

**SPEECH BY THE HON TUN DR MAHATHIR BIN MOHAMAD
AT THE ASIAN LEADERSHIP CONFERENCE 2005
AT SEOUL, KOREA ON FRIDAY, 4 MARCH 2005**

I would like to thank the organisers of the Asian Leadership Conference for this invitation to speak on leadership. I hope I can contribute something to our understanding of the role leadership plays so we may benefit from it.

2. Since Man began to live in groups and communities, there has been leaders. The communities have grown into nations, and leaders are needed even more to lead nations, big and small.

3. Leaders can destroy nations as much as they can build them. We see this often enough in history. The most recent and perhaps the most illustrative were the leaders of Germany and Italy in the second quarter of the 20th Century. Hitler and Mussolini initially rebuilt their nations but ultimately destroyed them.

4. In a democracy the right of the people to choose their leaders is basic. The belief is that the people or at least a majority of them would know which candidate for leadership of their country is good for them. But this is not often so.

5. People choose not always because of the quality of the candidate. More often it is because of ideology, race, religion, or some affiliation which disregards the character and quality of the candidate. And equally frequently the candidate is chosen because the people, the majority of the people, are quite ignorant, or they may have been misinformed through intense propaganda by groups which have the means to influence the media, or campaigns of hatred and fear, e.g. fear of terrorist attacks.

6. There is really no system which can guarantee that the best candidates win to lead a country. Indeed very often the cunning and the wicked would win.

7. Then there is the duration that a leader leads. If it is too short it is impossible for the leader to do anything to prove his capability. It takes at least a year for the leader to learn the system and the mechanics of leading a country, two years more to formulate and legislate the policies and the course that the country should follow, and by the time the policy or plan is to be implemented he would be worried whether he would be returned for the second term to oversee the implementation of his policies and plans. Of course if constitutionally he is limited to one term, he would not be able to implement anything at all. A new leader would take his place who would not want to make a success of his predecessors plan. He wants to leave his mark on his country with his own plan. These one-term leaders would all be failures.

8. For all these reasons Malaysia is convinced that its Constitutional Monarchy and Parliamentary Democracy system is the best. The executive authority lies with the leader of the party with a majority in Parliament. As long as he has majority support he can remain the leader. He is appointed Prime Minister by the King and provided he is able to convince the electorate that he can deliver he can remain the Prime Minister long enough to see his policies and plans being implemented. If he clearly fails at any time he can be removed.

9. To assist him he can appoint a Cabinet of Ministers with specific responsibilities. He makes the appointments himself but he is wise to heed the opinions of members of his party and the people. In Malaysia which is ruled by a 14-party coalition of racially based parties, almost all the parties are represented in the Cabinet. In addition care is taken to ensure that the different races and states are also represented. With three major races and several tribes, thirteen states and fourteen parties, it is quite remarkable that the Cabinet may consist of as few as 22 members.

10. The majority that the Prime Minister's Party has in Parliament ensures that his Government gets full backing in the chambers. This is necessary if plans and policies are not to be bogged down by endless debates and delaying tactics. With an absolute majority Parliamentary support of laws and policies could be assured. Then only would the laws and policies be implemented. If these laws or policies prove to be bad, than the people can throw out the party and Government at the next election.

11. Debates may seem to be democratic but it is also important to remember that a Government is chosen in order to govern a country. The governing must be good for the people and the country. Whether a policy or plan is good or not can only be proven through implementation. But an endless debate would prevent a plan from being carried out. Even the most brilliant plans will benefit no one and no country if they are not carried out.

12. A debate is only useful if it succeeds in highlighting the obvious need to modify or amend the plan or policy. Filibustering in order to prevent things from being implemented is counter-productive.

13. Debates must be conducted with decorum. Violent debates, loss of temper and fights by legislators represent a betrayal of the trust of the voters. While minority parties must be allowed this freedom to debate and to criticise the Government, they must also respect the rights of the Government of the majority. The system must not be abused by the minority to frustrate the majority.

14. In Malaysia certain issues are regarded as sensitive and should not be debated in Parliament or elsewhere. This sounds undemocratic. The question is, are we to serve democracy or is democracy to serve us. In Malaysia's multi-racial, multi-religious society, a debate involving race and religion will solve nothing as each has his own race and religious loyalty. On the other hand the race criticised would be offended and would want to offend the critics. This will lead to racial confrontations which will spread through the country. There would then be protracted violence and instability. The country would not be able to grow economically and everyone would suffer.

15. Democracy is great. It is the best system of Government ever invented by man. But it is not perfect. It can work only if the practitioners understand the limits of the rights and the freedoms that they enjoy. In mature democracies the people recognise the limit and voluntarily restrain themselves. But in new democracies the people and legislators still do not understand how far they can go. Rules and laws must therefore be provided to stop them from stepping beyond the limit.

16. The important thing in a democracy is the right of the people to change their Governments through the ballot box. We have that in Malaysia. Opposition candidates can win in our elections. Frequently they were able to form Governments in some states, though so far they have not been able to form the National Government. We do not prevent opposition members from taking their seats. We do not frame charges against them in courts or bankrupt them so as to ensure they would not be able to function as elected representatives of the people. But they must respect the laws and the agreed parameters within which everyone in Malaysia functions.

17. Given all these factors in place, the leaders of Malaysia have been able to function quite effectively. In the 48 years of its independence Malaysia has had only five Prime Ministers. Each one of them has been able to contribute something for the country's growth and development.

18. The first Prime Minister who led the country to independence put in place the system of Government and the manner with which the different races in Malaysia should cooperate and achieve relative harmony.

19. The second Prime Minister gave meaning to independence for the majority of the people, particular the poor rural people. For them he built roads and schools, provided health facilities, water supply and electricity. He initiated probably the biggest agricultural estate in the world, with a total size of one million hectares, to take care of the landless.

20. The third Prime Minister consolidated the good relations between the races and established good relations with Malaysia's neighbours. His health affected his performance and he had to resign less than five years after becoming Prime Minister.

21. As fourth Prime Minister I inherited the good political, economic and social policies and infrastructure put in place by the three Prime Minister before me. The task for me was to utilise them to build up the country. I had seen the success of Japan and Korea and I decided to copy those strategies and philosophies which I believe contributed to the achievement of these two Eastern nations.

22. I did not discard all the lessons from the success of the ethnic Europeans. I studied them carefully and picked and chose the policies and strategies suitable for Malaysia, and improving the ones which were accepted.

23. All the while Malaysia wanted to remain uniquely Malaysian, to be very independent. Though we like to copy the ways of others, we were not slavish. We rejected all ideologies but we adopted certain approaches spawned by these ideologies which we believe were good.

24. Thus Malaysia believes in the free market, in free enterprise. But we adopted the five-year planning of the Communists and a limited direct involvement of the state in industry and commerce. We believe the Government has a role to play to ensure that fair practices are maintained by the private sector.

25. The fact that the whole world accepted a system does not mean that we should accept it. The systems of the world are largely devised by the mature rich ethnic European nations for their own good. In the historical past Malaysia had traded with the Arabs, the Chinese and the Indians. We benefited from the trade and for centuries we prospered but remained independent.

26. Then came the ethnic Europeans. They believed in monopolising the sources of their supplies. They did this first through treaties, then through setting up fortified trading posts and finally they simply conquered and colonised their trading partners.

27. It was a good system for the Europeans but it was not good for us. And so to this day we are suspicious of European systems, unwilling to accept for example the International Financial System in toto. When the currency traders attacked us, we resorted to our own way to fight back.

28. Strength does not always come from the barrel of a gun. Strength comes from being able to manage a country well. We succeeded in fighting the Financial Crisis because we had managed our finances well. Some people will not believe this of course. They talk about mega projects, about cronyism. But we don't care. We know our country better than anyone else.

29. Malaysia had at times the highest savings in the world, almost 40% of the GDP. This gives us great financial strength. In the stable political environment which prevailed during the crisis, we were able to correct the effects of the recession in every sector of the economy. We were able to learn how currency traders work and deny their access to our currency. Our huge savings were being siphoned off to a neighbouring country though offers of higher interest rates. We froze the transactions. Our shares were being short-sold and manipulated by a foreign country and we took measures to keep our shares out of their hands.

30. Every day our crisis management team sat down to study the situation and to take corrective measures. Such crisis management teams had been used when we were fighting the

guerillas who wanted to overthrow the Government through violence, and when race riots broke out in 1969. The crisis management team worked doubly hard to lessen the effect of the financial recession of 1997 – 1998. As a result the recovery following the introduction of our own formula for overcoming the recession was much quicker than in most other countries.

31. Malaysia believed in creating growth instead of catering to growth. Thus we built the 800 km North – South Highway when the need for it was not yet there. But when the highway was built the people who did not travel began to travel; towns, cities and industrial parks sprang up on either side of the highway and transport companies seized the opportunities to establish and to grow in order to cater to the needs for fast transportation via the highways between urban centres, ports and airports.

32. In almost every case the infrastructure was built in order to create demand. Invariably the demand would come sooner or later. Such would be the demand that the original facility would become inadequate and demands made for additional facilities. However there must be a deep understanding of the state of the economy and the trends in the medium term.

33. Apart from creating the demand, the actual construction stimulated numerous industries and businesses. Each seems to become a catalyst for the growth of the others. And of course jobs would be created; so many jobs that Malaysia which had a lot of unemployment at the beginning, is now short of workers and has to import labour.

34. Malaysians have an inferiority complex. Whatever they can do they think others can do better. At one time they exported only to Singapore, letting the Singaporeans market the Malaysian products to the rest of the world. They thought only Singaporeans knew the market. Naturally they did not get the full returns from their exports.

35. To encourage them to export their products themselves the Government arranged for businessmen to travel abroad with the Ministers and the Prime Minister. Doors were opened and opportunities for trade identified. They met their counterparts and potential partners.

36. To overcome the inferiority complex further Malaysians were urged to do unusual things. A Malaysian sailed alone around the world. Four Malaysians climbed Mount Everest, another swam across the English Channel and a woman skied 1000 kilometers alone from the South Pole to an inhabited base camp.

37. Today Malaysian business have gone abroad, to construct infrastructure projects, produce oil, build and run hotels and even buy established companies. Koreans may not think much of this. You have gone abroad long ago when Malaysians were unwilling to leave the comfort of the home country. But for Malaysians leaving home was a daunting experience, which they had avoided in the past. Today Malaysians are to be found all over the world, exploring for oil and gas, trading in commodities, building and running power plants, even producing automobiles.

38. At home they could rely on Government support but abroad they are on their own. They passed this test of fire.

39. But adventures abroad are not only about business. Malaysian NGO's carry out mercy missions wherever there are natural or man-made disasters. All these have made Malaysians significant players on the world scene.

40. There seems to be a great deal of interest in how a small unknown agricultural country with an explosive multiracial population has managed to become a newly industrialised country. If there is a single answer to Malaysia's successful transition it is the willingness of its multi-racial population to share in the wealth of the country.

41. The indigenous people not only are the legitimate definitive people of Malaysia, they also make up the majority of the people. Under whatever system, authoritarian or democratic, the indigenous people could take everything for themselves. But they preferred to share the country and its wealth with others who are descended from immigrants races. Far from taking everything for themselves they are prepared to have a smaller share than their percentage of the population would justify.

42. Their willingness to share is reciprocated by the other races in Malaysia, the Chinese and Indian descendants of immigrants. The result is stability and rapid growth and prosperity for the country. And because of the growth the portion that each race gets today is many times bigger than the whole wealth of the country at the beginning.

43. There are of course many other things that have been done in order to prosper Malaysia. The founding fathers played a very important role. It is their formula that has enabled the succeeding leaders to achieve success in the development of the country.

44. Leaders are important. They shape the structure and they can make the structures function. But on their own they can achieve little. They need the active support of the people. Nothing is achieved alone by any leader. A good leader must share credit with his supporters at all levels.

45. That is Malaysia's Leadership Experience.
