

**SPEECH BY TUN DR MAHATHIR BIN MOHAMAD
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**“The Islamic World and the West.
Towards a common Understanding through Development”**

1. The relationship between the Islamic World and the West has never been cordial. From the time of the Crusades to the present Palestinian conflict there have been disagreements and even open confrontations between the Islamic world and the West.
2. But despite all these there is much to be gained from some degree of understanding between the two. There are so many things in the West which can contribute to the development of the Muslim World.
3. On the other hand the Muslims are rich not only in oil and other resources but the true Muslim values and practices can contribute something towards arresting the moral decay in the West.
4. Historically the West had gained much from studying the sciences and mathematics pioneered by the Muslims who acquired and developed the Greek sciences and philosophy, which the Muslim had assiduously studied and expanded. The Muslim world of the Golden Age of Islamic civilisation contributed much to the European Renaissance.
5. Unfortunately just as the Europeans were accessing the vast stores of knowledge the Muslims had accumulated, the Muslim themselves decided to reject these allegedly non-religious studies.
6. The result is the retrogression of the Muslim World and the advancement of Western civilisation. The gap widened with the passage of time.
7. Off and on Muslim intellectuals, realising that the Muslims had fallen back in terms of their worldly progress decided to revive Muslim learning's in these fields. But most of these attempts failed in the face of orthodoxy and the antagonism towards Western materialism.
8. We are seeing yet again a consciousness among Muslims regarding the causes of their weakness and failures. They now seem to want to regain the pre-eminent position they had in the past in the fields of science, in governance and industrial capaties etc.

9. It is in the area of knowledge acquisition that the Muslim very much need to develop a good relation with the West. Just as before when Muslims were more advanced in knowledge, the West had to seek knowledge from Muslim sources, now the position is reversed and Muslims must seek knowledge from the West.

10. It is not just a question of sending a few students to study in Western institutions. What is needed is a massive move to acquire the vast stores of knowledge accumulated by the West and implement some of the Western education systems and methods.

11. While all Muslims should know their religion well and practice its teachings but beyond that the students should study the allegedly non-religious subjects, in particular the sciences and mathematics.

12. When the Europeans found the mastery of scientific and mathematical knowledge was with the Muslims, they studied Arabic so as to facilitate access to these subjects. Now all Muslim students and scholars must have command of at least one European language so as to follow developments in new knowledge particularly of science and mathematics.

13. Many would say that all these are already being done. Many educated Muslims do speak one other language. But it is in terms of numbers that we are short. What we need is for the great majority of Muslims to be fluent in the mother tongue, and in the language of knowledge.

14. Obviously to do all these we need the co-operation of the West. There is in the world of today such a thing as intellectual property and IP may be denied to others. But we should not be deterred by failures to access the latest in western knowledge. It is for us to research and develop after we have acquired the essentials.

15. Research and development is now part of the quest for knowledge. We must be aware that countries such as Japan and Korea, having acquired the basic knowledge from the West, have now allocated huge sums of money for research and development. As a result they have been able to discover new knowledge on their own and are able to develop and apply them without any assistance from the West.

16. There is no Muslim country which can be considered as developed as the great Eastern nations. Yet the Muslims have the same level of intelligence as the people of these countries and the West. For example Ahmad Zuwail, the Nobel Laureate in chemistry, gained his award while doing his studies in the United States. This is because the educational and research facilities in his homeland are not conducive to advance studies. So is the culture of research and the environment unsuitable. Had Zuwail stayed in Egypt and pursued his

studies there, it is very unlikely that he would succeed as well as he did in the field he chose.

17. There must be a lot of Ahmad Zuwails in the Muslim world. But without the up-to-date facilities the Muslim world could not have excelled as they should.

18. I understand that Qatar has embarked on an ambitious program to bring Western institutions to the country. This is the kind of co-operation and understanding with the West that should be emulated by all Muslim countries. If we can afford it we can hire the Western teachers. But more importantly we should maximise the use of the facilities now available in Qatar and other Muslim countries by opening them to all.

19. In this educational field co-operation and understanding can be developed between the Muslim World and the West. It is important that the general level of education in the Muslim World matches that of the West.

20. The level of knowledge gained through systematic education is what determines the level of development of a country. The Muslim civilisation of the past was based on the knowledge of the scientists and mathematicians produced by Muslim countries.

21. For research and development in the field of knowledge and in other fields the need is for support from the Governments. Unfortunately Governments in the Muslim world are seldom supportive of not only research but of national development in general. They are not supportive because of the culture prevalent in the governance of their nations.

22. We know of the great development in Western countries. We know that they are considered to be developed countries. We know that they are powerful even though at times they mess up things.

23. There are many reasons for their being better developed than most countries of the world. And certainly they are more developed than Muslim countries. Even if some Muslim countries are fantastically rich, they are not considered as developed.

24. Yes there are many reasons for the development of the countries in the West. But the main reason is their skill in governance. They have gone through many systems, from absolute monarchies, to autocracies, to republics and now to democracy. But whatever system they may be practising, their governments have been more successful than others in statecraft, in the skills of administration. They have defined and categorised roles that their governments should play in the management of their countries. They have developed systems and methods to render their Governments effective. Despite the high growth of

their populations in the past they have not lost touch with their people and they ensure that the needs of their people are met.

25. Despite their many failures' the countries of the West have remained far ahead of Muslim countries. They have never been secretive about their systems. In fact they are wont to forcing others to adopt their system. If we wish to develop using their governmental system they would only be too happy to help us.

26. We need not adopt everything that they do. We can be selective, taking only those compatible with our creed and beliefs.

27. The result can be better relations with them without sacrificing our independence.

28. Obviously the very fact that we are discussing this subject of bringing about a common understanding between the Muslim and the West is an admission that the relationship with them is in need of change.

29. We are convinced and concerned. But that is not enough. There must be more people both Muslims and Western people who should feel the same way. We cannot change something that affect such a huge number of people without the idea being understood and supported by as many of them as possible. If we don't than this will be an academic exercise. And that is not going to do any good to anyone.

30. Assuming that we know what we want, we need to know how we can get others to know and to want it. This is an educational process. It is about changing mindsets of people.

31. We know that the present state of affairs is not doing us much good. We are dissipating our energy and wealth on nothing that is beneficial to us, or the West.

32. On the other hand if we are to gain acceptance by both, we must have a win-win formula.

33. Maybe in the economic and financial fields the West may gain something from the Islamic world. In these fields the practices advocated by Islam are justice, equity and fairness.

34. For the West this advocacy by Islam would be hard to believe. But still it is true.

35. It takes three Hindu scholars; Sheela Devi D Sundarassen, Lakesh Gupta and Balachanran Shanmugam writing in their book entitled Islamic "Finance: A system that survived the Subprime Crisis", to point this out.

36. In the chapter on the Philosophy of Islamic Banking, it says "The Islamic bank, in essence an Islamic business, is guided and embraced by Islamic principle of social justice, equity and fairness. The best known feature of Islamic banking is the prohibition of interest i.e. riba.

37. But Muslim economists hold the view that riba is not restricted to usury only but encompasses interest and other fixed returns as well. Islam allows only one kind of loan and that is Qard Al-Hassan (literally good loan) where the lender does not charge interest or additional charge over the money lent.

38. Islamic law is based on the belief that the provider of capital and the user of capital should equally share the risk of all business ventures.

39. In the interest based system the pressure is on the borrower: he must pay back his loan, with the agreed interest regardless of the success or failure of his venture.

40. Making money from money is not acceptable in Islam. Money has no value in itself and therefore should not be allowed to give rise to more money. The human effort, initiative and risk involved in productive ventures are more important than the money used to finance it.

41. Muslim jurists consider money as potential capital rather than capital. It becomes capital only when it is invested in business. Muslims must use the money to purchase things. Hoarding money is abhorrent to Islam. Money represents purchasing power.

42. Islam forbids Gharar (Uncertainty, Risk or Speculation). The current Western system is almost entirely based on Gharar, on uncertainty, risk and speculation. The trading in currency, the sub-prime loans, investment by hedge funds, investments in shares for capital appreciation are all speculative.

43. Clearly the present financial crisis is due to uncertainties and taking high risks for high returns. A lot of investors made a lot of money. But when the bubble bursts the effect on society, as a whole is horrendous. Whole countries collapse bringing misery to millions of people. There is no fairness, equity or justice as the sufferers are not responsible for the catastrophes.

44. Till today there has been no solution to the catastrophic financial crisis. And there will be no solution for all the solutions are based on the same money makes money creed.

45. During the Asian financial crisis, brought about by the currency traders' activity of making money from virtual money, the solution offered by the IMF and World Bank was to lend money to pay off debts. The only real result was to make the borrower indebted to the World Bank and the IMF. For years the country would remain debt slaves.

46. We see the same thing happening during the present crisis. The only difference is that the amounts are in billions and trillions. The solution is based on money making money. There is a state of denial prevailing. There is no willingness to admit that the system has collapsed.

47. But the Islamic world with its huge monetary wealth and its natural resources can perhaps contribute towards the resolution of the crisis by getting the West to understand some Islamic business principles.

48. Malays are not the wisest people in the world but they have a good saying that can help mitigate the causes at least. They say; "When you lose your way, go back to the beginning". The West needs to go back to the beginning and to give up if not the whole of their "money make money" creed but at least some of it. Then and then only will they bring to an end the crisis and prevent it from periodically recurring.

49. What applies to Western finance also applies to business and trading. When we talk about good business it should not be good for owners of the business only but good for the customers and purchasers and the society as a whole.

50. Present day business is not concerned about the miseries caused by business activities, especially financial business. Thus currency trading which is said to be worth 4 trillion dollars a day, equal to the total output of Germany in a year, benefits only the currency traders. There are no spin-offs or even trickledown effect. No jobs are created, no new businesses, no increase in domestic or international trade, nothing to show that such huge transactions have been carried out. Currency trading is not even about money making money. It is about virtual money making virtual money. Yet the misery it caused to countries and the millions of their population is real and universal.

51. Yet, despite the injustice, absence of equity and fairness the West is not prepared to put an end to their trade.

52. Perhaps the West will find it difficult to believe that the Muslim world advocates social justice, equity and fairness. They can point out to the lack of such in Muslim countries, among Muslims. But these are aberrations and aberrations are found in every religion or ideology.

53. The problem between the Muslim World and the West is due to both taking the aberrations in their practices as the true creed. If there is to be understanding between the Muslim World and the West the first steps must be for each to take a hard look at its own practices and to correct them and in so doing project a true picture of their different creeds and then to educate each other about them.

54. When they do this not only will they materially develop but there will be real understanding between them.
