

**SPEECH BY TUN DR MAHATHIR BIN MOHAMAD AT THE 13<sup>TH</sup> G-15 FEDERATION  
CHAMBERS OF COMMERCE, INDUSTRY & SERVICES (FCCIS) ANNUAL BOARD  
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**“SHAPING THE FUTURE OF G15 ECONOMIC-ENHANCING ITS DYNAMISM”**

Distinguished Guest; Ladies And Gentlemen,

The G-15 Was Born At The End Of The Nineteen-Eighties. We Have Had Many Meetings. We Have Discussed At Length Many Problems Afflicting Our Countries And Other Developing Countries And Ways To Overcome Them. At Times We Were Disheartened Because Our Meetings Seemed To Be Talk-Shops Which Contributed Nothing To The Solution Of Our Problems And The Growth And Development Of Our Countries. But Today We Can Take Heart. Two Of Our Members Are Among The Fastest Growing Countries In The World. The Two Are Of Course India And Brazil. Maybe Their Growth Has Nothing To Do With Their Membership Of The G-15, But Maybe It Has People Who Associate With Each Other Must Learn Something From Their Association.

On The Other Hand Many Other Members Have Not Only Failed To Grow But Have Actually Regressed Why Has This Happened? We Need To Know So We Can Avoid Doing The Things Which Probably Caused These Failures. But There Is Every Reason For Us To Look At India And Brazil, To Scrutinise Them Carefully In The Hope That We Can Learn Something That Can Help Us Shape The Future Of G-15 Economies And Enhance Their Dynamism. I Must Admit To Knowing Less About Brazil Than I Do About India. So Perhaps You Will Excuse Me If I Talk About India Most Of The Time.

India With A Population Of Over 1 Billion Is The Second Most Highly Populated Country In The World\* This Is Its Weakness As Well As Its Strength. Believing That Its Huge Population Would Constitute A Huge Market, India Decided To Close It, To Keep The Market For Itself. It Wanted To Produce Everything That It Needed. Private Enterprise In Its Major Industries Was Not Encouraged Old Technologies Were Bought And Were Used Long After They Were Out-Of-Date. Apparently No Real Attempt Was Made To Upgrade And Keep Up With World Trend.

Private Ownership Of Motor Vehicles Was Regarded As A Form Of Luxury And The Production And Sale Of These Were Limited. Talented Indians Had No Opportunity To Exploit Their Intellectual And Management Capabilities. Many Migrated To Europe And America. Where Possible, Workers Would Seek Employment Overseas Particularly In The Gulf States. Foreign Investments Were Not Encouraged. There Was Little Opportunity For The Latest In Foreign Technology To Improve The Quality Of Indian Products. The Result Of All These Inward-Looking Nationalism And Socialistic Inclination Was To Prevent India From Achieving Its True Potential. We Who Had Been Colonised By The Europeans, Particularly By The British Must Be Excused If We Were Suspicious Of Foreign Participation In Our Economy. We Know How Difficult It Was To Loosen The Grip Of European Imperialism And To Gain Independence. Once Independent We Were Anxious Not To Be Colonised Again In Whatever Form. I Can Understand The Stand That India Took. The Possibility Of Neo-Colonialism, Of Economic Control Was Very Real.

And So India Virtually Stagnated. Then In The East Japan Developed Into An Economic Giant This Was Followed By South Korea, And Then China. All Three Had Exploited Foreign Trade In Order To Develop. Since They Had To Compete In The World Market They Had To Meet World Standards. They Had To Modernise And Open Their Countries To Foreign Technology If Not Foreign Capital.

Even In Southeast Asia There Was Growth And Development. Countries Which In The Past Had Only Produced Raw Materials Were Producing Manufactured Good. They Had Opened Up Their Countries To Foreign Investment But Remained Independent. Their Largely Agricultural People Had Successfully Acquired The Skills Of Manufacturing Workers And The Discipline And Ethics Of The Work Place. India Must Have Noted The Achievements Of These Countries And Their Success Against The Europeans In The World Markets. Indians Are Highly Educated And Since Ancient Times They Had Excelled In Mathematics. With The Advent Of It And The Invention Of The Microchip, Knowledge Of Mathematics Has Come In Handy For The Writing Of Software For Numerous Applications. Suddenly India Became The Centre For Software Production. These Did Not Require Industrial Facilities. Transmission Of The Software To Foreign Clients Could Be Done From Homes Even. I Believe This Started The Industrial Turnaround Of India. Confident Of Its Strength And Ability In This Area, India No Longer Fears Foreign Domination Of Its Economy. Once Self-Confidence Is Achieved India Is Able To Venture Into Other Fields.

India's Large Population Is Still An Asset Especially As Its Middle-Class Now Runs To More Than A Hundred Million, Providing It With A Huge Domestic Market. Brazil Is An Example Of How A Developing Country Can Master Technology And Become Competitive. It Is A Country With A Great Deal Of Natural Resource. With The Biggest Population In Latin America, It Has I Believe, Used Its Own Needs To Good Advantage. At The Time When Brazil Needed To Import Large Quantities Of Petroleum, It Used This To Increase Its Exports Of A Lot Of Raw Material And Agricultural Products. Its Huge Territory Enabled It To Produce Soya Beans And Soya Oil Cheaply. To Reduce The Import Of Petrol Brazil Used Methyl Alcohol From Cane Sugar As Petrol Substitute.

Brazil Has Hi-Tech Capability And Its Aeroplanes Are Of World Standard. So Are The Sophisticated Weapons That It Produces. But Of Course All These Would Come To Nothing If Brazil Is Not Governed Well. It Is The Strong Support For The Present Government Of President Luiz Inacio Lula Da Silva That Has Enabled Brazil To Take Off. Both India And Brazil Have Demonstrated That The So-Called Third World Countries Can Be Governed Well Enough For Political Stability To Be Achieved And The Economy To Develop. But For Most Developing Countries The Weakness Lies In The Inability To Govern Well. When Authoritarian Rule Is In Place Invariably There Would Be Abuses. These Lead To The Rulers Wanting To Perpetuate Their Rule For Fear Of Retribution When They Lose Power.

Authoritarian Rule By Itself Is Not Bad. We Should Note The High Degree Of Development Which Took Place In European Countries During The Period When They Were Under Feudal Rulers. Indeed The Glorious Days Of Their Empires Were When There Was Feudal Authoritarian Rule In Their Countries. Authoritarian Rule Can Be Benign. There Were Quite A Few Of These In The History Of Europe And Asia. Even As Recently As The Middle Of The Last Century The Dictatorship Of Salazar Of Portugal Was Regarded As Benevolent. But Authoritarian Rule Is Risky As Abuses Are Very Common. It Would Require A Violent Revolution To End Such Rule. Today The System Of Choice And The System That Is Being Forcefully Promoted Is Democracy. Now Democracy Is Not The Easiest System To Work. It Requires A High Degree Of Understanding Of Its Working By The People If It Is To Succeed.

Over The Years Democracy Has Attached To It Many Other Appendages. From The Right Of The People To Vote In Or Vote Out A Government It Now Includes A Variety Of Rights Calculated To Restrain The Exercise Of Power By The Government\* This In Itself Is Right And Good But When The People Are Not Savvy About The Workings Of Democracy They Can Lead To Anarchy.

The Right Of The Worker To Go On Strike For Example Can Be Made Into A Very Effective Political Weapon. Strikes, Especially General Strikes Nationwide Can Bring Down Governments. Perhaps Some Governments Which Are Perceived To Be Abusing Power And To Manipulate Elections Need To Be Brought Down This Way. But Unfortunately Such A Method Of Bringing Down Government Can Be Habit Forming. Duly Elected Governments May Not Be Able To Stay The Course Because Of Such Strikes. When The Government Is Overthrown And A New Election Brings A New Government Into Power, It Too Would Be Brought Down By The Same Means.

Those In Opposition Can Always Make Use Of This Democratic Right Irrespective Of Which Party Is The Government. The End Result Would Be No Effective Government. There Would Literally Be Anarchy. Public Demonstrations, When Large And Sustained Can Have The Same Repetitive Results. Again There Would Be No Affective Government, There Would Be Anarchy. Government Needs To Stay In Power For A Sufficient Length Of Time In Order To Deliver On Their Promises And Plans. To Stay In Power For Two Years Will Not Be Sufficient For The Policies To Yield Results. Even In Developed Countries, Two Years Would Not Enable The Government To Do Anything To Overcome Problems Or To Implement Policies.

The People Elected To Government Are Human. They Need At Least One Year To Settle Down And Learn The Job. In The Second Year They May Try To Work Out The Right Polices Or Approach To Governing The Country Or Overcoming The Problems Faced By It. If After Two Years They Are Replaced Then Nothing Could Be Carried Out. And The Incoming Government Head Will Not Want To Implement The Policies Or Plans Of The Previous Government Because He Wants To Leave His Mark On The Country's Administration. Making The Plans Of The Previous Government Succeed Would Not Earn Him The Acclaim That He Craves For Himself.

And So He Sets Out To Learn And To Develop His Own Solutions And Approach To Governing The Country. After Two Years Or So He Would Be Overthrown Without Being Able To Implement Anything And Certainly Not Being Able To Demonstrate The Good Results Of His Administration. Since All Plans Cannot Be Faultlessly Implemented And Corrections Has To Be Made Along The Way There Would Be No Opportunity To Do This Because The Plans Are Not Implemented And Along Comes Yet Another Head Of Government And He Too Would Be Faced With The Same Inadequacy Of Time To Implement His Policies And Plans.

It Is Important To Remember That There Is No Perfect Policy Or Plan. Their Weaknesses Will Show Up Only If And When They Are Implemented. And When They Do, They Can Be Corrected Or Changed If The Same Government Remains In Power. Of Course Time Will Also Demonstrate How Wrong Were The Plans And Policies. Usually No Permanent Damage Is Done If Sufficient Time Is Given For The Weaknesses And Faults To Show Up Skill And Understanding Of The People Is Required To Take Action Before The Government Digs In And Manipulate The System To Perpetuate Itself. Of Course Some Governments Are So Obviously Bad That They Should Not Be Allowed To Stay In Power Long.

The Government Should Be Removed Through The Votes Of The People. As Far As Possible Resort Should Not Be Made Through Violent Uprising, Continous Disruption Of Public Life Through Demonstration And Strikes. These Must Be Regarded As Weapons Of Last Resort Which Are Addictive. We Have Seen How The Success Of Peoples Power Has Resulted In The People Calling Upon This Means At Every Time.

Democracy Must Not Be Adopted As A System Of Government Overnight. It Is Just Too Complicated For Everyone, The People And The Leaders To Understand Its Workings And The Discipline That Is Needed In Order To Make It Work. The Introduction Of Democracy Should Be Gradual. Perhaps It Should Begin With Electoral Colleges. When The European Countries Decided On Democracy They Suffered Violent Revolutions And Failures. Leberte', Egalete' And Fraternite' Are Heady Sentiments But Their Exercise Can Bring About Just The Opposite Results But Adopted With Care, Gently And Gradually They Can Deliver On Their Promises.

Politics Play Such An Important Part In The Shaping Of A Nation And Its Economy That It Cannot Be Ignored If We Really Want To Develop And Grow The Developing Third World Countries Anywhere. We See In The World Today And In The Past Certain Countries Succeeding And Others Failing. Some Are Peopled By Ethnically The Same People And Yet Their Performance Differ And Differ Greatly So That One May Be Way Ahead Of The Other.

We Need To Know Why This Difference In Performance Happen. Apparently The Quality Of The People Play A Very Important Role In Their Performance And The Quality Of People Is A Function Of Their Value System, The Culture They Develop And Practice. We Know That Some Countries Peopled By Very Talented And Clever People Fail To Develop Because Of Corruption For Example, Others Fail Because Of Malaise, Lack Of Grit And Determination. Others May Be Superstitious, Always Looking For Good Omens Or Dependent On Celestial Help.

Those Who Succeed Are Usually Those Who Adhere To Good Values. The Stronger The Belief And Practice Of Good Values The Greater Is The Level Of Success. If We Believe This Then We Must Deliberately Cultivate Good Values And Good Culture.

This Will Not Be Easy But If There Is The Will This Can Be Done. So What Does It Take To Enhance The Dynamism Of The Economies Of The G15 In The Future. Obviously A Lot Of Things Need To Be Done, None Of Which Are Easy. The Politics, The Economic System, The Culture Etc Have To Be Shaped And Moulded So That They Are As Near The Ideal As Possible.

All These Require Not Just Government Action Crucial Though It May Be. But It Requires The Active Participation Of At Least The Majority Of The People, If Not All. But Fortunately The Result Will Show Even After Minimal Change Has Taken Place. If Persisted Upon, The Change Will Continue And Eventually It Will Become A Permanent Feature, And Success Will Follow Almost Automatically.

Some Will Take Much Longer Time Than Others. But If There Is A Will And The Will Can Be Consciously Developed And Sustained Initially By Just A Few Leaders, The Changes For The Culture Of Success Can Take Place.