

AT THE OFFICIAL OPENING OF THE AIESEC SEMINAR ON MALAYSIA INCORPORATED

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Terlebih dahulu saya mengucapkan setinggi-tinggi Persyarikatan Malaysia, dan mengucapkan terima kasih di atas penghormatan serta peluang yang diberikan kepada saya untuk memberi ucapan di majlis ini, dan seterusnya merasmikan Seminar ini. Government is not just confined to maintaining law and order but also, among other things, to facilitate this change. In the context of development administration, it constitutes exploring new opportunities for the optimum benefit of the society as a whole. It also includes the inculcation and integration of the values and practices which can contribute to the common good and for a better future, and the removal of constraints and barriers that hamper their achievements. In short, to be concerned with development is to be concerned with the ends and the means, as well as capability and performance.

3. Development efforts require the commitment, support, involvement and participation of everyone. While the Government plays a major role, and a leading sector may be development, which should assist us in better understanding and handling it, tend to give rise to other problems. Even when development has been repeatedly stressed as a totality, find that this is hard to come by.

4. In my opinion, the crux of the matter lies in the lack of the right attitude and perception that, whether we are in the Government or in the private sector, all our efforts are in fact for the common good. Each and everyone of us is in fact a contributor as well as a recipient. Just as in the role of recipient, we do not like bad service, so as a contributor, we should not give bad service. Obviously if everyone gives good services, no one will receive bad service. The counter clerk or the officer who is unsympathetic and rude will find how unpleasant and frustrating it is to be similarly served, when it is his turn to be served by another counter clerk or officer. Indeed those who retire from service and go into business complain loudly about the behaviour of those they have to deal with, while conveniently forgetting that they once behaved in the same way. That is why the right attitudes and perceptions are so important in the development process, that is, in the attempt to build a better future.

5. What I have said thus far brings into focus the need for cooperation. We know that the public sector is an important sector. In addition to providing various social and infrastructural amenities, the Government also incurs vast expenditures on defence and security. In the context of Malaysia, we are also involved, directly and indirectly, in numerous economic undertakings. Of course, the in the United States and Britain under numerous guises.

6. In our case, the number of public sector personnel, inclusive of military and police, is more than 0.8 of a million of our 14 million population. In 1981, our operating expenditure was 52 percent of our GNP. Though we are making all efforts to bring it down, this is not the only point that I would like to especially emphasise here. We also have to be sensitive to the fact that, for example, for 1983 the operating costs expected to be incurred by the Federal Government is in the region of 17 billion ringgit which is fairly close to our expected revenue of about 18.5 billion ringgit.

7. For the sake of simplicity, I will now refer to the figures in the 1982/83 Economic Report. Taking the figures for 1981, the breakdown in operating expenditure shows that 18 percent is for security, 26 percent for social services, 9 percent for economic services, 9 percent for general administration, 28 percent for transfer payments and 13 percent for debt servicing. Comparing operating expenditure to development expenditure in 1981, for every ringgit of development expenditure, we spent two ringgit on operating expenditure. A major portion of our operating expenditure is for salaries and wages.

8. While the role of the private sector was not that pronounced, being only implicit in the earlier development plans, our Fourth Malaysia Plan emphasises an expanded role for the private sector. The Plan states that "Its strategic role is clearly shown by the large amount of total investment expected to be met by the private sector, accounting for 72.7% during 1981-1985." We must recognise that the private sector has always played an important role in meeting the development objectives of the nation. It has provided a major source of investment, technological progress and skills, and contributed substantially to growth in the plantation, mining, manufacturing, construction and the services sectors.

9. It is, therefore, very clear that not only does our economy depend on the private sector, but that the business of administration also depends on revenues, the bulk of which is collected from the private sector. In a sense, it is fair to say that everyone depends on the private sector and on its healthy growth. But equally true, the growth of a healthy private sector, to a large extent, depends on the Government and its civil service. A sensitive and responsive public sector is one of the necessary preconditions for the development, growth and profitability of private sector activities. There is clearly an inter-dependence between the public and private sectors, such that failure to cooperate will result in losses for both.

10. Malaysia is fortunate to be endowed with various resources. Our performance within the quarter decade of independence has been impressive even in the eyes of our detractors. Given the necessary ingredients, there is no reason why we cannot at least join the group of the newly industrialised countries, or NICs, in the not too distant future. Japan's, and South Korea's economic success stories, are well known. One of the reasons for the success of these two countries is the close cooperation between the Government and private enterprise. Nowhere is the cooperation more marked and telling than when competing in foreign markets. Every effort is made by the Government to ensure the success of the country's exporter or contractor. Indeed so close is the cooperation that the competitors from other countries get the impression that there is no distinction between Government and the private entrepreneurs concerned. They both seem to represent one entity dedicated to the success of the country. It was then that the term "Japan Incorporated" was coined. The term was derisive and derogatory, but whatever one might say of the system, there is no doubt that it helped Japan, and later on Korea, to achieve the economic miracle that we see to-day.

11. "Japan Incorporated" is an obvious model for a Malaysia that is desirous of joining the ranks of developed countries. There has always been close cooperation between the public and private sectors in Malaysia but active support on the part of the public sector to ensure the success of private enterprises and vice versa is not quite well developed. Indeed in some unfortunate instances a confrontational attitude is adopted to the detriment of both.

12. It is with this background that the concept of "Malaysia Incorporated" was introduced. The idea is to make clear the rationale for a special effort to be made for making public and private sector cooperation more meaningful and more productive. I believe we can make our development more successful by emphasising this strategy. The crux of and direction, which will ultimately benefit all.

13. The basis of Malaysia Incorporated is nothing more than a mental attitude, and an underlying approach for ensuring that the public sector and all its personnel regard the success of business, commercial and industrial enterprises as part of their nation's and their own success. In other words, we must understand that we have a stake in every economic undertaking operated by the private sector; as indeed, we are. If a private venture is successful, and can be more successful with all the assistance of the Government, it will not only get more profit, which the Government will also reap in the form of 40-55 percent taxes, but also it will generate more employment opportunities for our unemployed, and it will open new opportunities for other businesses, big and small. And since the Government is also engaged in commercial and industrial enterprises, directly and indirectly, they too will benefit from better services provided by the public everyone engaged productively -- everyone, having more purchasing power, consuming more, saving more and investing more -- we will be stimulating and accelerating the whole growth process and wealth creation. As a bonus, everyone will be better disposed towards other members of the community, as service, both in the public and private sectors, improves. No doubt it will contribute toward greater stability and a better quality of life for all. a big corporation, where not only do the individual enterprises have a share in it, but also the Government, and everyone, in the final analysis, is a shareholder. It is in everyone's interest to ensure that the profit centres, which entities, are functioning also efficiently and effectively.

14. In other words, everyone must be conscious that costs must be cut, unwieldy procedures eliminated, laws and regulations streamlined, and productivity and profits maximised, irrespective whether he is in the Government or the private sector. Our corporate feeling must manifest itself in our attitudes and actions which will be seemingly unselfish, yet in the end will fulfill our most selfish needs, for we are the beneficiaries of our attitudes and actions. approach. It is closely linked to many other policies and should give substance in terms of programs and projects within the folds of other policies. It should pave the way for a new working style on the part of the public servants. They should not regard the private sector people as an adversary or competitors who are out to cheat, to demand and to by-pass policies and requirements, but as partners, who will need all the advice, help and guidance, and for whom time and opportunities are of the essence. For the private sector people, they should not regard the civil servants as the people who are out to make their lives miserable, waiting to be buttered and so on. The two must shed their prejudices, and see in a clear and objective light, the necessity for ensuring success and better performance of both the sectors. What it should do is to make the public and private sectors work as a team, not only in the fulfilment of the various Government policies, but also to the mutual benefit of both and the overall success of Malaysia as a nation and of Malaysians everywhere.

16. We are not using the Japanese model per se. We have to work within our own context. There are constraints here and there, but there are vast opportunities that can ensure that this approach, that we refer to as Malaysia Incorporated, will be a success.

17. With these remarks, I wish you all a successful discussion, and with this, I am happy to declare your Seminar officially open.