

**KEYNOTE ADDRESS BY
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**“The Malaysian Political Landscape, Experiences,
Perspective and Thoughts”**

1. I would like to thank the Malaysia-Europe Forum for this invitation to speak on the Malaysian Political Landscape, Experiences, Perspectives and Thoughts.

2. I apologise if what I have to say may not be in accord with the subject chosen for me or that it is not sensitive on certain things.

3. Malaysia’s critics and detractors especially those from the West will not agree but Malaysia, upon independence has been able to manage a complex multiracial, multicultural, multilingual and multi-religious population which displays great disparities in wealth while adhering to the principles of democracy reasonably closely.

4. Not many countries which gained independence after World War II have done as well. As to multiracialism, even some of the older countries have not been as stable politically as Malaysia.

5. The political achievements of Malaysia are even more remarkable considering that when war ended the Chinese and the Malays were at each others’ throats. Such was the animosity between the two races that the savvy observers from outside, especially the British observers, predicted that the Malays who made up the majority of the people in Malaya would seize power and dispossess and oppress the Chinese minority.

6. In the event nothing like that happened. Far from oppressing the Chinese the Malay leaders deliberately reduced their own majority by giving a million citizenship to Chinese and Indians without regard for their qualification. The population of Malaya at that time was only 5 million.

7. In addition the Malays decided to form an alliance with the Chinese and Indians so as to share the task of governing independent Malaya and Malaysia. The conflicts of the immediate post war period was all but forgotten.

8. A social contract was entered into by the leaders of the different races which was largely reflected in the Constitution of the new nation.

9. There are other factors which contributed to the political stability of independent Malaysia but the aforesaid formed the bases. Admittedly the absence of conflict was not total. There was a flare-up in 1969 when Kuala Lumpur saw race riots. At other times there were political differences, sometimes resulting in weakening of cooperation between the race-based component parties of the Alliance and the National Front. But none of these led to the kind of violence that is seen in other multiracial countries. In fact the friction between the three races did not get in the way of economic development. Throughout, Malaysia's economic growth outstripped all the other newly independent countries of the post World War II period.

10. In most other countries, and certainly in countries forming Malaysia's Southeast Asian neighbours, the non-indigenous people accepted assimilation i.e they all adopted the indigenous languages as their mother tongue, and cease to identify themselves with their countries of origin.

11. Recognising that assimilation would be resented by the non-indigenous, Malaysia allows the perpetuation of the language, culture, religion and economic role of the non-indigenous. This liberal attitude has rendered even mere integration difficult. Thus the children of the different ethnic groups go to their own language-group schools, literally preventing contact between the children of the different ethnic groups.

12. At independence the country was very poor. The per capita was only USD350/-. The infrastructure was very limited, serving only the main urban centres. The roads connecting the towns were single lane and undivided, the railway limited only to the west coast. The ports were undeveloped as it was the colonial policy to use Singapore as the principal port for the country.

13. The rural areas were almost totally neglected, with only narrow earth tracts, bereft of electricity and water supply, without schools and medical services.

14. Malaysia did not fight a war of independence. We negotiated. Some people think our struggle was not glorious because of this. But the administrative machinery remained intact. We did not have the problem of accommodating the warriors in the independent Government. Instead our local administrators were promoted, and they knew enough about their jobs to provide the country with good administrative services.

15. Headed by politicians who were also from the administration, the independent Government understood the mechanism of Government and was able to administer the country well.

16. What was identified as crucial for the well-being of Malaysia was the high percentage of unemployment. The first step to solve this problem was to open up land for new settlers. A Federal Land Development Authority was set up and new estates were opened with ownership given to the unemployed but Government provided professional management.

17. Still there was a lot of people who remained unemployed or under employed. Since agriculture cannot create much employment it was decided to industrialise the country.

18. But we had no expertise in industry, no capital or knowledge of the market. Despite misgivings about foreigners and foreign ownership of Malaysian companies, the Government decided to invite foreign investors. This was in the days when FDI was not kosher.

19. The concentration was on labour intensive industries. The terms for foreign investments were made very attractive and soon Malaysia had more manufactured products (80%) to export than primary commodities like rubber, palm oil, cocoa tin and iron ore and later crude oil.

20. As almost all the workforce became employed, the purchasing power of the people stimulated retail business and the supporting industries. Import/export business grew and along with it the transportation industry.

21. Malaysians have always understood the value of education. So did the Government. Right from the beginning the priority of the Government was to provide education for all. About 25% of the budget was for education and training.

22. The Government was initially the main employer. Most of the professionals were absorbed by the Government. Free, non-contributory medical service, started during colonial times were extended to the rural areas creating a demand for more doctors. Training was done abroad at first but soon new medical schools were started locally.

23. Starting with just one university at independence, today there are over 50 universities, half of which are private. All the essential disciplines are available in Malaysia.

24. Education has become a big industry in Malaysia with the growth of private universities. Foreign students in Malaysia's educational institution now number about 80,000.

25. The uneven distribution of wealth between the races was worrying. In 1969 racial tension over this and other issues reached a high level and race riots broke out. Many thought that it was the end of the country. Even a senior minister in the Government said that it was the end of democracy in Malaysia.

26. An emergency was declared and the country was ruled by a National Operations Council which was not elected. The dominance of Malays in this council led to the belief that the Malays had seized power and would never return to democratic rule.

27. But Malaysia again proved these detractors wrong. Parliamentary rule was restored in 1972 and in 1974 the 4th General Elections was held on schedule as if there had not been the two-years of Emergency and Government by decree.

28. The lessons of May 13th 1969 were well-learned. An affirmative action policy reduced some of the glaring disparities between the races and since then no

racial riots have taken place, even though extremists on both sides have often enough tried to stir up racial troubles.

29. Despite being a multiracial country which cannot integrate effectively, the level of stability achieved has enabled the country to grow much faster than other developing countries whether multiracial or not. In fact such is the economic development of Malaysia that many developing countries regard it as a model. A constant stream of political leaders and administrators come to Malaysia to study the policies and strategies that helped grow the country.

30. Malaysia is very open about its experiences in development. In fact Malaysia had actually set up a program, the Malaysian Technical Cooperation Programme, to enable administrators from other developing countries to come and study the policies, systems and strategies adopted by Malaysia for its development.

31. Malaysia itself believes in studying the experiences of other countries in order to design and shape its own development. One of the policies adopted involved looking at the countries of the East such as Japan and South Korea as models for development. The Look East Policy contributed much towards Malaysia's rapid progress especially in industrialisation.

32. Malaysia has always looked ahead into the future. Since independence a series of Five Year Plans provided the guideline and targets for the future. In fact apart from these 5-year plans there were also long-term perspective plans of 10, 20 and 30 years. In 1991 the Vision 2020 plan was launched with the objective of Malaysia becoming a developed country by the year 2020.

33. We now have 10 years to go to the completion of the plan. Much progress has been made but the yearly targets were not always possible to meet largely because of external factors.

34. The currency crisis of 1997 – 1998 stunted growth and the average of 7% growth which was needed could not be achieved. There was even a period of negative growth.

35. The currency crisis was overcome and the country was set to achieve high growth again. Unfortunately the worldwide financial and economic crisis beginning 2008 again slowed down growth.

36. My view is that Malaysia needs to change strategy to achieve Vision 2020. The old idea of attracting direct foreign investment cannot be depended upon anymore. The country had run out of labour and has to depend on foreign labour. Besides, with prosperity Malaysian labour costs have gone up and cannot compete with China, Vietnam and even Thailand and Indonesia for investments in labour-intensive industries. Besides low wages cannot contribute much to growing the country. Malaysia needs hitech, high income industries to ensure Malaysia achieve higher living standards of a developed country.

37. The Government seems to be aware of this and have indicated that local industries be given help and support so as to grow and become world class. During the years of foreign industrial investment, Malaysia had learnt much about manufacturing and worldwide marketing. With a little help Malaysian industries would be able to grow and replace FDI for economic development.

38. Provided the switch to dependence on domestic investment is followed by active support from the Government there is every possibility for Malaysia's growth to be high enough to achieve the Vision 2020 target of becoming a developed country.

39. Throughout history we see countries break away from the rest to grow rapidly to become developed. In fact some even became the nucleus of great empires.

40. However certain things must be in place for a country to achieve growth and development. The first essential is capable and dedicated leaders. It is the dedication and the ideas of the leaders which enable a country to sprint forward and outstrip the rest.

41. Natural resources may help but even rich resources will not make a country great. The rich oil producers are not considered to be developed.

42. On the other hand, Japan for example, is not rich in resources, but after the Meiji restoration the country decided to Westernise and industrialise and it grew

quickly into a developed country. Clearly it was the change in leadership which propelled Japan's economic growth.

43. The same thing happened with Russia. Under Peter the Great Russia decided to modernise, to adopt Western European systems and strategies for growth. From being a rather backward half European half Asian country Russian evolved into a great power.

44. On the other hand incompetent leaders can not only stall development but also destroy the achievements of past leaders.

45. Malaysia is fortunate in having far sighted early leaders. The first Prime Minister devised the form of inter-racial cooperation about the time of independence which largely overcame the strains and tension of a multiracial country. Tun Razak the second Prime Minister laid the foundation for industrial development. His successor Tun Hussein followed in his footsteps.

46. I was fortunate in inheriting the policies and strategies of the three Prime Minister preceding me. All I had to do was to find ways to implement them with greater speed.

47. The way forward was clear. Unfortunately the fifth Prime Minister decided to abandon the strategies and policies which had worked so well. Even the projects already in the process of implementation were halted. The policies and strategies which replaced the old ones failed.

48. The result was disastrous. For example a project to double track and electrify the railway lines from Johor Bahru in the South to Padang Besar on the Thai border costing RM14 billion was stopped.

49. After several years the Government decided to complete the northern part from Ipoh to Padang Besar, a distant that is less than one third the original Johor Bahru to Padang Besar line. But due to the increases in the construction cost the short line will cost the Government 12 billion Ringgit.

50. Other projects planned or even approved by the previous Government were also stopped ostensibly because of a lack of fund. This is very strange

because Malaysia had always managed its finances conservatively and well. It borrowed little from foreign sources. Even during the financial crisis it was not under pressure to repay loans.

51. Despite the 2004 Elections held a few months after the change in leadership giving the Barisan Nasional an unprecedented majority, the 2008 election saw the BN doing extremely badly. It lost five states, the Federal Territory of Kuala Lumpur and failed to get the two thirds majority needed to form a strong Government.

52. The rank and file felt that the leadership was mostly to be blamed for the debacle. They demanded for a change of leadership. Despite strong resistance the leadership of the BN and the Government changed.

53. But the damage done was so serious that attempts to recover support failed initially. The term of office of the new leader of the Federal Government is short. Very soon it would have to face the people again.

54. It is said that the Government of the 5th Prime Minister was more liberal and allowed more press freedom and free speech than previously. But the truth is that there was wholesale removal of senior staff in the mainstream media. A controller was appointed who would actually ring up the editors to tell them what to report and what not to report.

55. All the pronouncements and actions of the Prime Minister had to be supported and praised. UMNO members were told to be loyal to the President when the constitution of the party required them to be loyal to the party and its struggles for the country.

56. Those who were unquestioning supporters of the President were rewarded with appointments in the party or Government, given contracts and various titled and non-titled awards and they were prime candidates in elections.

57. Those not supportive enough were punished by depriving them all the above mentioned perks and were questioned by party leaders and berated by the party.

58. Few dared to openly criticize the leader or the Government of the fifth PM. Known critics were prevented from speaking at meetings organized by the party, by non-Government organisations or individuals. The BN chiefs and the police forced the invitations to be withdrawn.

59. The Government did not stop the opposition parties and their websites simply because they did not know how to. When those opposed to the Government made critical comments against it, they were likely to be arrested under the ISA. But when met by strong criticisms for its action the Government released the detainees claiming that they were arrested for their own safety.

60. Realising that the Government feared criticisms, the opposition kept up a barrage. This is what gave the appearance of the Government being liberal. Someone described the paralysis of the Government as “Elegant Silence”

61. Still the criticisms of the 5th Prime Minister by Barisan Nasional party members were subdued. The leaders believed that the members of the Barisan Nasional coalition were still supportive. So convinced was the Government party that it was still popular that it called for general elections before its term was over.

62. The 2008 Election showed clearly that the Barisan Nasional had lost the support not only of the sympathisers but also the members of the component parties. Even BN strongholds were lost.

63. Leadership is not for personal gain. It is for the good of those whom you lead. The followers may seem to be very forgiving but even the most forgiving have their limits. This is especially so in a democracy.

64. Sometimes of course democracy is abused by the electorate themselves. Some democracies fail to deliver because the electorate abuse the power to vote. They will vote out of power leaders as well as Governments simply because they have the power to do so. As a result leaders and Governments would be denied the time to carry out the plans and policies they had crafted. The electorate may do the same for the leaders who take their place. In some countries leaders would be the subject of assassination. Consequently few capable people would risk vying for leadership. Sometimes the electorate is easily corrupted. These things are most likely to happen when the freedoms of democracy are not accompanied by a sense of responsibility.

65. Democracy is perhaps the best political system ever devised by man. But like everything else devised by man, it is not perfect. Imposing democracy on people who do not understand the limitations of democracy will not yield the expected results. Certainly liberal democracy will not work with people who only know authoritarian rule or are corrupt by nature.

66. Malaysia is not a liberal democracy. There are limitations on the so-called democratic freedoms. But Malaysia has shown that its democracy is free enough for those opposed to the Government to win in elections and even to defeat Government parties and take over the governance of states. In fact there is every possibility that if the people are disaffected they would overthrow the Governments of the Federation.

67. And in Malaysia changes in the top leadership do take place and they take place without need for assassinations, or violence of any kind.

68. Malaysia is not the perfect model of a democracy but the electorate can, if they so wish, change the Governments simply by voting in free elections. That is the essence of democracy.

69. This is a rather long speech but still it cannot cover the subject of Malaysia's political landscape, the experiences, perspectives and thoughts. For this you will need a book length paper.
