

**SPEECH BY TUN DR. MAHATHIR MOHAMAD TO THE ISLAMIC DEVELOPMENT  
BANK GROUP DURING VISIT TO PERDANA LEADERSHIP FOUNDATION ON  
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Bismillahirrahmanirrahim. His Excellency President Ahmad Mohamed Ali of the IDB, members of the Vision Commission, members of the IDB Group, Excellencies ladies and gentlemen. Firstly I would like to welcome you to the Perdana Leadership Foundation. Perdana actually is derived from the half the title of the Chief Minister or the Prime Minister of, of the country. The Prime Minister is known in Malay as Perdana Menteri. I think in the word perdana is Sanskrit in origin. So some might recognized it as being first of the ministers.

This, I'm very glad indeed that you have been able to make this visit to this foundation. We think that this foundation can, is quite relevant to the work of the, for the implementation of the IDB vision, Hijrah Fourteen Forty Vision. That is why it has been included in your itinerary. I have a need to explain a little about the origins of this foundation. Actually when I was still Prime Minister I have been invited many times to many countries who are very curious about Malaysia. They're curious to find how a country that was originally an agricultural country, very poor; when we became independent the per capita income was only three hundred US dollars. How did this country which was an agricultural country convert itself into an industrial country, industrialize country and achieve growth to the extend that today the per capita income is about five thousand US dollars. Although it is five thousand US dollars but because the Malaysian ringgit is capable of buying more in the country where the cost of living is very low, that five thousand per capita income has purchasing power of twelve thousand ringgit. As a result although our people may earned less money, their capacity to buy things is much more than the money, the sum of money they earned in decades.

So how did we progress from being an agricultural country to becoming an industrialised prosperous country, sometimes mistaken for a developed country. We are not a developed country, we are actually, a third world country still, but with a very high level of development. This curiosity I find among a lot of people and we thought that we ourselves need to know more about the process so that we can continue with the development.

Now, the development of this country began on achievement of independence on nineteen fifty seven, when the country was really very poor. As I said per capita income was only about three hundred US dollars, and the only industries we have was plantation industries, producing rubber then, and a little bit of tin. The first Prime Minister was responsible for structuring our societies so that although we are a multiracial, multi religious society that has not resulted in instability, in clashes between peoples of different religion. We needed stability and because of that the Prime Minister, the first Prime Minister introduced or formulated a way of, for the peoples of different races to work together to develop the country. And this work was followed by the second Prime Minister who concentrated on rural development. The third Prime Minister focused on racial, race relations, and then I had my turn for twenty two years.

A lot of things happen in this country during a period which is now nearing half a century, and we need to record of these, all the things that has been done so that our own people, future leaders of this country can learn how the country develop and benefit from that knowledge and go on to develop the country further. And in order to do that, we decided to set up a foundation. It is called the Perdana Leadership Foundation because it is concern with leadership. The work of leaders of this country, in developing this country. We intent to keep here all the records, all the documents, all the books that resulted from the, the works of the four Prime Ministers initially. Eventually of course the fifth Prime Minister's work will also be recorded and kept here in order to enable people, Malaysians to come and study the works of these Prime Ministers. How did they do things, how did they solve problems, how did they develop the country, how did they make decisions, were the decisions always right, if they were wrong, what did they do to correct anything that went wrong.

So all things are kept in, in this library and in this foundation and people can come and study the works of these leaders of Malaysia including myself. And hopefully they will be able to learn the process of leading a country, the way of leading a country in order to develop the country, to grow the country, to give the people *al fallah*, the good life. And that is the function, the main purpose of having this Perdana Leadership Foundation.

We hold lectures here in order to discuss current issues as well as past issues and learn from the past and try to understand the present. We have awards for fellows who can come here in order to study the works of the Prime Ministers and other leaders. Of course, there are also some are kept here. And to, to discuss these works and to write thesis on this work and hopefully these fellows will bring out something that would be useful in guiding us, or clear, making us understand better, the work of these Prime Ministers.

We feel that by doing so, we would be able to help future leaders and train them so that they can continue to lead the country towards greater levels of development. The idea of a library and a, a centre like this of course is not new to the Muslim world. I think the Muslims were the first to built great libraries, libraries, in Baghdad, in Cordova. And as a result of the gathering of all this recorded knowledge, a lot of people were able to learn, not just about leadership of course but about many, many difference subjects which helped the Muslim community to develop and built the great Muslim civilization. Unfortunately of course at one stage it was decided that the study of other subjects was not relevant, earns no merit and as a result these libraries lost their significance, lost their function and eventually disappeared. They however were copied by the Europeans and the Europeans began to built up their store of knowledge over hundreds of years and I believe that it is because they have this knowledge, part of it of course was taken from those gathered by Muslim scholars and scientist, as a result of their accumulation storage and learning from this store of knowledge, they have made a great progress. On the other hand, Muslims have regress because we did not value libraries, the collection of past knowledge, the, the classification and the facilities for people to learn from this past accumulated knowledge.

But I believe that in the Muslim world today more and more people are setting up libraries because the store of knowledge of the past very important for us and we need of course to continually supplement this store of knowledge with modern knowledge acquired during modern times. I was at Alexandria where the old library, the famous library of Alexandria has been rebuilt and has been become, has become a great centre for all kinds of learning's and activities concern with the spread of knowledge.

Now we hope that this small enterprise of ours will serve this country well, will help us to continue with the process of developing this country, will be able to produce leaders from among the younger generation so that these leaders will benefit from the, the right things and the wrong things that were done by the leaders of the past.

The, during the course of our discussion this morning there was some suggestion that there should be leadership, there should be institutions to train leaders for the Muslim world. Now, although this library of course is, it dedicated to Malaysian leaders, and meant, it's meant for training future Malaysian leaders, I think that since there is a great deal of curiosity about Malaysia's progress and advancement among Muslim countries, perhaps future leaders in the Muslim world could also come here to, to study how did Malaysia make this progress that it has made. I myself have been invited to very many places to give talks and almost all the talks were centred around how Malaysia managed to convert itself from an agricultural country to an industrialised country. That is what, what seem to interest people.

So if, above of, obviously I cannot go to except all the invitations that I have received, and not only from Muslim countries but also from other developing countries and strangely enough the Japanese also invite me to talk to them about leadership. Considering how much more advanced they are by compare, compared to us it is strange that they should want to learn about leadership from Malaysia, but that is a fact that they want to know also about leadership.

So, a lot of people are interested in leadership, and I think leadership placed an, very important role in the development of any organization and certainly in the development of a country. If we end up with a wrong leader, some one who is maybe corrupt or some one who is more interested in himself than in the, in the country and the people, then of course you're going to fail. But if you happen to have a leader who is dedicated to growing the country and he's knowledgeable because he takes a trouble to learn, I'm quite sure he will be able to contribute towards the, the development of his country.

We notice very early in our short history that we need not just good leaders but also people who are able to implement things, to carry out the orders of the leaders. People

always assume that the people who are given the task of implementing projects and all that would know what they have to do, but it is quite often that they don't know or they don't know enough. So, we assume that they don't know and we, we are not insulting them but assuming that they don't know, but in order to ensure that they can carry out a task set by the government for them to carry out, we devise certain approaches and how these methods that we used would be found in this institution, in this foundation. How did we get the administrative service, the civil servants to carry out the decisions of the government. This is a very big obstruction to achieving anything. The government may want to develop, in the case of Malaysia it is an elected government, the government may want to develop the country but if the civil service cannot implement the programmes or policies of the government then of course the government will not see the changes that we expect to see.

So the government must know how to motivate the, the machinery of government. How to get them to do the right things to understand what they have to do and to do the right things and to be able to deliver whatever decision that the government has made. We, for example, we always assume that a one line instruction to the civil servant would be sufficient to indicate to them what is it that the Cabinet decided they should do. But quite often they interpret what the Cabinet decided differently and they go on to do different things and therefore not achieve the objective that was set by the government. One of the things that we do in order to get them to do the right thing is that in Malaysia immediately after a Cabinet meeting, Ministers are expected to sit with their staff and explain to the staff what was it that the Cabinet decided and actually to tell the staff how they should carry out the instructions of the Cabinet. That, we administrators were able to carry out government policies.

These things are of course to be found in this foundation. We have kept, I believe we have kept most of the instructions given out by the Cabinet to the staff and the way they have to carry out these things. There were other things that we introduce for example, we introduce what we call man-, manual of procedures. The procedures that has to be followed whenever something is to be done. We do not assume that they know but we assume that they don't know and therefore we prepared for them a manual of procedures. We have a work flow chart what has to be done, what is the work that has to

be done in order that something should be completed in the end. Work flow charts. We learn for example from the pilots of aeroplanes that whenever they want to fly an aeroplane, they would go through a checklist of the things that they have to do, so as not to forget anything because if he forget anything when flying an aircraft, you may even crash and kill yourself. But if you go through a checklist, you will know that all these things have been done, now I'm ready to fly and when I fly, these are the things that I have to do.

So we transfer that to the government and we prepare our own checklist, work flow charts and manual of procedures and lots of other things that has to be done to ensure that government decisions are carried out properly by the government machinery. And there are a lot of other things of course that we introduce in Malaysia so as to enable this developing country to catch up with the developed country. We also have things like, introduce things like 'Look East' for example. Looking East means looking at Japan and South Korea and Taiwan because these were countries which were growing very rapidly. We wanted to know what is it that they did to enable them to grow and we decided that it was their work ethics and we set out to learn their work ethics.

Again, all these things are decisions made by the government which has helped Malaysia to develop the way it has done. I believe that it is the intention of the IDB to help not only to develop the country but also to ensure that the countries are capable of developing. And therefore the systems used to develop a country like Malaysia, like Japan need, needed to be learned by many of the countries which would be benefiting from the, the vision that we have prepared for them. It will not be possible to help a country unless the country itself is prepared to accept the help, to make full use of the help. And therefore it maybe necessary perhaps to have a courses of training for civil servants even, in centres that can be set up by the IDB. Not necessarily in Malaysia, it may be elsewhere. But we noted that one of the problems affecting Muslim countries is the structure of government, the, the procedures that were followed which actually hamper the growth and development of the countries.

So, by having training centres for civil servants apart from the leaders, the civil servants too, may need to have, to be trained and to be able to handle development in their country. So that I believe is one of the things that has been suggested by the IDB group;

to have training facilities, education for the people, not only IDB staff but also for the people who will be receiving the help from the IDB. This is extremely important and this foundation may be able to help in that area also. If not in actually giving the training which we have been doing in the past but also in setting up institutions elsewhere for the training of civil servants so that they can be effective in carrying out the instruction, the decisions or policies of government.

So that way, we would be preparing the civil service to accept the help extended by the IDB in a way that is positive, so that we can actually achieve what we set out to achieve. One of the things that we decided of course that this country which had no expertise in, in industry, had no capital, had no management skills, no knowledge of the world market, we wanted to industrialise. So, we decided that we must invite foreign investors to come in with their technology and their capital. And, they would not come in into a country where they feel they will not be treated well, they will not be helped. So, we had to sit down and, and develop and pass laws which enable us to help them, help the foreign investors and make life bearable for them, ensure that they benefit and make profits in our country. Such laws of course formulated in Malaysia and perhaps it will be interesting to some of the countries, Islamic countries wishing to accept foreign investors. A lot of countries are afraid of foreign investors because sometimes they tend to control our economy. We know the story of the Banana Republic of Central America where the corporations which grew bananas in these countries were so rich and so powerful that they decide who the President of the country should be. We don't want that to happen in our country.

So, we have laws which enable us to gain from the investment but prevented them from interfering in the politics of our country. Perhaps these might be useful things for Islamic countries to, to learn and to implement, so as to enable.....IDB to succeed in the work of developing these countries. Because it is always have two way thing, is one thing for the IDB to decide to help that country, but it is quite another thing for that country to be able to accept the help in a positive ways so that we achieve results. Far too often countries were unable to handle their own development, they are, they have difficult, they don't have laws which protect investors for example, they don't provide for arbitration and other things needed by foreign investors. But if they are provided with the

necessary laws and policies then it would be possible for them to benefit from foreign investment without losing their, their independence.

So, these are things which this foundation would be able to provide. The laws, the policies, the decisions of the leaders and the attitude of the civil servants. For example, we have in this country concept call Malaysia Incorporated. This is copied from Japan Incorporated. Japan was accused of the government working too closely with the private sector. That was why Japan recovered so very quickly. But we thought it was, there was nothing wrong, in the government working with the private sector. So, we adopted this officially as Malaysia Incorporated. The reason why we adopted it is because we believe that both the government and the private sector is interested in developing the country and when the government helps the private sector to make a profit, fair profit, not profiteering, when the government helps the private sector the government is actually helping itself. Because our corporate tax is twenty eight percent, when they make money, we collect twenty eight percent of their profit as government revenue. So we are not just helping them for nothing. They're paying us twenty eight percent and I always tell people, government servants who are not very happy about helping private sector, that this is the best investment of all, because the government does not put up any capital, if the company loses, that's their lost, but if the company makes money, the government collects twenty eight percent. So it's very good business for the government.

So, so this, these are some of the things that we did here which maybe of interest to leaders and even civil servants from Islamic countries, developing and developed, so that we can share in our knowledge. We always believe in sharing knowledge. Here, we want to learn from others. At the same time, what we have, others should have access to. And since Malaysia has been able to increase the per capita income from three hundred dollars to five thousand dollars, I think that is an indication that we have been able to succeed and we would like to see Islamic countries succeed the way we have succeeded. We are an open book, and this institution will have all the necessary collection of documents, laws, policy papers, development plans and etc which can be studied by any body who is interested in learning about what we have done. And I believe there should also be the same in other Islamic countries because keeping documents is a very important thing for the future because people in the future would

like to learn about the mistakes we committed so they can avoid the mistakes, about the right things that we do so that they can copy and improve on the right things that we do.

So I hope that your visit to this place, it's not a very impressive place. We have some collection, we a library, we have some facilities here. But it is adequate for people who would like to learn about the leadership in particular of the Malaysian government. How did they help in the development of this country. I thought that I will pause there, may be you might want to ask questions, I be quite happy to answer, if you have any questions.