HAVING SAID ALL THIS, I DO BELIEVE IT IS NECESSARY TO ALSO STRESS THAT FOR MOST COUNTRIES TODAY HUMAN RESOURCE DEVELOPMENT AND HUMAN CAPITAL FORMATION, IS EITHER EXTREMELY IMPORTANT, ABSOLUTELY VITAL OR A MATTER OF LIFE OR DEATH. IN THE CASE OF MALAYSIA, WE MAY BE WRONG, BUT WE THINK IT IS A MATTER OF LIFE OR DEATH.

11. AT THE BEGINNING OF THE 1990'S, AT THE BEGINNING OF OUR SECOND GENERATION AS AN INDEPENDENT NATION, THE MALAYSIAN PEOPLE TOOK TO HEART THE GOAL OF BECOMING A COMPREHENSIVELY DEVELOPED NATION BY THE YEAR 2020, THE BEGINNING OF OUR THIRD GENERATION AS AN INDEPENDENT PEOPLE. WE CALLED THIS "VISION 2020".

12. IN MALAYSIA'S VISION 2020, WE ALSO TOOK TO HEART THE BELIEF THAT "THE MOST IMPORTANT RESOURCE OF ANY NATION MUST BE THE TALENTS, SKILLS, CREATIVITY AND WILL OF ITS PEOPLE". THE VISION DECLARED MALAYSIA'S BELIEF THAT "OUR PEOPLE ARE OUR ULTIMATE RESOURCE". FROM THE BOARD ROOM TO THE SHOP FLOOR, FROM THE CABINET ROOM TO THE LOWEST ECHELONS OF THE CIVIL SERVICE WE TOLD OURSELVES: "IN THE 1990S AND BEYOND, MALAYSIA MUST GIVE THE FULLEST EMPHASIS POSSIBLE TO THE DEVELOPMENT OF THIS ULTIMATE RESOURCE".

13. TEN YEARS LATER, AS WE ENTERED THE NEW MILLENNIUM, MALAYSIA ADOPTED THE "KNOWLEDGE-BASED ECONOMY MASTER PLAN", WHICH WE CALLED OUR "STRATEGIC INITIATIVE ONE OF THE 21ST CENTURY". THIS INITIATIVE IS AIMED AT TRANSFORMING A LARGELY INPUT-DRIVEN PRODUCTION-BASED ECONOMY INTO A PRODUCTIVITY-DRIVEN KNOWLEDGE-INTENSIVE ECONOMY. THE SINGLE MOST IMPORTANT STRATEGIC THRUST OF THIS MASTERPLAN IS THE ACCUMULATION AND DEVELOPMENT OF THE HUMAN RESOURCES NECESSARY TO MAKE THE QUANTUM LEAP TO THE NEXT LEVEL.

14. WHY DO WE BELIEVE THAT THE MOST IMPORTANT TASK AND FUNCTION OF THE GOVERNMENT OF MALAYSIA TODAY AND IN THE DECADES TO COME IS TO DEVELOP AND SECURE THE HUMAN RESOURCES OF OUTSTANDING KNOWLEDGE, SKILLS, CREATIVITY, INNOVATION, ENERGY AND DISCIPLINE?. OUR CONCLUSION IS DERIVED FROM INDUCTIVE EMPIRICAL EVIDENCE AND DEDUCTIVE LOGIC.

15. IN THE AGE OF HUNTING AND GATHERING, THE RICHEST AND MOST DEVELOPED WERE THOSE WHO WERE BEST AT HUNTING AND GATHERING AND THOSE WHO LIVED WHERE THERE WAS MUCH TO HUNT AND GATHER. THE FUTURE BELONGED TO THE BEST HUNTERS AND GATHERERS WHO COULD HARVEST THE NATURAL BOUNTY OF THE LAND.

16. IN THE AGE OF AGRICULTURE, THE RICHEST AND MOST DEVELOPED WERE THOSE WHO HAD VAST EXPANSES OF LAND AND WHO COULD ORGANISE LARGE NUMBERS WHO COULD TILL, SOW AND REAP THE FRUITS OF AN ACTIVITY CALLED "FARMING".

17. IN THE AGE OF INDUSTRY, THE RICHEST AND MOST DEVELOPED WERE THOSE WHO COULD BUILD THE FACTORIES THAT COULD PRODUCE THE GOODS THAT THE WORLD HUNGERED FOR. THIS REQUIRED MAKING THE MASSIVE CAPITAL INVESTMENTS, ASSEMBLING THE RAW MATERIALS, PUTTING IN PLACE THE MACHINES, BUILDING THE DISCIPLINED, MASS, URBAN INDUSTRIAL WORKFORCE AND ENSURING THE NECESSARY HARD INFRASTRUCTURE AND LOGISTICS.

18. TODAY, THE RICHEST AND THE MOST DEVELOPED DO NOT LIVE IN INDUSTRIAL COUNTRIES BUT IN POST-INDUSTRIAL SOCIETIES, WHERE THE LOW VALUE-ADDED MANUFACTURING HAVE BEEN HOLLOWED OUT, ALMOST TO EXTINCTION, WHERE THE LOW VALUE-ADDED AGRICULTURE HAVE DISAPPEARED, ALMOST TO EXTINCTION, AND WHERE THE LOW VALUE-ADDED SERVICES WILL BE HOLLOWED OUT, ALMOST TO EXTINCTION. THOSE WHO FAIL TO OUTSOURCE LIVE ON BORROWED TIME. POST-INDUSTRIAL ECONOMIES MAY STILL HAVE MASSIVE INDUSTRIES BUT THESE MUST BE HIGH VALUE-ADDED INDUSTRIES. THEY MAY HAVE SUBSTANTIAL AGRICULTURE BUT THEIR AGRICULTURE MUST HAVE HIGH VALUE ADDED. ABOVE ALL, POST-INDUSTRIAL ECONOMIES ARE STRONGEST IN SERVICES – AND IN HIGH VALUE-ADDED SERVICES.

19. HIGH VALUE-ADDED INDUSTRY, AGRICULTURE AND SERVICES DO NOT NEED LOW-KNOWLEDGE, UNCREATIVE AND UN-SKILLED MANPOWER IN MASSIVE QUANTITIES, THE MAINSTAY OF THE INDUSTRIAL ECONOMY. THEY NEED VERY KNOWLEDGEABLE, VERY CREATIVE, VERY INNOVATIVE, VERY SMART WORKERS AIDED BY MASSIVE INFUSIONS OF TECHNOLOGY AND CAPITAL.

20. IN PASSING, TAKE NOTE OF THE FACT THAT THE ECONOMIC OUTPUT OF THE UNITED STATES TODAY, AS MEASURED IN TONS, IS APPROXIMATELY THE SAME AS IT WAS A HUNDRED YEARS AGO. ITS REAL ECONOMIC VALUE TODAY, HOWEVER, IS 20 TIMES HIGHER. WHY THE DIFFERENCE IN VALUE DESPITE NO DIFFERENCE IN OUTPUT?. THE ANSWER LIES IN THE INFUSION OF INTANGIBLE ATTRIBUTES, THE MOST IMPORTANT OF WHICH IS KNOWLEDGE.

21. LET ME GIVE YOU ANOTHER FACT: TODAY, ALREADY MORE THAN 50 PER CENT OF THE GROSS DOMESTIC PRODUCT OF THE MAJOR O.E.C.D. COUNTRIES COMES FROM THE PRODUCTION AND DISTRIBUTION OF KNOWLEDGE.

22. AS FOR THE DEDUCTIVE REASONING, LET ME MERELY CITE ONE ARGUMENT. IT IS SURELY SELF EVIDENT, TOO OBVIOUS TO REQUIRE ELABORATION, THAT

QUALITY AND HIGH-VALUE OUTPUT IS THE RESULT OF THINKING AND PLANNING, EXECUTION AND IMPLEMENTATION BY SMART PEOPLE.

23. BUT WHO ARE THE SMART PEOPLE THAT WE WANT?. WE MUST BE SURE THAT WE DO NOT GET THOSE WHO MASQUERADE AS SMART PEOPLE WHEN THEY ARE ACTUALLY NOT SMART. AS PROPHET MUHAMMAD (PEACE BE UPON HIM) SAID: "WHEN YOU GIVE A TASK TO SOMEONE INCAPABLE, THEN YOU WILL FACE DISASTER".

27. WHAT WE NEED AND MUST FIND ARE THE TRULY KNOWLEDGEABLE, CREATIVE, INNOVATIVE AND ENERGETIC – OVER THE UTTERLY IGNORANT, THE DEADLY UNIMAGINATIVE, THE INCREDIBLY STRAIGHTJACKETED AND THE LETHARGIC KNOW-NOTHING. WE NEED PEOPLE WITH HIGH MORAL VALUES AND STRONG INTEGRITY, TOO. WE CERTAINLY DO NOT WANT SMART PEOPLE WHO ARE CHEATS AND TRICKSTERS.

LADIES AND GENTLEMEN

28. TWENTY YEARS AGO, MALAYSIA WAS A COUNTRY THAT SUBSISTED ON AGRICULTURE AND MINERALS. TODAY, IN TERMS OF THE VALUE OF INDUSTRIAL PRODUCTION OVER TOTAL G.D.P., WE ARE – DEPENDING ON THE YEAR OF REFERENCE – THE THIRD OR FOURTH MOST INDUSTRIAL ECONOMY IN THE WORLD. NEVERTHELESS, WE HAVE NO TIME TO REST ON LAURELS, NO MOMENT TO RELAX IN THE VALLEY OF COMPLACENCY. THERE ARE NEW PEAKS TO CLIMB, WHICH WE MUST DO BEFORE OTHERS BEAT US TO IT.

29. TODAY, THE PROFIT MARGINS IN MANUFACTURING ARE GETTING THINNER AND THINNER AS ONE COUNTRY AFTER ANOTHER FINDS THE WHEREWITHAL AND MASTERS THE SIMPLE MECHANICS OF MANUFACTURING. THE CHINAS OF THIS WORLD – LOW-COST PRODUCERS IN THE SOUTH, IN THE NORTH, IN THE WEST AND IN THE EAST – ARE LAPPING AT OUR HEELS, THREATENING TO BITE OUR ANKLES OFF. WE HAVE NO CHOICE BUT TO MAKE THE QUICK QUANTUM LEAP TO THE KNOWLEDGE-INTENSE POST-INDUSTRIAL ECONOMY – LIVING, MORE PROSPEROUSLY, FROM A HIGHER VALUE-ADDED AND MORE KNOWLEDGE INTENSIVE INDUSTRIAL, AGRICULTURAL AND SERVICES SECTORS. WE HAVE NO TIME TO LOSE IN DEVELOPING AND SECURING THE HUMAN RESOURCES WE NEED FOR OUR TRANSITION TO THE PRODUCTIVITY-DRIVEN, KNOWLEDGE-INTENSIVE POST-INDUSTRIAL ECONOMY.

30. HAVING STRESSED THE IMPORTANCE OF HUMAN CAPITAL FORMATION AND HUMAN RESOURCE DEVELOPMENT, IT IS ALSO IMPORTANT FOR ME TO EMPHASISE THE IMPORTANCE NOT ONLY OF COMMITMENT AND EFFORT, BUT ALSO SOUND JUDGMENT AND SOUND MANAGEMENT. IN OTHER WORDS, IT IS NOT ONLY NECESSARY FOR US TO DO THE RIGHT THING. IT IS ALSO VERY NECESSARY FOR US TO DO IT RIGHT.

31. IN THE MALAYSIAN CASE, WE BELIEVE THAT “DOING IT RIGHT” REQUIRES:

- DOING IT EFFICIENTLY – AMONG OTHER THINGS, ENSURING AN ACUTE UNDERSTANDING OF OPPORTUNITY COSTS, STRATEGIC INTERVENTION POINTS, AND THE IMPORTANCE OF EXTRACTING MAXIMUM VALUE FROM MONEY SPENT;
- DOING IT PRODUCTIVELY – AMONG OTHER THINGS, MAKING SURE THAT SUPPLY-DEMAND MISMATCHES ARE MINIMISED;
- DOING IT WELL – MAKING SURE THAT EVERYONE UNDERSTANDS THAT EXCELLENCE IN QUANTITY IS ABSOLUTELY NECESSARY AND SUPERLATIVE QUALITY IS VITAL;
- DOING IT PRAGMATICALLY – DOING WHAT IS NECESSARY AND WHAT WORKS RATHER THAN WHAT IDEOLOGY OR UNREALISTIC IDEALISM DEMANDS;
- ENSURING NOT ONLY THAT HUMAN CAPITAL IS ACCUMULATED AND HUMAN RESOURCES DEVELOPED BUT ALSO THAT THEY ARE FULLY MOBILISED AND PRODUCTIVELY DEPLOYED;
- ENSURING THAT A TOTAL NATIONAL LEARNING SYSTEM, WITH LIFE-LONG LEARNING, IS PRODUCTIVELY IN PLACE TO ENSURE THAT THE HUMAN CAPITAL IS PROGRESSIVELY VALUE-ADDED; AND
- ENSURING THAT A NATIONAL INTEGRITY PLAN FOR GOOD GOVERNANCE AND INCULCATION OF MORAL AND ETHICAL VALUES IS EFFECTIVELY IMPLEMENTED.

32. THE POLICIES AND PROGRAMMES FOR HUMAN CAPITAL FORMATION WE PUT IN PLACE MUST NEVER FORGET EFFICIENCY BECAUSE THEY ENTAIL ENORMOUS INVESTMENTS, FINANCIAL AND OTHERWISE. THERE ARE MASSIVE TRADEOFFS AND TREMENDOUS OPPORTUNITY COSTS. IN SOME COUNTRIES, THE CHOICE FACING GOVERNMENTS IS HEALTH OR SECURITY OR EDUCATION. FOR SOME, THE ANSWER IS OBVIOUS. THE RESOURCES MUST GO TO HEALTH AND SECURITY. FOR OTHERS, THE ANSWER IS EQUALLY OBVIOUS. MALAYSIA IS FORTUNATE IN THAT WE CAN SAY THAT THE OBVIOUS CHOICE IS EDUCATION.

33. OUR STRATEGISTS, PLANNERS AND IMPLEMENTERS HAVE HAD TO ENSURE AN ACUTE UNDERSTANDING OF THE STRATEGIC INTERVENTION POINTS. IN ANY MAJOR ENDEAVOUR, WHERE NO SOCIETY, HOWEVER WELL ENDOWED AND EMPOWERED, CAN HAVE ENOUGH OF WHAT IS NECESSARY, EFFORT AND RESOURCES MUST OBVIOUSLY BE CONCENTRATED ON WHERE THE GREATEST DIFFERENCE CAN BE MADE. MALAYSIA’S STRATEGISTS, PLANNERS AND IMPLEMENTERS HAVE HAD NO CHOICE BUT TO BE TIGHTLY FOCUSED ON WHERE THE ACTION PROMISES THE HIGHEST RETURNS.

34. AS AN EXAMPLE, WE HAVE FOUND THAT OVER THE YEARS WE GAVE THE TERTIARY SIDE OF EDUCATION MOST OF WHAT IT NEEDED. WE MADE THE MISTAKE OF UNDER-INVESTING IN PRIMARY EDUCATION. THE RESULT WAS INEVITABLE: TOO MANY OF OUR YOUNG ENTERED SECONDARY SCHOOL WITH INADEQUATE EDUCATIONAL FOUNDATIONS AND WERE UNABLE TO TAKE FULL ADVANTAGE OF A SECONDARY EDUCATION. THE OVERALL RESULT IS A UNIVERSITY ENTERING POPULATION THAT COULD NOT TAKE FULL ADVANTAGE OF TERTIARY EDUCATION, THAT WAS A HEAVY DRAG ON OUR HIGHER EDUCATION SYSTEM. WE HAVE NOW

STARTED TO REMEDY THE SITUATION BY GIVING THE PRIMARY SCHOOL SYSTEM THE COMMITMENT AND RESOURCES THAT IT VERY MUCH DESERVES.

LADIES AND GENTLEMEN

35. A NATIONAL PROGRAMME FOR HUMAN CAPITAL FORMATION AND HUMAN RESOURCE DEVELOPMENT CAN BE SUPER-EFFICIENT, PRODUCING EVER INCREASING OUTPUT AT EVER LOWER COST – AND YET BE AN ABSOLUTE DISASTER, IF WHAT IS BEING PRODUCED IS NOT WHAT IS NEEDED – IN THIS CASE, FOR SUSTAINED ECONOMIC GROWTH. WITH APOLOGIES TO THE FOLLOWERS OF PLATO, IF WE PRODUCED HIS PHILOSOPHER KINGS BY THE MILLIONS EACH YEAR, WE WOULD BE IN DESPERATE TROUBLE.

36. RIGHT OR WRONG, WE BELIEVE WE HAVE TO CONCENTRATE ON PRODUCING SOMETHING MUCH LESS ELEVATED BUT PERHAPS EQUALLY DIFFICULT TO ACHIEVE: A WORLD-CLASS WORKFORCE THAT IS EMPLOYABLE, EMPOWERED AND DISCIPLINED, ABLE TO ADJUST TO CHANGING WORK NEEDS, WITH A COMMITMENT TO LIFE-LONG LEARNING.

37. WE BELIEVE THAT SUCH A WORKFORCE MUST HAVE THE NECESSARY THINKING, READING, WRITING, NUMERICAL AND COMMUNICATION COMPETENCIES. WE THINK THEY SHOULD HAVE MINIMUM ABILITIES TO BE CREATIVE AND TO INNOVATE. WE THINK THEY SHOULD BE ENTREPRENEURIAL. THEY MUST BE I.C.T. EQUIPPED. WE THINK THEY SHOULD BE ATTRACTED TO SCIENCE AND TECHNOLOGY AND ANTAGONISTIC TO SUPERSTITION. WE BELIEVE THEY SHOULD BE SKILLFUL IN A MULTI-CULTURAL WORLD. THEY MUST CARRY IN THEIR HEADS THE BELIEF THAT ALL MUST BE ABLE TO STAND ON THEIR OWN TWO FEET, THAT NO-ONE OWES ANYONE A LIVING, THAT HUMAN BEINGS CAN DO ANYTHING; BUT THAT ACHIEVING ANYTHING MEANINGFUL REQUIRES VERY HARD WORK. WE THINK THEY SHOULD BE PATRIOTS. AT THIS STAGE IN WORLD HISTORY, WE ALSO BELIEVE THAT THEY MUST HAVE ENOUGH COMPETENCE IN THE ENGLISH LANGUAGE TO BE ABLE TO HAVE ACCESS TO THE BULK OF HUMAN KNOWLEDGE AS IT EXISTS IN THE PRESENT-DAY WORLD. WE ALSO BELIEVE THAT OUR PEOPLE MUST HAVE FAITH IN THEMSELVES, MUST BE POSITIVE, CONFIDENT AND PSYCHOLOGICALLY LIBERATED.

38. AS EVERY HUMAN RESOURCE DEVELOPMENT PERSON KNOWS, ALL THIS IS A VERY TALL ORDER. MALAYSIA IS BOUND TO FAIL AS MUCH AS WE SUCCEED. AT THE VERY LEAST, WE MUST TRY TO PRODUCE AS MANY MALAYSIANS AS POSSIBLE WITH AS MANY OF THESE ATTRIBUTES AS POSSIBLE. WE MUST WORK VERY HARD FOR QUANTITY. AT THE VERY SAME TIME, WE KNOW THAT IN ALL SOCIETIES IN ALL HUMAN ERAS OF RECORDED HISTORY, A RELATIVELY SMALL PERCENTAGE MAKE A CONTRIBUTION OUT OF ALL PROPORTION TO THEIR NUMBERS. THIS IS WHY EVEN AS WE WORK INTENSELY TO PRODUCE THE VERY LARGEST NUMBER POSSIBLE OF THE WORLD CLASS WORKFORCE OF EXCELLENCE THAT WE MUST HAVE, WE MUST MAKE SURE THAT WE DO OUR UTMOST TO ALSO DEVELOP THIS VERY SMALL PERCENTAGE OF SUPERLATIVE PERFORMERS.

39. IN PURSUING THESE EFFORTS, WE MUST BE FAST ON OUR FEET, ABLE TO EXPERIMENT AND INNOVATE, AND TO QUICKLY DISCARD WHAT DOES NOT WORK AND FORCEFULLY AND QUICKLY DEVELOP WHAT DOES WORK.

LADIES AND GENTLEMEN

40. FOLLOWING FROM THE NECESSITY FOR PRAGMATISM, I SHOULD POINT OUT THAT FOR MOST COUNTRIES THE PRIMARY THRUST SHOULD BE DIRECTED TOWARDS DEVELOPING ONE'S OWN PEOPLE. WE MUST DEVELOP THE TOTAL NATIONAL LEARNING SYSTEM THAT STARTS BEFORE KINDERGARTEN AND ONLY ENDS IN THE GRAVE, INVOLVING SCHOOLS, POLYTECHNICS, UNIVERSITIES, THE WORK PLACE, THE PLACE OF PLAY AND EVERY LEARNING SPACE IN BETWEEN.

41. WE SHOULD MAKE SURE THAT THERE IS NO BRAIN DRAIN OF ANY SIZE. DESPITE OUR EVERY EFFORT, IT IS INEVITABLE THAT SOME OF OUR PEOPLE WILL MOVE AND WORK IN OTHER GEOGRAPHIES. EVEN THE MOST DEVELOPED COUNTRIES CANNOT PREVENT THIS. BUT WHERE THERE IS A BRAIN DRAIN – AND FORTUNATELY MALAYSIA HAS BEEN ABLE TO KEEP THIS WITHIN BOUNDS – IT IS EXTREMELY IMPORTANT TO TRY TO MAKE SURE THAT BRAIN DRAINS ARE TRANSFORMED INTO BRAIN CYCLES: WHERE OUR TALENT WORKS IN OTHER COUNTRIES BUT AT A LATER STAGE WILL RETURN, BRINGING BACK TO THEIR HOMELAND THEIR TALENT, ENRICHED BY THEIR EXPERIENCE.

42. AS ONE DEVELOPED COUNTRY AFTER ANOTHER AND AS ONE FAST DEVELOPING COUNTRY AFTER ANOTHER HAS FOUND, THE PRINCIPLE OF PRAGMATISM ALSO REQUIRES FOCUSED AND STRONG COMMITMENT TO PROGRAMMES THAT WILL SECURE THE NECESSARY BRAIN GAIN.

43. HOWEVER GOOD A TOTAL NATIONAL LEARNING SYSTEM CAN BE BUILT WITHIN A COUNTRY, THE PROCESS OF HUMAN RESOURCE DEVELOPMENT SIMPLY TAKES TIME. SOMETIMES THERE IS A SUBSTANTIAL OR LENGTHY PERIOD WHEN THERE IS NO ALTERNATIVE TO BRINGING SUBSTANTIAL NUMBERS OF FOREIGNERS TO ONE'S COUNTRY TO PRODUCTIVELY CONTRIBUTE. WITHOUT EXCEPTION, NO COUNTRY CAN OR SHOULD DEVELOP EVERY SKILL, EVERY TALENT, EVERY SPECIALIST IN EVERY AREA OF IMPORTANT SPECIALISATION THAT IT NEEDS. UNDER BOTH THESE CIRCUMSTANCES, DESPITE THE NARROW MINDED NATIONALIST IMPULSES, A BRAIN GAIN PROGRAMME CAN NOT AND SHOULD NOT BE AVOIDED. IN THE CASE OF MALAYSIA, OVER THE NEXT 10 YEARS, WE WILL NEED TO REDUCE THE NUMBER OF UNSKILLED FOREIGN WORKERS BY AT LEAST A MILLION FROM TODAY'S LEVEL. WE WILL NEED TO INCREASE THE NUMBER OF EXTREMELY SKILLED FOREIGN WORKERS BY AT LEAST 50,000.

44. IF WE DO SUCCEED IN OUR HUMAN RESOURCE DEVELOPMENT OBSESSION, WE MUST MAKE SURE THAT WE ALSO SUCCEED IN THE EQUALLY IMPORTANT PROCESS OF MOBILISATION AND DEPLOYMENT – AND MOBILISATION AND DEPLOYMENT

INTO THE RIGHT PLACES. IN SO MANY SOCIETIES, VAST RESERVOIRS OF RESOURCES ARE POURED INTO HUMAN RESOURCE DEVELOPMENT. GREAT SUCCESS IS ACHIEVED – TO BE FOLLOWED BY FAILURE IN MAKING FULL PRODUCTIVE USE OF THIS ENORMOUS BOUNTY.

45. INCOME TAX REGIMES MUST NOT BE SUCH THAT LARGE NUMBERS THAT MUST WORK AND CONTRIBUTE SIMPLY WITHDRAW THEIR SERVICES. OBVIOUSLY, OVER TIME, THE MANDATORY AND NOTIONAL AGE OF RETIREMENT HAS TO RISE IN ORDER TO ENSURE GREATER MOBILISATION AND DEPLOYMENT OF VALUABLE HUMAN RESOURCES.

46. A GOOD PRODUCTIVE AND SENSIBLE BALANCE HAS ALSO TO BE FOUND BETWEEN THE PERCENTAGE OF WOMEN WHO DEVOTE THEMSELVES TO THE VERY IMPORTANT JOB OF HOME-MAKER AND THOSE WHO SHOULD MAKE THEIR MAIN CONTRIBUTION TO SOCIETY THROUGH WORK OUTSIDE AND BEYOND THE HOME. IN MALAYSIA'S CASE, MANY VISITORS EXPRESS GREAT SURPRISE AT THE PERCENTAGE OF WOMEN THEY SEE ON OUR UNIVERSITY CAMPUSES. BECAUSE OF ENTRY ON THE BASIS OF MERIT, TWO THIRDS OF OUR PUBLIC UNIVERSITY UNDERGRADUATES ARE WOMEN. IN SOME UNIVERSITIES, THE PERCENTAGE IS HIGHER. THE NUMBER OF WOMEN WHO WORK IN MALAYSIA IS ALREADY COMPARATIVELY HIGH. AND WOMEN OCCUPY HIGH POSITIONS IN THE PUBLIC SECTOR AND IN THE BUSINESS WORLD. BUT OBVIOUSLY IN THE DAYS AHEAD, THE WOMEN PARTICIPATION RATIO SHOULD RIGHTLY BE SUBSTANTIALLY HIGHER. AND THE PERCENTAGE OF WOMEN IN HIGH POSITIONS MUST ALSO ADVANCE APACE.

LADIES AND GENTLEMEN

47. I HAVE ALREADY MENTIONED THE IMPORTANCE OF PUTTING IN PLACE A TOTAL NATIONAL LEARNING SYSTEM FROM CRADLE TO GRAVE. LIKE OTHER NATIONS, MALAYSIA IS GRAPPLING WITH HOW TO GET THIS DONE, ESPECIALLY FOR THE PERIOD AFTER OUR YOUNG LEAVE UNIVERSITIES AND ENTER THE WORKPLACE. FOR MANY YEARS NOW WE HAVE ESTABLISHED A HUMAN RESOURCE DEVELOPMENT FUND – WITH MANDATORY CONTRIBUTIONS FROM INDUSTRY – TO FINANCE WORKERS KEEN TO ACQUIRE NEW SKILLS AND COMPETENCIES. INCENTIVES EXIST FOR COMPANIES WHO WISH TO INVEST IN TRAINING THEIR STAFF. COMMUNITY COLLEGES ARE BEING SET UP TO CATER FOR CONTINUING EDUCATION PROGRAMMES. LIKE MANY OTHER COUNTRIES, WE ARE TRYING VERY HARD TO ESTABLISH SYSTEMS AND PROCESSES FOR LIFE-LONG LEARNING. BUT, AS MY WORDS INDICATE TO YOU, I AM FAR FROM SATISFIED WITH THE RESULTS THUS FAR ACHIEVED.

48. FORTUNATELY, FOR A SUBSTANTIAL PROPORTION OF OUR POPULATION IN MALAYSIA, EDUCATION IS AN OBSESSION. EVERY FAMILY BELIEVES THAT THEIR CHILDREN MUST GRADUATE FROM UNIVERSITY. MANY CHILDREN ATTEND EXTRA CLASSES. SADLY, EVEN KINDERGARTEN CHILDREN ARE ON INTENSIVE PRIVATE TUITION. NEVERTHELESS, DESPITE THE OBSESSION, THERE ARE STILL LARGE DIGITAL DIVIDES TO BRIDGE AND KNOWLEDGE CHASMS TO FILL. THERE IS MUCH TO DO IN THE DAYS AHEAD.

LADIES AND GENTLEMEN

49. FOR THE MALAYS WHO ARE MUSLIMS, EDUCATION IS COMPULSORY. ERADICATION OF POVERTY IS MANDATORY. THESE ARE COMMANDED BY ISLAM.

50. IT IS FOR THESE REASONS THAT EDUCATION HAS BEEN GIVEN SUCH EMPHASIS IN MALAYSIA'S DEVELOPMENT PLANS. EDUCATION IS GIVEN THE HIGHEST ALLOCATION FOR MOST OF THE YEARS SINCE MALAYSIA'S INDEPENDENCE, ACCOUNTING FOR ABOUT ONE-FIFTH OF THE COUNTRY'S DEVELOPMENT EXPENDITURE. SIMILARLY, POVERTY ERADICATION EFFORTS HAVE BEEN SUSTAINED IN THE COUNTRY FOR DECADES NOW, REDUCING THE POVERTY RATE FROM OVER 50 PERCENT IN 1970 TO ABOUT 5 PERCENT NOW.

51. IMPROVING THE EDUCATION OF OUR PEOPLE AND ERADICATING POVERTY ARE AMONG MALAYSIA'S MOST IMPORTANT STRATEGIES TODAY. I BELIEVE THAT IF A MUSLIM COUNTRY IS TO SURVIVE WITH PROGRESS AND DIGNITY, OUR HUMAN DEVELOPMENT EFFORTS MUST SUCCEED.

52. INDEED, MASTERY OF KNOWLEDGE AND COMPREHENSIVE DEVELOPMENT ARE IMPORTANT PRINCIPLES OF ISLAM HADHARI (LITERALLY, CIVILISATIONAL ISLAM). I HAVE ESPOUSED THIS APPROACH TO INSPIRE MY PEOPLE TOWARDS PROGRESS AND DEVELOPMENT. LET ME SAY THAT ISLAM HADHARI IS NOT A NEW RELIGION. IT IS NOT A NEW TEACHING NOR IS IT A NEW MAZHAB OR DENOMINATION. ISLAM HADHARI IS AN EFFORT TO BRING THE UMMAH BACK TO BASICS, TO RETURN TO THE PRIMACY OF VALUES AND PRINCIPLES, AS PRESCRIBED IN THE QURAN AND THE HADITH THAT FORM THE FOUNDATION OF ISLAMIC CIVILISATION. 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 NATIONS AND COMMUNITIES 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.

53. AS CAN BE NOTED, THE PURSUIT OF KNOWLEDGE IS AN IMPORTANT HALLMARK OF ISLAM HADHARI, WITHOUT WHICH PROGRESS AND ADVANCEMENT CANNOT BE MEANINGFULLY ACHIEVED. MALAYSIA THEREFORE STANDS COMMITTED TO HUMAN RESOURCE 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.

54. CAREFUL AND EFFECTIVE HUMAN RESOURCE DEVELOPMENT AND STRONGER POVERTY ALLEVIATION MEASURES SHOULD ALSO BE MADE MORE PERVASIVE IN THE MUSLIM WORLD. THE MORE FORTUNATE AMONG US MUST GET TOGETHER AND HELP THE OTHERS. IT IS WITH THIS IN MIND THAT I HAVE INITIATED THE CAPACITY BUILDING PROGRAMME IN THE ORGANISATION OF ISLAMIC CONFERENCE TO ASSIST LESS DEVELOPED O.I.C. COUNTRIES ERADICATE POVERTY AND BETTER DEVELOP THEIR ECONOMIES. IT IS MY BELIEF THAT ENHANCED CAPACITY IS A KEY STEP IN OUR JOURNEY TOWARDS GREATER UNITY, DIGNITY AND PROGRESS OF THE UMMAH.

LADIES AND GENTLEMEN

55. ALTHOUGH THE ORGANISERS OF THIS FORUM ARE GENEROUS IN THEIR BELIEF THAT MALAYSIA "HAS SUCCESSFULLY DESIGNED AND IMPLEMENTED A STRATEGY FOR ECONOMIC AND SOCIAL DEVELOPMENT THAT HAS BEEN A MODEL FOR THE ISLAMIC WORLD", AS THE LEADER OF MALAYSIA I MUST BE MUCH MORE HUMBLE. WE HAVE A LONG WAY TO GO. ALL THAT WE HAVE DONE REMAINS TO BE A WORK IN PROGRESS.

56. I PRAY TO ALLAH THAT WE ARE ON THE RIGHT PATH. I PRAY TO ALLAH THAT IN THE YEARS AHEAD WE WILL HAVE THE STRENGTH TO STAY THE COURSE, AND THE CREATIVITY TO FIND NEW ROUTES AND PATHWAYS TO WHERE WE MUST GO.

57. WE KNOW THAT WE HAVE LITTLE CHOICE. IF WE FAIL WITH OUR HUMAN RESOURCE DEVELOPMENT PROGRAMME, THERE IS LITTLE HOPE FOR MALAYSIA TO BECOME A FULLY DEVELOPED NATION. IF WE SUCCEED, WE HAVE AN EXCELLENT CHANCE.

58. MAY ALLAH SHOWER US WITH HIS DIVINE GUIDANCE AND CONTINUE TO KEEP US IN HIS PROTECTION.

THANK YOU.