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FORMER PRIME MINISTER OF MALAYSIA

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"BUILDING HEARTS & MINDS"

It is a real pleasure for me to be here with you today at this fourth chapter of the Khazanah Global Lecture Series. This initiative has been a treat and a joy for Malaysians, enabling many to hear for the first time the views and experiences of renowned global figures.

For this, I believe many Malaysians will join me in thanking Dato' Azman Mokhtar and his team for putting together this wonderful programme. I think many have rediscovered through this programme that there is no greater joy than the joy of sharing and learning. The appreciation for learning is vital in building a society's intellectual capacity, and so, I very much hope that Khazanah will continue this effort in years to come.

The Global Lecture Series was conceived in conjunction with the country's 50th year of Independence. This conjunction underlines once again the significance of this year of celebration.

Fifty years of charting our own course in the world. Fifty years of immense socioeconomic achievement. Fifty years of uniting an inherited collage of hopes and dreams into the vibrant tapestry that 26 million people today call their country and home.

As we reflect on our hard-won victories, we also continue to move forward. In 2007 we saw the launching of two new growth corridors – the Northern Corridor Economic Region and the East Coast Economic Region. Together with the Iskandar Development Region, launched in 2006, these three growth corridors represent a new concerted effort to extend growth and prosperity to all corners of Peninsular Malaysia. The plans for Sabah and Sarawak are soon to follow.

2007 saw the commencement of some major initiatives in high-priority areas. The

Education Blueprint and the Strategic Plan on Higher Education were announced and rolled out, targeting deficiencies in the current system and working towards implementing long-term improvements. The taskforce to facilitate business, or Pemudah, was established and is since working hard to reduce the cost of doing business in Malaysia. Civil service salaries were reviewed to encourage retention of talent and a contract scheme for top civil servants was announced to reward more closely to performance.

2007 saw new heights scaled in business. The stock market reached record highs with market capitalisation breaking the one trillion ringgit mark. International trade of goods and services also exceeded one trillion ringgit. Real property gains tax was done away with, driving activity in the property market. And recently, the biggest listed plantation company in the world was created.

2007 saw the first ever Malaysian go into space, along with many other achievements.

It was truly a tremendous year – for Malaysia, for Malaysians. And so it was only fitting that in 2007 we welcomed to our country four individuals who have made a huge impact on the world. Through the Khazanah Global Lecture series, we met Kofi Annan, the former Secretary-General of the United Nations; Muhammad Yunus, founder of Grameen Bank; and Joseph Stiglitz, renowned economist and author. We also welcomed Jeffrey Sachs – no stranger to Malaysia – but whose visit in 2007 was particularly meaningful when he became the first holder of the Royal Professor Ungku Aziz Chair and Centre for Poverty and Development Studies at Universiti Malaya.

These towering personalities gave us a glimpse of themselves, not as experts or sages, but as human beings who care deeply about the world. They showed us what is possible when there is compassion, intelligence and determination. They showed us what a difference we can make if we believe in our ideas and carry them through.

Given their knowledge and experience, it is also gratifying to hear their clear regard for our country. In speech after speech, Malaysia was held to be a true example of nation-building success – multiethnic and peaceful; a remarkable track record in reducing poverty; extensive social mobility which produced a huge middle-class; a thriving open economy. We, ourselves, are seen as a model, with much to offer the world. Repeatedly we are asked and even urged to impart our knowledge and experience, so that more people in the developing world may

know sustained peace and prosperity.

This is not mere politeness or courtesy, nor boasting or beating one's own chest. Time after time, Malaysia continues to surprise and inspire those who work actively in socioeconomic development and poverty eradication. Following 9/11, this recognition was further reinforced due to Malaysia's Muslim majority.

As we draw closer to the end of a truly memorable year, it is worthwhile to consider this question of Malaysia's role in the world going forward, i.e. the question of 'what next' for Malaysia.

For the sake of our future, we should press on with the work of carrying out the five thrusts of the national mission. We should continue to drive the economy towards higher value sectors and activities. We should continue to upgrade our education system. We should continue to reduce inequalities in income and opportunity. We should continue to improve the quality of life. And we should continue to improve the effectiveness and performance of our public institutions, from the civil service to the judiciary.

If we stay committed to this course, we can only grow stronger in the eyes of the world. We would successfully evolve from our middle-income status, we would have a dynamic innovation-driven economy, we would have skilled and capable future generations, and we would have public institutions of strength and integrity.

However, I think there is something more that we must have, not only to rise in the eyes of the world but also in the eyes of our people.

We should not only think of what the country should do, but what the country should be.

A country is not only defined by its achievements, it is also defined by what it stands for. Finding what a country stands for is far more difficult and complex. It takes many years, perhaps hundreds of years before a country's values are crystallised. The United States has a constitution that is over 200 years old, which promised all citizens a voice, but it was only in 1920 when women were granted the vote. It was in 1964 when the right to vote was effectively enforced for African-Americans.

In the case of a country as young as Malaysia, only 50 years old, the question of what we stand for, the values that connect us to each other, are still being formed.

The endeavour to find an answer to this question will go on beyond my lifetime. But I believe that our 50-year history provides us the outlines. As someone blessed by God with the opportunity of becoming Prime Minister, of being in public service for over 4 decades, of serving some of the finest men and women in Malaysia's history, I see three values that have dominated our 50 years as a nation. These are the values that will continue to shape our nation as we embark on our next 50 years.

First of all, I see the pursuit of fairness. Political fairness; economic fairness; cultural fairness.

We see political fairness in the practice of power-sharing, where all the major races are represented in government via a seat-sharing formula set up by the ruling coalition. All groups literally have a seat at the table – the cabinet meeting table. Issues and concerns are discussed and addressed – often behind closed doors – to reach consensus, where no one is out-voted by the majority; where the rights of every group are protected and safeguarded.

From the outset, there was consensus on having cultural fairness. I likened Malaysia to a tapestry earlier and I think this image fits with our philosophy on culture. We, each of us, are a thread making up a larger design but look closely enough and you will see that each thread still retains its own qualities. Integration, not assimilation. Malaysia is built on the premise that the identity of each community must be preserved and protected, rather than allowing the culture of the majority to extinguish others.

But of these, economic fairness has perhaps been the most visible and the most debated. We recognised long ago that without specific state intervention, enormous inequalities would fester among the people – inequalities intensified along ethnic lines. From this recognition came the New Economic Policy, with its twin objectives of eradicating poverty, regardless of race, and eliminating the identification of ethnicity with economic function. Our efforts in this regard are now regarded as visionary and far-sighted, as socioeconomic disparities widen throughout the world and pose a grave threat to global peace and stability.

The country's pursuit of economic fairness continues today, for example, in the approach of corridor development. The effort to spread development more consistently beyond the Klang Valley is underlined by the same basic principles, which are to eradicate poverty and to provide people with the opportunity to better their lives through employment, business and education. These efforts must reach everyone.

Our pursuit of economic fairness is not without its lessons. For example, in implementing poverty eradication programmes, regardless of race, care must be taken to follow through word with deed. No family, no matter their racial origin, can be allowed to live below the poverty line. And in implementing affirmative action, the principle of fairness must be upheld in all senses of the word. I do not believe that any Malaysian is against helping underprivileged groups but people want to see opportunity followed by hard work, not shortcuts or rents. People also want opportunities to be given to those most in need. Moving forward, as we refine and sharpen these policies, this quality of fairness must be seen to prevail, and must prevail in dealing with issues of poverty, education and income irrespective of race.

Secondly, I see the emphasis on responsibility, particularly to each other, as an integral value of the nation. In this age of relative affluence and stability, we sometimes forget that there are many groups within the country – each with their own set of demands; each with their own set of sensitivities. These differences are very real, yet we do not descend into sheer unmitigated chaos. Why? Because I think there are enough of us who do not forget, who know and remember our complexity.

Those who do not forget, understand that our situation demands balance, conscientiousness, a sense of accountability to the whole rather than the few. For me, this characterises a true Malaysian. A true Malaysian understands very well the impact of careless words and actions. A true Malaysian is acutely aware of who will be provoked into retaliation and who will actually suffer the consequences. Because of this, a true Malaysian will try to be judicious in word and deed, even when striving for change.

The value of responsibility is as important today as it was in 1957 or 1969. If we are to evolve into a society that can peacefully live with media freedom, public debate or public shows of expression, the value and the burden of responsibility must lie with the ordinary people, not just with those who manage the country. If

the choice is between public safety and public freedoms, I do not hesitate to say here that public safety will always win. I will not sacrifice my sense of accountability to the greater public, especially in the face of police intelligence about planned fighting or other violent intent. We must never, ever, take our peace for granted. We must continue to be responsible to each other.

The third value I see guiding our efforts all these years, especially in our darkest days, is self-belief. Many of the doctrines and measures we have undertaken fly in the face of popular thinking, from the NEP in 1970 to capital controls during the Asian Financial Crisis. We held fast through massive criticism and doubt, and this trust in ourselves has paid off.

On the international stage, we consistently punch above our weight – from speaking up for developing countries, to hosting international events, to chairing international groupings. Deep down, we know that ‘Malaysia Boleh’. We know that we have a lot to offer despite our youth and our size. We know that we are more than able to lead.

For us and our children, the sense of self-belief is crucial as we step into a time of greater competition, global economic change and high commodity prices. The requirements for survival and success evolve through the ages, but they are now evolving very rapidly. Make no mistake, it will be a challenging time for us all. We not only need to cope and adjust, we must triumph over the changes required of us. But with faith and determination, we will continue to prevail. If we stay committed towards giving our best, if we hold ourselves to the highest standards of excellence, we will succeed.

Fairness, responsibility, self-belief. These values are embodied in the country’s policies and achievements throughout the last 50 years and I believe, with time and experience, that they will characterise us as a people. For these are values that guarantee sustained unity and continued progress. These are values that we would want for ourselves and our families, not only as citizens of Malaysia but also as human beings.

Of course, these matters are far from settled; the quest to find what we stand for

is the work of many generations. But in the final analysis, we can agree on one thing: that we love this blessed land. We love its diversity and its eccentricities. This is the only country we have, the only place where we feel truly at home, and we want it to succeed.

So let us begin with fairness, responsibility and self-belief. Let us understand and appreciate the meaning of these values and start upholding them together. Everyone – leaders, political parties, companies, NGOs, people from all walks of life. Let us start building our hearts and minds as we enter into our next 50 years as a nation. This is the long-term project for Malaysia's future, for which we truly pray for success and for God's blessings and protection.

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