

**SPEECH BY THE HON TUN DR MAHATHIR BIN MOHAMAD  
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SAID, the Southern Africa International Dialogue have been with us for quite some time now. Additionally we have the Langkawi International Dialogues, which involves practically the same participants.

Meetings of Heads of Government are costly business. And we are not the most prosperous countries in the world. It is important therefore that we gain something tangible from these dialogues. I am quite sure that we all do gain. But are the gains commensurate with the efforts and the expense. I think it is time that we pause to assess the results and the gains.

Obviously meeting each other and holding the dialogue at different locations have served us well. We now know each other better and we are able to obtain personal knowledge of the state of development in the participating countries. I am sorry that in Asia, where we sometimes welcome the attendance of South East Asian leaders, we have not had the opportunity to hold our meetings other than in Malaysia. The Southeast Asian countries have many features and development strategies which can be useful guides to us. We have to access these countries or at least learn something about them. Perhaps discussion papers on these countries can be a beginning. Some of us can undertake to study the policies and development strategies of these countries, and brief us.

But we need to assess the benefits to the members of the Southern African region and other participating countries of Africa. I know that our dialogue is to enable our countries to develop using the tried and tested methods which have yielded results in other countries. Perhaps Malaysia and its rapid development may have some lessons for us. But Malaysia itself has learnt from others, has copied the ways of other successful countries.

You may have heard of Malaysia's Look East Policy. For a long time we looked to the European countries as our models. And looking at how far ahead they are often made us feel our inadequacy. Could our country ever become as developed as the European countries? Seemed to us to be unachievable. But in the East there are countries which had Europeanised or Westernised or Modernised for a long time. And these countries, Japan and Siam or Thailand had, Japan in particular, achieved a good measure of success. In fact Japan was the first Asian country to defeat a European power. In 1906 Czarist Russia was defeated by Japan in a great sea battle.

Unfortunately Japan tried to Europeanise too much. It tried to build a European style empire by conquering neighbours and colonising them. Successful at first, it was nevertheless defeated in the Pacific War of 1941 – 45. That could have

been the end of Japan. But from the ashes of war rose a new Japan. Mastering all the systems and technologies of the West Japan not only caught up with Europe and America but outstripped them. How did Japan do this? Malaysians who went to Japan in the 1950s and 60s were sure that they could learn something from Japan. I believe Malaysian growth owes a lot to copying Japan and its reconstruction after the war.

The most important lesson we learnt from Japan is not technology or development strategies. The most important lesson is work ethics. The reason for Japan's rapid and unprecedented recovery is good work ethics, the culture and the value system of the Japanese when working. Akio Morita the founder of Sony Corporation in his biography tells us how his early workers were willing to accept just a ball of rice with some soy sauce as their wage. They worked really hard, coming earlier and leaving later than the working time. They applied themselves with full dedication to learning all about the particular job they had to do. They tried to be as perfect as possible, striving to improve their quality. They took it upon themselves to clean up their workplace before they leave so that the next shift would not be delayed by clearing and locating things.

They had unions but they know they could not afford to increase cost through industrial actions which disrupt and reduce productivity. If they must have strikes, they do so after working hours. In fact the workforce was concerned mainly about improving productivity and ensuring that their company succeeded and prospered.

The workers gather together before starting work, on their own time and not company's time, in order to discuss the target for the day and how to achieve the target. The Japanese workers were very disciplined and very loyal to their company. In return the company looked after its employees until they die long after retirement. Loyalty deserves loyalty. In Japanese business practice, no one is laid off if the company is not doing well. The employees are redeployed or they accept pay reduction.

The executives and the employers work just as hard. They wear the same uniforms as ordinary workers, they move among them, encouraging and teaching. All companies have company songs which the whole workforce and the executive sing every morning. The singing identifies everyone with the company and motivates everyone. Truly the Japanese work ethics are unique and they must contribute to the rapid recovery and success of Japan. Malaysians saw this. We wished we can have the same attitude towards work. But we would be satisfied if we have half of the Japanese work ethics. And so under the Look East Policy we sent our workers to work in Japanese factories in Japan. We sent students to Japanese Universities and training institutions. We sent civil servants to learn more about Japan and its systems.

Then South Korea began to emerge as a Newly Industrialising country. And we sent our people to South Korea as well. And from them we learnt the true meaning of nationalism. South Koreans worked hard, perhaps harder than the Japanese, because they wanted to show they could do better than the Japanese, who once conquered and colonised them.

And the Koreans succeeded. Today Korea has beaten Japan in many areas. Even in hi-tech Samsung is more than a match for Sony. The Koreans work hard because they love their country. Malaysia has not grown and developed as much as Japan and Korea. But we tried and we are still trying. We have not done too badly. What I would like to stress is the importance of culture, of work ethics, of the values we believe in and we practice, if we want to succeed.

I believe many of us were influenced by European socialists who were sympathetic to us during our struggles for independence. They preached the rights of labour, how labour contributed to the wealth of their employer and how labour has a right to an ever increasing share of this wealth. In the colonies where the employers were usually the white colonialists, the socialist ideas took root easily. Workers united and fought their employers. It was a stirring call and rightly so. Unite not just for better treatment, but unite and use the power for politics also, for the liberation of the country.

But now we are all independent. If we take industrial action the cost will not be borne by the imperialists but by us. If the industries in our country fail because of high cost and lack of competitiveness then we will have to pay the price. The economy will not grow and there will be more unemployment even if the employed may get better pay. In the end the better pay will also go because the uncompetitive industries will shut down.

The Japanese workers have unions and do go on strikes – but as I said they strike after working hours. They know they were competing with the Europeans and Americans. They must keep their costs low. They do this by improving productivity and avoiding industrial action.

Malaysian union leaders attend the International Labour Organisation Conference in Geneva every year. There they meet the European labour leaders. These labour leaders are very friendly and always ask about the welfare of workers in Malaysia. They invariably point out how much more they are paid, how many more holidays and other perks they are entitled to compared to Malaysian workers. They urge our labour leaders to demand for the same treatment. They should use industrial action in order to force the companies, particularly the multi-nationals to pay higher wages etc.

Why are the European labour leaders so friendly with our labour leaders and so concerned about our workers? Is it because they love us? We concluded that it is not our welfare they are thinking of. They find their jobs being threatened because our products are displacing their products in the market. They want us to be paid more etc because they want us to cease to be competitive against their products. If we are not competitive we will not be able to attract investments and create jobs for our people. We will not grow economically and we will remain the consumers instead of the producers.

Our union leaders saw through the synthetic friendliness and they decided that what may be good for the goose may not be good for the gander. We do have strikes in Malaysia but that is a last resort – after negotiations, arbitrations and appeals to the industrial courts have failed. And unions are generally reasonable in their demands. They believe in fair exchange – matching high wages with higher productivity. And owners have responded by being more reasonable and responsible.

If we want to develop and catch up we have to acquire good work ethics and we have to inject strong national spirit into our work. We have to forego our personal interest in favour of the interest of our society and our country. We have to work harder than our competitors. We must remember that the success accruing from our contribution must eventually come back to us. We must remember and be conscious that the economic prosperity of our nation will result in our own personal prosperity.

Remember the Japanese workers who were prepared to accept one ball of rice and a little soy source as payment for their work. Well today workers at Sony are paid ten-twenty times more than Malaysian workers. Maybe these are not the same workers. But before they died the original Sony workers were already well-paid. The satisfaction for the original workers come not from the compensation that they received but from the realisations that they helped the recovery of their country, they helped make Japan the second biggest economy in the world – after the United States.

So let us think again. Socialism and Communism have lost against private enterprise and the free trade system. I admit that Capitalism today has become a monster – a greedy monster. It should be regulated. But in moderation Capitalism is better than Socialism.

So do not think of the old idea that all you have to do to improve your quality of life is to force your employer to give a bigger share of wealth to you. Even if you are employed by a foreign company, it pays to improve its performance. There is another thing that Malaysia learnt from the Japanese. One of the secrets of Japan's success is the close cooperation between the Government and the private sector. There is a belief that Government must be some kind of enemy of

the private sector. Some Government officers even say that their work would result in the private sector making more money for themselves. The Government officers who approved the private sector projects get nothing.

This is totally wrong. Actually the private sector pays the salaries of public servants. The pay check may be made out by the Government Treasury but without the taxes paid by the private sector there would be no money to pay the salaries. Obviously if the private sector makes more money, then the Treasury collects more revenue. And then the treasury will be able to afford better pay for the civil servants.

So, when the Government helps the companies to make more profits through being business-friendly and sympathetic, the Government is really helping itself. In Malaysia the Corporate Tax is 28%. When civil servants help the private sector, it is because 28% of the profit belongs to the Government. In the end the Government is really working for itself, for the 28% which is its share of the profit. And the best part is that the Government puts in no capital.

We saw the logic of the Japanese Government's cooperation with the private sector. The West condemns the Japan Incorporated concept. We did not see anything wrong with it. And so Malaysia adopted the Malaysia Incorporated concept. And we have benefited, the whole country has benefited from it.

Looking East was one of our innovative ideas. You may want to seek a different model from that of Malaysia but I would say that Japanese and Koreans can teach us something. And the something that is most effective is the development. I believe that education and training play a very important part but without the work ethics the best educated and trained personnel cannot perform.

If we care to study we will find that difference between people and their achievements are not due to the colour of their skin, the climate of their countries or even their natural resources. Before the Europeans achieved their Renaissance and built the so-called modern civilisation, they were very far behind the Arabs and the Muslims. The old Egyptian civilisation was not a white civilisation. Certainly the Chinese and their 4000 years civilisation was far, far earlier and greater than the modern civilisation of the Europeans.

No race has a monopoly of brains or skills. There had been many great African civilisations. We know of the ancient structures in Zimbabwe for example. And we also know that civilisations come and go, they rise and they fell as Gibbons noted. And the rise and fall are due to the culture i.e. the value systems that these people develop. And if in the culture a good work ethics is or was included then there would be development and growth resulting in a civilisation. Then wealth may lead to a collapse of the work ethics and slowly at first but rapidly with the passage of time, the civilisation would fall.

One might then think that it is no use prospering if prosperity would result in the collapse of the work ethics and subsequent fall of the civilisation that has been built. But we are more intelligent now and it is possible for us to arrest the collapse following a period of prosperity. In any case we cannot allow ourself to wallow in poverty and backwardness forever.

If our dialogue is to be worthwhile then we should recognise and acknowledge the importance of work ethics. Cultivate that, cultivate good work ethics and we can benefit from our dialogues. And always be willing to copy. Reinventing the wheel is a waste of time.