

**SPEECH BY
YAB DATUK SERI HJ. MOHD ALI BIN MOHD RUSTAM**

**CHIEF MINISTER OF MELAKA
AND
PRESIDENT OF THE WORLD ASSEMBLY OF YOUTH**

**AT THE OPENING CEREMONY OF THE
6TH MELAKA INTERNATIONAL YOUTH DIALOGUE
SUNDAY 18TH JUNE 2006 AT 2000HRS**

WATER CITY RESORT, AYER KEROH, MELAKA

Honourable Datuk R. Raghavan, State Executive Councillor for Youth and Sports,

Honourable Pohamba Shifeta, Deputy Minister of Youth, National Service, Sport and Culture, Republic of Namibia, also Executive Committee Member of the World Assembly of Youth,

Mr. Donald Charumbira, Secretary General of the World Assembly of Youth,

Mr. Norizan Shariff, Secretary General of the Malaysian Youth Council and the Committee for Asean Youth Cooperation,

WAY Executive Committee Members,

Representatives of WAY member organisations,

Invited Guests,

Melaka International Youth Dialogue participants,

Ladies and Gentlemen:

I would like to extend a warm welcome to all the participants that have arrived here for the 6th Melaka International Youth Dialogue.

I am pleased to note that this Dialogue has become one of the most popular annual youth events, and it continues to attract participants from all corners of the world. This has fulfilled the World Assembly of Youth's vision of developing an annual platform for young people to meet and exchange ideas.

Over the years we have had various Dialogues on issues such as Globalisation, Employment, Information and Communication Technologies, Youth Participation in Decision-Making Processes and Strengthening National Youth Councils for Global Development.

The theme for this year's dialogue is **Developing Human Capital**. This theme was selected because the World Assembly of Youth is positioning itself to play a more important role in terms of human development, in light of the United Nations Millennium Development Goals.

Capital is more commonly known as business terminology. In the business sense, capital is the investment that an entrepreneur makes into a business. This can be an investment in the form of money, properties, professional skill or other valuable contribution. This forms the capital base of the company. As the company produces profits, the capital accumulates. The company grows bigger as the capital account increases.

In the same way that the entrepreneur invests in the company, the concept of human capital is that people are valuable assets that can yield high returns for investors.

The modern philosophies of management and leadership have emphasised on the need to view people in any organisation, company or even in any country, as a resource that can be invested in to yield future benefits.

There are 6,5 billion people in the world today. Of these, 2,7 billion are the economically active youth population aged between 15 and 40.

Any nation that wants to enjoy a brighter future should invest in its people. The people, in particular the youth, are the key to the nation's

future. Young people are definitely the greatest natural resource that exists in the world today.

The term “human capital” was first discussed by Pigou in 1928, when he stated that "There is such a thing as investment in human capital as well as investment in material capital.”

In 1964, Gary Becker published a book entitled Human Capital, which became a standard reference for many years. This book drew parallels of human capital as similar to "physical means of production", such as factories and machines. The book also highlighted that it is possible to invest in human capital through education, training and medical treatment, and that human capital is a stock of assets which contributes to the generation of income.

The concept of viewing people as capital calls for a paradigm shift in corporations and in nations at large. We need to start seeing people as assets and not as liabilities. All the 6,5 billion people in the world are assets that can be tapped on to make the world a better place, and to contribute to global social and economic development.

Youth, in particular, are the life blood of the world’s economies. They provide the human resources for all sectors of the global economy.

If nations do not invest in their youth, there will be increasing incidences of unemployment, delinquency, crime and unrest. If nations invest in

their young people, this will give rise to greater innovation, entrepreneurship, patriotism and awareness of civic duties.

To invest in people means to educate them, to train them, and to provide them the necessary intellectual, physical, social and psychological support and services to enable them to achieve their best potentials. This is how human capital is developed.

However, even after human capital development has taken place, it is also crucial to have proper human capital management to ensure that human resources are adequately utilised to provide maximum benefit to the country. An unemployed youth is as good as sophisticated machinery lying idle in a warehouse. People should be utilised in productive endeavours so that there are of benefit to national production, and to their economies and communities

Ladies and Gentlemen:

During this Dialogue you shall have the opportunity to discuss a wide range of topics related to human capital development. This includes workshops on human capital development and on knowledge management. There are also a number of interesting speakers that will impart some useful knowledge and research to participants.

I hope that you will be able to share ideas and experiences which will contribute to the final outcome of this Dialogue.

The outcome of this Dialogue will be implemented through the World Youth Institute, which is now mandated to implement the World Assembly of Youth's international education and training programmes. WAY has established the World Youth Institute at its headquarters here in Melaka, and we would like to start offering training programmes to the general public and international community by the end of this year.

The declaration that you shall make at the conclusion of this Dialogue will serve as a guide for WAY, the World Youth Institute, and many other organisations dealing in youth development matters. National youth councils and grassroots youth organisations may also benefit from the outcome of this dialogue.

Ladies and Gentlemen:

I would like to thank all participants for travelling to Melaka to attend this Dialogue. Your support is appreciated, and I hope that you do benefit from the experience, and that you return to your countries with some new ideas that you can implement there.

I would also like to thank the entire team that has organised the dialogue, members of the steering committee, preparatory committee and organising committee. We are also grateful to the Melaka State Government and Maybank for their sponsorship of this meeting.

I trust that you shall all have an enjoyable stay here in Melaka, and that you will always have fond memories of your experience here. As Melaka is Malaysia's historic capital, we say that visiting Melaka means that you have visited Malaysia. And only when you visit Malaysia can you say that you have visited Asia.

Besides the main programme of the Dialogue, I urge you to take time to enjoy the food, the sights and the sounds in Melaka and in Malaysia.

With these words, I would like to declare the 6th Melaka International Youth Dialogue officially opened.

I thank you.