Malaysia’s Experience in Knowledge-based Development: Lessons Learnt and the Way Forward

Tengku Mohd Azzman Shariffadeen
Presentation for discussion, Cairo University,
20 September 2011
Contents

- In what way has Malaysia addressed its development challenges?
- How did it approach the knowledge-based development challenge?
- What has it achieved?
- What lessons can we draw from this experience?
- How do we chart the way forward?
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Major development challenges have been faced to transform country: economic, social, administrative, institutional and governance

- Poverty eradication, education, health
- National unity
- Social change and transformation
- Economic growth with equitable distribution
- Economic diversification
- Knowledge-based social and economic transformation
- Economic resilience and competitiveness
Strategic national vision, structured development plans and institutional frameworks were formulated:

- Five-year planning cycle: 1960 onwards
- National Vision Policy (2001-2010)
- Tenth Malaysia Plan (2011-2015)
- New Economic Model, 2010
- Economic Transformation Programme, 2010
Vision 2020 nine challenges on becoming a developed country according to our own mould

- The first of these is the challenges of establishing a united Malaysian nation with a sense of common and shared destiny. This must be a nation at peace with itself, territorially and ethnically integrated, living in harmony and full and fair partnership, made up of one ‘Bangsa Malaysia’ with political loyalty and dedication to the nation.
- The second is the challenge of creating a psychologically liberated, secure, and developed Malaysian Society with faith and confidence in itself, justifiably proud of what it is, of what it has accomplished, robust enough to face all manner of adversity. This Malaysian Society must be distinguished by the pursuit of excellence, fully aware of all its potentials, psychologically subservient to none, and respected by the peoples of other nations.
- The third challenge we have always faced is that of fostering and developing a mature democratic society, practising a form of mature consensual, community-oriented Malaysian democracy that can be a model for many developing countries.
- The fourth is the challenge of establishing a fully moral and ethical society, whose citizens are strong in religious and spiritual values and imbued with the highest of ethical standards.
- The fifth challenge that we have always faced is the challenge of establishing a matured, liberal and tolerant society in which Malaysians of all colours and creeds are free to practise and profess their customs, cultures and religious beliefs and yet feeling that they belong to one nation.
- The sixth is the challenge of establishing a scientific and progressive society, a society that is innovative and forward-looking, one that is not only a consumer of technology but also a contributor to the scientific and technological civilisation of the future.
- The seventh challenge is the challenge of establishing a fully caring society and a caring culture, a social system in which society will come before self, in which the welfare of the people will revolve not around the state or the individual but around a strong and resilient family system.
- The eighth is the challenge of ensuring an economically just society. This is a society in which there is a fair and equitable distribution of the wealth of the nation, in which there is full partnership in economic progress. Such a society cannot be in place so long as there is the identification of race with economic function, and the identification of economic backwardness with race.
- The ninth challenge is the challenge of establishing a prosperous society, with an economy that is fully competitive, dynamic, robust and resilient.
Key features of national development planning

- Top-down strategic intervention driven by visionary leadership
- Investment in human capital
- Capacity building: human resource, institutional, systemic linkages
- Foreign direct investment: financial, knowledge and skills
- Series of qualitative jumps: agriculture to industrial to information/knowledge
- Willingness to experiment, explore and discover
Contents

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Key strategic interventions to capitalise on knowledge-based development opportunities

- Industrial Incentives Act, 1969, and creation of Free Trade Zones
- Expansion of R&D and higher education
- Creation of national R&D and development institutes in emerging priority areas
- Privatisation of telecoms and other key infrastructure companies, followed by deregulation and liberalisation
- Formation of National Information Technology Council (NITC), 1994
- Multimedia Super Corridor, 1995
- National Information Technology Agenda, 1996
- New Economic Model, 2010
Knowledge for Development: The World is undergoing a Sea Change

**ECONOMY**
- Transformation of economies from industrial to knowledge based – economic value is a function of knowledge intensity
- Knowledge based economy is an economy of innovation

**GOVERNANCE**
- Pervasive access to information flattens organizational hierarchies
- Ubiquitous global communication heightens citizen expectations leading towards demand for more democratization and active participation
- Global Internet governance system is changing the traditional economic, social and political mechanisms in place

**CULTURE**
- Cultural identity and sovereignty being redefined through borderless communication of content which embed value systems
Information & Communication Technology (ICT) envisioned as the means to leapfrog Malaysia from an industrial society to a post-industrial one, bypassing the ‘developed society’ phase of the industrial model.
Export-oriented industrial growth then pursued would not take Malaysia to Vision 2020 economic targets.

Information and Communication Technology (ICT) became the vehicle to make the quantum jump.

The National IT Council (NITC), recognising the dual functions of ICT, conceived the National IT Agenda and the Multimedia Super Corridor as complementary initiatives.

- **Multimedia Super Corridor (MSC)** – targeting economic development
- **National IT Agenda (NITA)** – targeting social development
Strategic Programme 1

National IT Agenda

“from ripples to tidal waves”
National IT Agenda: A Framework for Continuing Growth with Equity

VALUES-BASED K-SOCIETY 2020

PEOPLE
Comprehensive human development

INFOSTRUCTURE
Info. Age development foundation

CONTENT & APPLICATIONS
Solutions for Info. Age work and life

CREATING VALUE
ACCESS AND EQUITY
QUALITATIVE TRANSFORMATION
Core issue: **Competitiveness**

Core issue: **Equity**

The K-Malaysia Migration Strategy

A Three Phase Migration of the nation

- Competitive Knowledge Economy
- Values-based Knowledge Society

Note: Development is non-linear
Strategic Programme 2

Multimedia Super Corridor
The MSC heralded ICT as a new sector of growth to develop knowledge-based industries.

The MSC is an attempt to develop a dynamic industrial cluster for producing innovative ICT-based multimedia products and services to kick-start a content and applications industry.
The MSC Strategy: Leapfrogging Malaysia’s development

Go Global

Create the ideal Multimedia environment for world-class companies to use as a regional hub

Leapfrog into success in the Information Age

Create value from Information Age businesses

Enhance domestic productivity

Catalyze a highly competitive cluster of Malaysian multimedia/IT companies that become world-class over time

Lead Regional
MSC key features to attract investment

- Ten-point Bill of Guarantees
- Seven Flagship Applications
- Cyberlaws and IP laws
- Cyber city: green-field site with comfortable living environment and advanced ICT infrastructure
- Strong government support
MSC Bill of Guarantees

- Provide a world-class physical and information infrastructure
- Allow unrestricted employment of local and foreign knowledge workers
- Ensure freedom of ownership by exempting companies with MSC status from local ownership requirements
- Give the freedom to source capital globally for MSC infrastructure, and the right to borrow funds globally
- Provide competitive financial incentives, including no income tax for up to 10 years or an investment tax allowance, and no duties on import of multimedia equipment
- Become a regional leader in intellectual property protection and cyberlaws
- Ensure no Internet censorship
- Provide globally competitive telecommunications tariffs
- Tender key MSC infrastructure contracts to leading companies willing to use the MSC as their regional hub
- Provide an effective one-stop agency – Multimedia Development Corporation
MSC Seven Flagship Applications

- e-Government
- Smart Schools
- Tele-health
- R&D clusters
- Multi-purpose card
- e-business
- Technopreneur development

And two special initiatives
- Creative multimedia cluster
- Outsourcing and shared services centre
Cyberlaws and Intellectual Property Laws

- Communications and Multimedia Act 1998
- Malaysian Communications and Multimedia Commission Act 1998
- Digital Signature Act 1997
- Computer Crimes Act 1997
- Telecommunications Act 1997
- Optical Discs Act 2000
- Copyright Act 1987
- Trade Marks Act 1976
- Patents Act 1983
- Industrial Designs Act 1996
- Layout Designs of Integrated Circuits Act 2000
- Geographical Indicators Act 2000
- Trade Description Act 1972
- Intellectual Property Corporation of Malaysia Act 2002
- E-commerce Act 2006
Contents

- In what way has Malaysia addressed its development challenges?
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- **What has it achieved?**
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Results achieved

- Mass awareness of knowledge and ICT revolution – initiating process of acculturation and social change
- New institutional capacity for planning and implementation
- Talent and human and intellectual capital given top priority
- Innovation and value-adding processes and systems revisited
- MSC as global ICT and multimedia hub – work in progress with some early success
- Institutions to address biotech sector
- Economic transformation initiated
Malaysia

Key indicators, 2010

- Population (millions) .................................................. 27.9
- GDP (US$ billions) ...................................................... 238.0
- GDP per capita (US$) ................................................... 8,423
- GDP (PPP) as share (%) of world total ......................... 0.56

GDP (PPP) per capita (int'l $), 1985–2010

Global Competitiveness Index

<table>
<thead>
<tr>
<th></th>
<th>GCI 2011</th>
<th>GCI 2012</th>
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<tbody>
<tr>
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<tr>
<td>Score (1–7)</td>
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Basic requirements (40.0%)

- Institutions ................................................... 30     4.9
- Infrastructure ................................................. 26     5.2
- Macroeconomic environment ................................ 29     5.5
- Health and primary education .............................. 33     6.1

Efficiency enhancers (50.0%)

- Higher education and training .............................. 38     4.8
- Goods market efficiency ...................................... 15     5.1
- Labor market efficiency ...................................... 20     4.9
- Financial market development ..............................  3     5.5
- Technological readiness ...................................... 44     4.3
- Market size ...................................................... 29     4.8

Innovation and sophistication factors (10.0%)

- Business sophistication ...................................... 20     5.0
- Innovation ......................................................... 24     4.3

Stage of development

1. Factor driven
2. Efficiency driven
3. Innovation driven

Diagram showing the GCI index components for Malaysia and Efficiency-driven economies.
Egypt

Key indicators, 2010

Population (millions) .................................................. 84.5
GDP (US$ billions) .......................................................... 218.5
GDP per capita (US$) ..................................................... 2,789
GDP (PPP) as share (%) of world total ....................... 0.67

GDP (PPP) per capita (int'l $), 1985–2010

Global Competitiveness Index

GCI 2011–2012 ................................................................. 94  3.9
GCI 2010–2011 (out of 139) ............................................ 81  4.0
GCI 2009–2010 (out of 133) ............................................ 70  4.0
Basic requirements (44.2%) ........................................... 99  4.2
Institutions ..................................................................... 74  3.8
Infrastructure ................................................................ 75  3.8
Macroeconomic environment ...................................... 132  3.7
Health and primary education ...................................... 96  5.4
Efficiency enhancers (46.8%) ........................................ 94  3.7
Higher education and training ..................................... 107  3.4
Goods market efficiency ................................................. 118  3.7
Labor market efficiency .................................................. 141  3.2
Financial market development ...................................... 92  3.8
Technological readiness .................................................. 95  3.3
Market size .................................................................... 27  4.8
Innovation and sophistication factors (8.9%) ............. 86  3.3
Business sophistication .................................................... 72  3.8
Innovation ..................................................................... 103  2.8

Stage of development

1: Factor driven
   Transition 1–2
2: Efficiency driven
   Transition 2–3
3: Innovation driven
   Transition from 1 to 2
Saudi Arabia

Key indicators, 2010

Population (millions) .................................................. 26.2
GDP (US$ billions) ...................................................... 443.7
GDP per capita (US$) .................................................. 16,996
GDP (PPP) as share (%) of world total ....................... 0.84

GDP (PPP) per capita (int'l $), 1985–2010

Global Competitiveness Index

GCI 2011–2012 .......................................................... 17  5.2
GCI 2010–2011 (out of 139) ....................................... 21  4.9
GCI 2009–2010 (out of 133) ....................................... 28  4.7

Basic requirements (44.4%)
Institutions ................................................................. 12  5.5
Infrastructure ............................................................ 25  5.3
Macroeconomic environment ..................................... 12  6.1
Health and primary education .................................... 61  5.8

Efficiency enhancers (40.9%)
Higher education and training ................................... 36  4.8
Goods market efficiency .............................................. 4  5.2
Labor market efficiency .............................................. 50  4.6
Financial market development ................................. 16  5.1
Technological readiness .......................................... 43  4.3
Market size ................................................................. 23  4.9

Innovation and sophistication factors (14.7%)
Business sophistication ............................................. 17  5.1
Innovation ................................................................. 26  4.2

Stage of development

1  Transition 1–2  2  Transition 2–3  3  Innovation driven

- Factor driven
- Efficiency driven
- Innovation driven

- Institutions
- Business sophistication
- Macroeconomic environment
- Higher education and training
- Health and primary education
- Goods market efficiency
- Labor market efficiency
- Financial market development
- Market size
- Technological readiness
Turkey

Key indicators, 2010

Population (millions) ........................................ 75.7
GDP (US$ billions) ........................................ 741.9
GDP per capita (US$) ................................... 10,399
GDP (PPP) as share (%) of world total ............. 1.29

GDP (PPP) per capita (int'l $), 1985–2010

Global Competitiveness Index

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<th>Efficiency enhancers (50.0%)</th>
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<th>Technological readiness</th>
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<th>Innovation and sophistication factors (13.5%)</th>
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<table>
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</table>

Stage of development

1 Factor driven
2 Efficiency driven
3 Innovation driven
Persisting Challenges

- Mindset: Lack of readiness to embrace knowledge paradigm—mental, intellectual, cultural, institutional, organisational
- Inadequate human resources and intellectual capital
- Institutional set up: weak internal capacity and linkages
- Innovating on a mass scale: scaling up successful programmes and closing down failures
- Equitable distribution of, and access to, infrastructure and opportunities: Knowledge and Digital Divide
- Conducive environment for innovation

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP Growth</th>
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<tbody>
<tr>
<td>China</td>
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<tr>
<td>Vietnam</td>
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<tr>
<td>Singapore</td>
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<tr>
<td>Malaysia</td>
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<tr>
<td>Korea</td>
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<td>Taiwan</td>
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<td>India</td>
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<td>Thailand</td>
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<td>Philippines</td>
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**GDP Growth (average, 2001-2010)**

<table>
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<th>Country</th>
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<tr>
<td>China</td>
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<td>India</td>
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<td>Taiwan</td>
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Source: World Economic Outlook, IMF Data Base (7 April 2011)
Malaysia: Real GDP Growth and Per Capita Income

Source: 10th Malaysia Plan, and World Bank, WDI Database (17 April 2011)
Labor productivity is growing but is falling behind high-growth countries in the region.

Source, UNCTAD, FDI Live Database (7 April 2011)
## Doing business ranking of selected countries

<table>
<thead>
<tr>
<th>Economy</th>
<th>Ease of doing business rank</th>
<th>Starting a business</th>
<th>Dealing with construction Permits</th>
<th>Registering property</th>
<th>Getting credit</th>
<th>Protecting investors</th>
<th>Paying taxes</th>
<th>Trading across borders</th>
<th>Enforcing contracts</th>
<th>Closing a business</th>
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### Software of Growth Rankings of Selected Asian Countries, 2010-2011 (out of 139 countries)

<table>
<thead>
<tr>
<th>Country</th>
<th>Business Sophistication</th>
<th>Innovation</th>
<th>Quality of Education</th>
<th>Spending on R&amp;D</th>
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<td>Korea Rep.</td>
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<td>Philippines</td>
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Source: Global Competitiveness Report, 2010-2011, World Economic Forum
Malaysia: Researchers in R&D (per million people)

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</tr>
</tbody>
</table>

Researchers in R&D are professionals engaged in the conception or creation of new knowledge, products, processes, methods, or systems and in the management of the projects concerned. Postgraduate PhD PhD students engaged in R&D are included.

Source: UNESCO Institute for Statistics

Source: Global Competitiveness Report, 2010-2011, World Economic Forum
Top three national problems

1. Malaysia losing competitiveness in simple production and assembly activities: caught in middle-income country trap
2. Lacks technical and human infrastructure for innovation
3. Social transformation to knowledge-based society is yet to be widespread
Contents

- In what way has Malaysia addressed its development challenges?
- How did it approach the ICT and knowledge revolution?
- What has it achieved?
- What lessons can we draw from this experience?
- How do we chart the way forward?
Lessons learnt (1/3)

- Top-down strategic intervention approach has again proven its efficacy
  - Political will
  - Visionary leadership
  - Creative planning process
  - Institutional reform

- Social transformation and economic restructuring should be addressed as separate but complementary programmes
  - Comprehensive human development for knowledge-intensive work and life activities
  - Economic restructuring needs government policy direction backed by strong incentives
Lessons learnt (2/3)

- Tri-sectoral partnership between public, private and civil society sectors
  - Democratising participation for inclusiveness
  - Contention vs collaboration and cooperation
  - Co-creation

- Communication and marketing
  - Communicating policies and strategies with clarity, consistency and transparency
  - Show and tell
Lessons learnt (3/3)

- **Learn by doing**
  - Learning, unlearning, and relearning
  - Take measured risks, mistakes are allowed

- **Knowledge economy is an economy of innovation**
  - Innovation is value creation
  - Creativity and inventiveness is not sufficient
  - Knowledge-based innovation not limited by S&T
  - Entrepreneurs are innovators: “creative destruction”
  - New resources required: talent, risk capital
  - National Innovation Eco-system
Contents

- In what way has Malaysia addressed its development challenges?
- How did it approach the knowledge-based development challenge?
- What has it achieved?
- What lessons can we draw from this experience?
- How do we chart the way forward?
<table>
<thead>
<tr>
<th>Old Approach</th>
<th>New Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Growth primarily through capital accumulation. Focus on investment in production and physical infrastructure in combination with low skilled labour for low value added exports</td>
<td><strong>Growth through productivity.</strong> Focus on innovative processes and cutting-edge technology, supported by healthy level of private investment and talent, for high value added goods and services</td>
</tr>
<tr>
<td><strong>2</strong> Dominant state participation in the economy. Large direct public investment (including through GLCs) in selected economic sectors</td>
<td><strong>Private sector-led growth.</strong> Promote competition across and within sectors to revive private investment and market dynamism</td>
</tr>
<tr>
<td><strong>3</strong> Centralised strategic planning. Guidance and approval from the federal authorities for economic decisions</td>
<td><strong>Localised autonomy in decision-making.</strong> Empower state and local authorities to develop and support growth initiatives, and encourage competition between localities</td>
</tr>
<tr>
<td><strong>4</strong> Balanced regional growth. Disperse economic activities across states to spread benefits from development</td>
<td><strong>Cluster- and corridor-based economic activities.</strong> Concentration of economic activities for economies of scale and better provision of supporting services</td>
</tr>
<tr>
<td><strong>5</strong> Favour specific industries and firms. Grant preferential treatment in the form of incentives and financing to selected entities</td>
<td><strong>Favour technologically capable industries and firms.</strong> Grant incentives to support innovation and risk-taking to enable entrepreneurs to develop higher value added products and services</td>
</tr>
<tr>
<td><strong>6</strong> Export dependence on G-3 (US, Europe and Japan) markets. Part of production chain to supply consumer goods and components to traditional markets</td>
<td><strong>Asian and Middle East orientation.</strong> Develop and integrate actively into regional production and financial networks to leverage on flows of investment, trade and ideas</td>
</tr>
<tr>
<td><strong>7</strong> Restrictions on foreign skilled workers. Fear that foreign talent would displace local workers</td>
<td><strong>Retain and attract skilled professionals.</strong> Embrace talent, both local and foreign, needed to spur an innovative, high value added economy</td>
</tr>
<tr>
<td>Old Approach</td>
<td>New Approach</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Growth primarily through capital accumulation. Focus</td>
<td>Growth through productivity. Focus on innovative processes and cutting-edge technology.</td>
</tr>
</tbody>
</table>

**Enabling Actions**
- Break logjam of vested interests through political will and leadership
- Prepare Rakyat for change

**Strategic Reform Initiatives**
1. Re-energising the Private Sector
2. Developing Quality Workforce and Reducing Dependency on Foreign Labour
3. Creating a Competitive Domestic Economy
4. Strengthening of the Public Sector
5. Transparent and Market-friendly Affirmative Action
6. Building the knowledge base infrastructure
7. Enhancing the Sources of Growth
8. Ensuring Sustainability of Growth

**Outcomes**
- High Income
- Rakyat Quality of Life
- Inclusiveness
- Sustainability

**Feedback:** Review, Revise
What Is Different About The ETP?

The ETP builds on the direction outlined in the Tenth Malaysia Plan to develop a markedly different approach to delivering Government’s objectives. There are five specific aspects of the ETP that are new and distinctive, which will ensure that the ETP delivers the improved outcomes that Malaysia needs.

Focus on Key Growth Engines - 12 NKEAs

Malaysia will exploit its competitive advantages by prioritising public investment and policy support behind a limited number of key growth engines. The ETP focuses on the 12 NKEAs announced in the Tenth Malaysia Plan. These NKEAs are expected to make substantial contributions to Malaysia’s economic performance.

Private Sector-led, Government Facilitated

The private sector will take the lead role in terms of making investment and employment decisions. The projects and opportunities that are identified in the ETP have been co-created by the public and private sectors. Importantly, most of the projects are mainly funded from private sources. The Government’s role will be that of an active facilitator of private sector-led development through resource and policy support.

131 Concrete Entry Point Projects to Kick Start the Programme

The ETP is focused on actions and not concepts. The ETP contains well-developed and specific ideas and actions to grow each of the NKEAs, rather than broad statements of intent. These proposed ideas have been developed through collaboration between the public and private sectors, and in many cases these projects are close to being launched. The ETP also identifies a series of specific policy and regulatory reforms that are needed to drive growth in the NKEAs and Malaysia’s broader economy.

Anchoring on GNI to Get Value for Money

Projects and initiatives have been selected on the basis of rigorous financial and economic analysis to ensure that they maximise the return on public sector investment, i.e. GNI per ringgit of public investment. In a challenging fiscal environment, government spending and investment will be directed only to those areas where it can be used in a highly productive manner.

PEMANDU to Ensure Strong, Transparent Delivery

The Government has established an ETP Unit in PEMANDU to deliver and monitor this programme. Clear and demanding key performance indicators will be specified for each of the individual NKEAs and for the ETP as well as for the inclusiveness and sustainability measures. Performance on all measures will be reported publicly every year.
Nurturing an innovative society

Create a national movement: innovation everywhere - for all and by all

- Malaysian Innovation Foundation: unleashing grassroots innovation
- Malaysian Agency for Innovation: capitalising on public-funded R&D outputs
- 131 concrete entry point projects under ETP, monitored by PEMANDU
A return to human values by revisiting the *Maqasid al Shari’ah*

“The very objective of the *Shari’ah* is to promote the well-being of the people, which lies in safeguarding their faith (*din*), their self (*nafs*), their intellect (*‘aql*), their posterity (*nasl*) and their wealth (*mal*). Whatever ensures the safeguard of these five serves public interest and is desirable and whatever hurts them is against public interest and its removal is desirable.”
Systems View of *Maqasid*

**Personal change**

**Din (faith)**

- Provides strategic vision, intent and purpose
- Shapes values, mindset, attitudes and behaviour
- Protection of life, property and honour of every individual
- Promotes socio-economic justice and hinders injustice
- Provides foundation for enabling environment to development
Nafs (self)

- Change begins from within
- Man created in Creator’s image: good by nature
- Entrusted with resources to fulfill needs of all
- Given freedom, conscience, intellect and Divine Guidance
Din

Personal change

Nafs

Knowledge Society

Knowledge-driven individuals

Aql

Intellectual Assets

Knowledge for human development

Aql (intellect)

- Revelation and reason interdependent, both necessary
- Belief system reinforced by reason
- Education obligatory to train the intellect
Mal (wealth)
- Trust from God, to be used for human well-being and environmental protection
- A balanced life: social, economic and spiritual objectives desired
- Equitable distribution and poverty eradication encouraged
Din

Personal change

Knowledge-driven individuals

Nafs

Knowledge Society

Aql

Intellectual Assets

Mal

Wealth for All

Nasl (posterity)

- Continuous improvement: physically, mentally and spiritually
- Solidarity of family: basic unit of society
- Moral and technical education
- Health and basic need fulfillment
- Clean and healthy environment

Knowledge for human development

Equitable Knowledge Economy

Family solidarity and Ecological balance

Community Well-being and Environmental Sustainability
Personal change → Knowledge-driven individuals

Din → Nafs
Knowledge Society

Nafs → Aql
Intellectual Assets

Aql → Mal
Wealth for All

Mal → Nasl
Community Well-being and Environmental Sustainability

Knowledge for human development → Equitable Knowledge Economy

Family solidarity and Ecological balance
Strategic vision, intent and purpose of Knowledge Society

Personal change in mindset, attitudes and behaviour as basis to build Knowledge Society

Strategic management to realise Knowledge Society and production of intellectual assets

Use of knowledge to develop equitable Knowledge Economy with wealth (spiritual, social and material) for all

Safeguarding interests of present and future generations by enhancing family and social solidarity and preserving ecological balance
Strategic thrusts from *Maqasid al Shar’iah* perspective

- **Din**: Strategic vision, intent and purpose of Knowledge Society
- **Nafs**: Personal change in mindset, attitudes and behaviour as basis to build Knowledge Society
- **Aql**: Strategic management to realise Knowledge Society and production of intellectual assets
- **Mal**: Use of knowledge to develop equitable Knowledge Economy with wealth (spiritual, social and material) for all
- **Nasl**: Safeguarding interests of present and future generations by enhancing family and social solidarity and preserving ecological balance
Closing remarks

- Malaysia has made significant progress in addressing knowledge-based development, but major challenges remain
- It suffers from the “middle-income country trap”
- Steps are being taken to achieve high income country status
- National economic and social transformation is necessary
- Return to human values will ensure sustainable development
thank you for your attention