

THE NATIONAL CONGRESS VISION 2020 : THE WAY FORWARD
THE SUNWAY LAGOON RESORT HOTEL, 29 APRIL 1997

Firstly, I would like to thank the organisers of this Congress -- ISIS, ASLI, EPU and ICU -- for inviting me here today to officiate the opening of this congress. Malaysia's Vision 2020 is six years old. It is now a reality, studied by many countries, copied by many who also wish to move their nations, to unite their peoples behind a common destiny and to solidify their efforts behind a shared purpose.

2. Countries from Botswana to El Salvador, from Colombia to Nigeria, from Mauritius to Venezuela have decided on a Vision 2020 of their own. The Club of Rome wants a 2020 Vision for Europe. The countries of Southeast Asia want a 2020 Vision for ASEAN. APEC has adopted a 2020 Vision for the Pacific. 2020, which as a measure of perfect vision seems to have caught on and is now the definitive time for everyone to achieve a development objective. As for us in Malaysia Wawasan 2020 has definitely galvanised the effort of the whole nation and helped it to achieve unprecedented and continuous growth. In the first 6 years we have grown at 8.6 percent, higher than the targeted growth of 7 percent per annum which would result in doubling our GDP every decade.

3. Our growth run has not been without flaws. But certainly it has achieved much of what we set out to achieve. We have more than full employment. Wealth has not just trickled down but has spread and permeated every strata of our society so that poverty has been almost completely eradicated and incomes increased for all. Without having to resort to industrial action wages have risen, doubled or more in many cases. Even more remarkable is the low rate of inflation which has meant better purchasing power without increases in cost and lowering of our competitiveness. Economically we have done well indeed, better even than our vision.

4. From the very beginning, from the time when Vision 2020 was announced it seemed to have caught the imagination of Malaysians in every walk of life. It is not that it is just a catchy phrase, it seems that the vision is an objective that is easy to visualise. We all know what a developed country is like. When we were colonised we had dreamed of being like them - independent and rich. But having achieved independence, we had remained poor and continued to suffer certain indignities. Vision 2020 promised not just equality of wealth but also dignity and honour as a nation and as a people. And so we readily embraced the Vision and we have put our hearts and soul into its realisation.

5. Wawasan 2020 was what our people, deep in their hearts, had always wanted. It articulated the best aspirations of our citizens. It is in harmony with the best traditions of our very Malaysian way of life. It said what needed to be said. It laid to rest the gremlins that lurked within the darkest corridors of our history. It settled many of the unresolved issues of the past. It took from our backs some very heavy baggage of history which had greatly hindered us in the past. It shifted the mind-set of our nation from less productive pastures to the making of a more promising future. It pointed to where we needed to go as a nation. It

made perfectly clear what we needed to do in our second generation as an independent country so that this present generation of Malaysians will be the last generation of Malaysians to live in a society that is called 'developing'. By 2020, we must be 'a fully developed country'.

6. Vision 2020 makes it perfectly clear and we must have it perfectly clear in our minds -- that we must be a "developed country in our own mould". Modernisation is not Westernisation or Japanisation or Easternisation or Asianisation. The land that must be fully developed by 2020 must be uniquely modern, i.e. in keeping with the progress that the world has made in every field by then and yet remain uniquely Malaysian.

7. From the very beginning, Vision 2020 also makes it abundantly and explicitly clear that "Malaysia should not be developed only in the economic sense. It must be a nation that is fully developed along all the dimensions: "economically, politically, socially, spiritually, psychologically and culturally."

8. Vision 2020 stresses, development "in terms of national unity and social cohesion, in terms of our economy, in terms of social justice, political stability, system of government, quality of life, social and spiritual values, national pride and confidence."

9. Vision 2020 therefore sets out not only an economic agenda, not only a social agenda, not only a political agenda, not only a psychological agenda, not only a science and technology agenda. It sets out a comprehensive, and rounded agenda for the nation. Let me remind you once more of the nine strategic objectives or challenges set out by Vision 2020:

* The first of these is the challenge of establishing a united Malaysian nation with a sense of common and shared destiny. This must be a nation at peace with itself, territorially and ethnically integrated, living in harmony and full and fair partnership, made up of one 'Bangsa Malaysia' with political loyalty and dedication to the nation.

* The second is the challenge of creating a psychologically liberated, secure, and developed Malaysian Society with faith and confidence in itself, justifiably proud of what it is, of what it has accomplished, robust enough to face all manner of adversity. This Malaysian Society must be distinguished by the pursuit of excellence, fully aware of all its potentials, psychologically subservient to none, and respected by the peoples of other nations.

* The third challenge we have always faced is that of fostering and developing a mature democratic society, practising a form of mature, consensual, community-oriented Malaysian democracy that can be a model for many developing countries. * The fourth is the challenge of establishing a fully moral and ethical society, whose citizens are strong in religious and spiritual values and imbued with the highest of ethical standards.

* The fifth challenge that we have always faced is the challenge of establishing a matured, liberal and tolerant society in which Malaysians of all colours and

creeds are free to practise and profess their customs, cultures and religious beliefs and yet feeling that they belong to one nation.

* The sixth is the challenge of establishing a scientific and progressive society, a society that is innovative and forward-looking, one that is not only a consumer of technology but also a contributor to the scientific and technological civilisation of the future.

* The seventh challenge is the challenge of establishing a fully caring society and a caring culture, a social system in which society will come before self, in which the welfare of the people will revolve not around the state or the individual but around a strong and resilient family system.

* The eighth is the challenge of ensuring an economically just society in which there is a fair and equitable distribution of the wealth of the nation, in which there is a full partnership in economic progress. Such a society cannot be in place so long as there is the identification of race with economic function, and the identification of economic backwardness with race.

* The ninth challenge is the challenge of establishing a prosperous society, with an economy that is fully competitive, dynamic, robust and resilient.

10. Six years ago, when Vision 2020 was launched, we gave the primary emphasis to the economic agenda, to the eighth and ninth strategic objectives: to the challenge of establishing an economically just society, and to the challenge of ensuring a prosperous society, with an economy that is fully competitive, dynamic, robust and resilient.

11. "Most obviously," Vision 2020 says, "the priorities of any moment in time must meet the specific circumstances of that moment in time." In the early Nineties, we had the unique opportunity to make giant strides with regard to our economic agenda. We put our heart and soul into our economic agenda. Having succeeded so well, so fast and so resoundingly, this is not the time to falter, to call a halt. Now is not the time to stop our massive economic momentum.

12. Let me be perfectly clear: the massive commitment to the pursuit of our economic agenda of the past must be sustained into the future. Indeed, we must proceed with even greater tenacity, even greater creativity, and even greater effectiveness.

13. We must proceed with even greater tenacity, with even greater creativity, with even greater effectiveness:

* to eradicate absolute poverty absolutely;

* to ensure a fair and equitable distribution of the wealth of the nation;

* to ensure full partnership in economic progress;

* to ensure a society where there no longer will be identification of race with

economic function; and

* the identification of economic backwardness with race.

14. The New Economic Policy is no more. But we must not neglect the challenge of economic social justice today. And we must not neglect the demands of economic social justice in the days to come. Those who are backward must be helped. No-one must be left behind. We must all advance together. We must all reap the benefits of rapid growth and advancing modernity. If we ever forget the eighth objective of Vision 2020, our struggle for economic social justice, we do so at our own peril. Let me repeat: if we ever forget our struggle for economic social justice, we do so at our own peril.

15. We must also proceed with even greater tenacity, with even greater creativity, with even greater effectiveness:

* to ensure very rapid and sustainable growth; and

* to guarantee an economy that is fully competitive, dynamic, robust and resilient B fast on its feet and able to outperform our rivals.

16. Starting from the early eighties, we re-invented the Malaysian economy. Let us not forget that not so long ago we depended on rubber and tin, and then on rubber and palm oil. Where would we be today if we still relied for our livelihood on rubber and tin or on rubber and palm oil or on natural resources alone including petroleum which together make up only 16.9 percent of total export earnings.

17. We had no choice. Over the last fifteen years, we have had to reform and re-make our economy in the most fundamental of ways.

18. We introduced 'Look East', privatisation, productive deregulation. We made the private sector, not the public sector, the primary engine of growth. We accelerated our industrialisation drive. We worked hard to expand our medium and small scale industries. We turned forcefully to export-led growth, thus relying on the whole world as our marketplace. We opened and liberalised our economy. We pushed hard for foreign investment, whilst pushing even harder for domestic investment. We emphasised human resource development. Let me remind everyone once and for all that Vision 2020 states unequivocally: "nothing is more important than the development of human resources ... Our people is our ultimate resource."

19. We understood that infrastructure had to be developed and fortified, that entrepreneurship had to be enriched and strengthened. We held firmly to the tightest control on inflation. We even talked seriously of zero inflation and we are still pursuing it. If inflation can be reduced, surely it can be prevented from growing altogether. We need to believe in zero inflation and that we can work towards it. We cannot work towards something that we don't believe is achievable. We ensured a proper and stable exchange rate. We worked hard on industrial technology development. We understood the necessity for

modernisation of the agricultural and services sector. We stressed the need to develop the rural areas, to ensure sustainable development. We knew, or we should know, that we must become an information- rich society. We realised that we had to have an active diplomatic agenda to back our vigorous economic drive. And so we travelled far and wide in search of friends and markets. And we pressed the need for Malaysia Incorporated, of cooperation between the Government and the private sector, and now the unions as well, in the task of developing the nation for the people.

20. These were key elements of the ` Winning Formula' which despite all the difficulties, faults and failures -- has helped to bring us to where we are today. These reforms have basically proven their worth. They must be sustained. And they have to be augmented. Many have not gone far enough. Many have yet to bear fruit. And many new strategies and ideas have yet to be discovered, developed and pursued.

21. Let us also be clear that a nation that does not constantly reform itself and be willing to try new ideas and strategies; an economy that is unable to quickly re-invent itself and then to quickly re-invent itself again, will soon be left behind in today' s fast-moving world, a world buffeted by new ideas and concepts such as globalisation, borderless economies, disregard for sovereignty of nations and unlimited as well as confusing information.

22. Our national market is not continental in size. It certainly is not big enough to enable us to grow at a pace to catch up with the developed world. We need the world market but we have to pay a price to gain access to it. We have to stop protecting our market. We have to open it up in order to gain reciprocal access. If we are not going to be overwhelmed by the economic giants from outside, we have to learn to be very competitive. Our corporations will also have to grow big and to think big.

23. I would like to elaborate here our strategy to remain competitive. It is really quite simple. We want to keep our cost low without sacrificing the standard of living of our people, which must rise as we grow. That way we will remain competitive.

24. The first essential is to contain inflation. A lot of things have to be done to contain inflation. We have to continue controlling the prices of essential goods. We oversee pricing generally in order that the so-called unavoidable increases are truly unavoidable and kept to the minimum.

25. But the next important thing is to increase wages only on the basis of an increase in productivity. Whether the productivity is due to the effort of the employees or to the improvement in the method of production or increases in capital, the workers are entitled to an increase in wages commensurate with the true cost of the increase in productivity. Of course others too are entitled to any increase in returns due to higher productivity whether due to workers efforts or management or capital injection.

26. If costs are allowed to go up without commensurate productivity, then we will lose competitiveness and there will be inflation. When there is inflation any increase in income, whether of employees or investors, becomes meaningless, as the purchasing power of the new income would not increase. Indeed it may even buy less than the old income. This has happened in many countries where people earn more but could afford less.

27. This simple fact must be understood by everyone if we are to remain competitive, to ensure higher living standards for everyone, and to develop and grow economically. In many developed countries incomes have been allowed to increase without an increase in productivity, resulting in widespread unemployment and regression of the economy. Fortunately for them, they have assets such as a rich domestic market, technology and access to huge capital and skilled manpower. We do not have any of these. If we adopt their profligate ways, we will regress economically. In other words our workers, executives and investors will all become poorer and poorer. I am sorry to be belabouring this but far too many people are fond of having more money without thinking of what the money can buy.

28. If the Government seems to be unduly strict and unwilling to accede to various demands made by various quarters, it is because we want to serve the best interest of the people and the nation. We do not want to have a fling only to pay for it with prolonged poverty. In order to progress towards Vision 2020 we have to manage the economy for steady and continuous growth.

29. We must grow at 7 percent per annum for 30 years 1990 - 2020. To achieve this average we must go for high growth in the early years. As the economy matures growth will slow down. But even if the growth slows down in the last ten years, the average of 7 percent would still be attained.

30. This is our strategy and the whole nation, from workers to top executives and the so-called tycoons, must understand the national strategy. The Government can only plan and guide. It is the people who make the economy perform. And we must perform and perform well if we want Vision 2020 to become a reality.

31. Twenty years ago, we were still highly reliant on agriculture and on mining. We set our hearts on becoming an industrialised country. Today, we are high on the rungs of the world's industrialised economies. Industry accounts for 44 percent of our total GDP. Manufactured products account for more than 80 percent of our total exports. More than 34 percent of our workforce is employed in the industrial sector.

32. For several years now we have been achieving the highest growth rate for exports. Since 80 percent of our exports is made up of manufactured goods and each year the manufactured goods portion of the export had increased, it follows that it is the manufacturing sector which contributes most to our export earnings. We have indeed become an industrialised nation. While we should be happy with this performance, we should look seriously at other sectors. For example

why is our services sector not contributing enough to our GDP growth?

33. We should of course continue to expand our manufacturing capability by improving productivity per capita. This we can do through automation, use of robots etc. But we must maximise our export earnings through maximising the use of our ports, shipping and insurance. The Government has readied the infrastructure. It remains for the importers and exporters to use these facilities. A few more percentage points can be added to our economic growth through this.

34. We can congratulate ourselves for the progress that we have made. But we cannot lie back and let the economy take its course. To continue growing we must be constantly vigilant and alert to the changes taking place around us. We are now moving into the post-industrial age. We are in fact shifting from the Industrial society into a borderless Information age, a globalised economy where borders can no longer protect us from the predatory economies of the world.

35. We are going to lose some and win some. But we must try to win more than we lose. It is for this reason that we decided to make a bold move into the Information Age by launching the Multimedia Super Corridor. The whole approach is radical. If we have to take down our national boundaries anyhow, we might as well get something from what will be coming in. The MSC will function under a different set of rules and laws. We will make mistakes. But by confining the changes to a specific area we will be able to limit the damage and select what we can accept for the rest of the country.

36. At no moment in time should we forget the political agenda set out in Vision 2020: a united Malaysian nation and a developed and mature democratic society. Massive and rapid growth is a wonderful buffer. Like a river in flood, it hides the rocks on the river bed. We must never be complacent for a united nation is the foundation on which the Malaysian house is built. If we are disunited and at odds with each other, all that we have done will come to nought.

37. We must be mindful of the fact that democracy flourishes best when it is founded upon healthy economic growth and social progress. Just as clearly, without a productive Malaysian democracy we will be greatly handicapped.

38. For more than 400 years after 1511, we were not masters of our own fate, believers in our capacity to excel. We have in recent years shown to others, and more importantly, to ourselves that 'Malaysia Boleh'. We must always be humble. Humility and reality tells us our journey is far from completed.

39. At no moment in time should we take for granted the need to progress with the task of creating a matured liberal and tolerant society which not only tolerates but can also appreciate and celebrate the ways of others.

40. As I have stressed, we must proceed and not falter over our economic agenda. The race to our economic future has only just begun in earnest. We must act forcefully to capture that future. We cannot afford not to seize the moment.

41. But at this particular 'moment in time', I believe that we must resolve to also take giant steps forward on our social agenda.

42. In particular, I believe that two social strategic objectives require our urgent, intensive and extensive attention. It is time to move vigorously forward with regard to ensuring a fully moral and ethical society, whose citizens are strong in religious and spiritual values and imbued with the highest of ethical standards. And I believe that it is time to move forcefully forward with regard to ensuring a fully caring society and a caring culture founded on a strong and resilient family system.

43. Of course we must always be on guard against corruption. Today, as ever, we should take not an ounce of comfort from surveys which show that by so-called 'Asian' standards or developing country standards or 'world' standards we are not too badly off; or that we are said to be no more corrupt than quite a few 'developed' countries. Thank God corruption in Malaysia is not, as it is in most countries, a way of life.

44. But at this particular 'moment in time' what seems particularly pressing is the need to ensure the correct balance between material and spiritual development. We must make sure that we do not fall into the dark hole that many countries which are called "developed" have fallen into. We do not want to be a wasteful consumer society where unbridled materialism runs riot.

45. Urbanisation has brought with it drastic changes in the way of life of many Malaysians. They are not all bad but invariably there is a weakening of family ties and restraints. We see an increase in drug addiction, crimes, promiscuity and high divorce rates, broken homes and abandoned babies.

46. Developed nations tend to consider these social breakdowns as inevitable and to accept them. But we cannot. We have to try to retain our values and to fight these social evils. Even if we do not succeed completely we should try to reduce the incidence. We must emphasise the need for religion and good spiritual values. Malaysians must cling to good moral and ethical systems. Otherwise we will lose our sense of direction and with it we will not achieve or vision.

47. We must not politicise. We must not ethnicise. We must not finger point. Generational outrage is not the answer. Generational prejudice will not point the way. The old must not denounce the young. The young must not blame the old.

48. We must find solutions, not scapegoats. We must ensure progress not the grandeur of dreams. Our responses must be bold but balanced. We must be resolute but rational. There is need for a great deal of sympathy and even more empathy. We must be pragmatic and do what works. Truth must be deduced from facts. And we must act on the basis of fact, not fiction.

49. Six years ago, we adopted our Vision. The destination is well set. Our mission is clear. The consensus is wide. The unity of the Malaysian people

behind Vision 2020 is profound and historically unprecedented.

50. Today we meet not to revise this Vision, not to unravel what is so close to the hearts of our people, but to discuss how we can progress as quickly and as productively as possible to the targets set for 2020. To reach 2020, if possible, before 2020.

51. I hope that you will come up with a long list of ideas B that can help to shed greater light on the steps that must be taken.

52. I wish you a fruitful and productive debate and discussion.