

**SPEECH BY RT HON DATUK SERI HJ MOHD ALI BIN MOHD RUSTAM  
CHIEF MINISTER OF MELAKA, AND  
PRESIDENT OF THE WORLD ASSEMBLY OF YOUTH**

**AT THE OPENING OF THE 1<sup>ST</sup> MELAKA INTERNATIONAL YOUTH  
DIALOGUE  
25 JUNE 2001**

BISMILLAHIRRAHMANIRRAHIM

ASSALAMUALAIKUM WARAHAMATULLAH WABARAKATUH AND A VERY  
GOOD MORNING

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SETIAUSAHA KERAJAAN NEGERI MELAKA,

YB. DATUK R. RAGHAVAN,  
PENGERUSI JAWATANKUASA NEGERI BELIA DAN SUKAN,

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ENCIK SAIFUDDIN BIN ABDULLAH,  
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ENCIK MAT SIRAT BIN ABU,  
YANG DI-PERTUA MAJLIS PERBANDARAN MELAKA BANDAR BERSEJARAH,

VICE PRESIDENTS,

MR. SECRETARY GENERAL OF WAY,  
DISTINGUISHED GUESTS, HEADS OF DEPARTMENT, DELEGATES, LADIES  
AND GENTLEMEN.

1. I would like to begin by wishing a warm welcome to all participants to the Malacca International Youth Dialogue. You have all come prepared and motivated to discuss the issue of globalization, under the theme “**TOWARDS A GLOBAL COMMUNITY**” in this historic city of Malacca. Here you would be charting the future of the world.
2. The history of Malacca is largely the story of the city for which it is named, and the story of Malacca begins with the fascinating and partly legendary tale of the Hindu Prince Parameswara. Parameswara was a fourteenth century Palembang Prince. Initially driven from his own state, Parameswara decided to escape to an island called Temasik, which is now known as Singapore. However Parameswara

was driven out of Temasik by the invasion of the Siamese, and with a small band of followers, he set out along the west coast of the peninsula in search of a new refuge.

3. The refugees settled first at Muar, Johore but they were chased away by a horde of monitor lizards. The second spot seemed equally unfavorable as the fortress that the refugees began to build fell to ruins immediately. Parameswara moved on. Soon afterwards during a hunt near a mouth of river called Bertam, he saw a white mouse deer kick one of his hunting dogs. He was very impressed with the mouse deer's action that he decided to build a city on the spot. He asked one of his servants the name of the tree under which he was resting and after being informed that the tree's name was called "Malaka", gave that name to the city. The year was 1400.
4. Although its origin is as much romance as history, the fact is that Parameswara's new city was situated at a point of tremendous strategic importance. Midway along the Straits that linked China and India and the Middle east, Malacca was perfectly positioned as a center for maritime trade. The city grew rapidly and within fifty years it had become wealthy and powerful hub of international commerce, with a population of 50,000. By the first decade of the sixteenth century, Malacca was a bustling cosmopolitan port, attracting hundred of ships each year. The city was known worldwide as the center for trade of silk and porcelain from China, textiles and coromandel from Gujarat, Camphor from Borneo, sandalwood from Timor, nutmeg, mace and cloves from the Moluccas, gold and pepper from Sumatera and tin from Western Malaya.
5. In the 2001 Malacca is Hosting its inaugural Malacca International Youth Dialogue. Like a small mouse deer tackling a hunting dog, today each young person here is determined to tackle the challenges and opportunities presented by globalization. We are here to resolve problems through several opportunities although we would face threats we can overcome these by our collective strengths.
6. So what is this globalization that has gripped this world. Is this new? Is this unstoppable? Will it change this dialogue? The definition of outlook of globalization depends on you. It up to the young people, the future of this world, to determine the type and to what extent you will allow globalization to affect your lives. Youths are not only the heirs to this world but also leaders who will be taking over the leadership of this world. The Malacca International Youth dialogue is therefore a forum in which you would be charting the course of future through your practical resolutions.
7. This dialogue shall be addressing issues pertinent to the global community. The human aspiration is for a world that is peaceful, just and equitable. Our aspiration is for a global order that does not marginalize any people. Our aspiration is for

intercultural dialogue and cultural pluralism. Our aspiration is for a better quality of life for all.

8. The end of the cold war ushered in an era of liberalization, democratization and free market policies, emanating from major bodies such as the International Monetary Fund (IMF) and the World Bank. This transition was from a bipolar to a unipolar world order. This would be the age of free commerce and trade, the age of free movement of labor, the age of capital mobility - a process better known as globalization.
9. Classical economists and western liberal economists have provided the scholarly impetus for the free and open market. Adam Smith held a view of market exchange as a basis for rational order and David Ricardo highlighted the desirability of comparative advantage acquired through international trade. There exists in many multilateral financial institutions a belief that free markets increase efficiency, productivity and economic growth. At the other end of the spectrum are the voices of the developing nations, highlighting the inherent dangers of this system.
10. Developing countries have fast been incorporated, by choice or subtle coercion, into the way of liberalization and globalization. The end of the bipolar world, a result of disintegration of the Soviet union, changed the equilibrium of the world power, placing it in the hands of a western liberal democracy. Latin American countries, in response to their economic failure of the 1980's took recourse in the liberalization system. Further to this the African nations that were also reeling from the aftermath of USSR's collapse were dosed with IMF's Structural Adjustment Programs that enforced liberalism and advocated for a reduction of state control and intervention in the market economy.
11. The Asian financial crisis was, indeed a direct result of the IMF's propagation of state directed capitalism. Developing countries, in general, have been faced with this dichotomous thesis that has become imperative if any assistance is to be received from the Bretton Woods Institutions. The opening up to the free market forces of globalization has therefore become more imperative than optional for developing countries.
12. When the Berlin wall fell in 1989, the new trading regime, under the World Trade Organization also came into force. Whilst the bipolar world provided both a choice of economic ideology as well as special and differential treatment for developing nations through the general agreement on trade terms, the unipolar world does not afford the luxury of either. The WTO advocates for the concept of reciprocity and nations to use protection or state industrial policies as instrument for industrialization.
13. The role of the state in developing nations has therefore been diminished to facilitate the experiments of globalization. In 1995, the Washington consensus

was held, and it provided a list of points including a reduction of the role of the state in economic activity and enhancing the market, seeking close integration of the world economy through trade liberalization and the removal of barriers on international capital flows. These and other institutional initiatives have enhanced the global liberalism movement.

14. Despite running debates between the assenting and dissenting voices, the sweet and sour fruits of global economy ripen each day. World exports grew exponentially from US 61 billion in 1950 to US 3486 billion in 1991. by 1995, they totaled US 5075 billion. Foreign Direct Investment (FDI) grew from \$5 billion in 1960 to \$290 billion 1995. It is these vehicles of , foreign direct investment, foreign exchange transactions and global trade that provide the major push for globalization.
15. Perhaps the most pivotal non – political determinant of globalization has been the development of technologies that remove barriers that previously created by distance, time and cost of communication. Cable and satellite television and the internet have a global reach that allows the sparsest communities to interact in real time. This information and communication technology (ICT) revolution has changed the way business and social activity is conducted. Whereas inventions including electricity and the steam engine took many years to become mass consumer products, ICT continues to create cheaper technological applications that are increasingly powerful. The price of computer for example, has depreciated more than 1000 times since 1980, yet the value added has increased exponentially. Information technology provided a mode of financial transaction that increases the rate and direction of flows of capital. Through the availability of on – line stock, investment and merchandise quotations money may move around faster and wider.
16. The movement of people for trade, labor and social purposes has also provided another dimension to globalization. This is enhanced by the emergence of a global culture based on common practices, language, lifestyles, business techniques as well as political and economic ideologies. This applies mainly to the elite of the communities who have the means and purposes for travel and international interactions. However, the fruits of those interactions filter down to other classes of society as they emulate the examples set by the elite classes. A universal culture thus emerges. The culture is not as “universal” as the word may imply as it thrives largely on western influence. This influence is obtained primarily through the superior bargaining position that western business people and politicians have, and secondarily through its mass media and entertainment. The movement of labor should be destined towards Europe for the early part of this millennium due to the labor shortage in that market This labor mainly comes from developing countries of Africa and Asia. The long term implication of this may be either further unipolarisation through westernisation of African and Asian brainpower or a revitalization of African and Asian economic when this force returns to their

- respective motherland. In any case, the movements have and shall continue to strengthen the binding ties of globalization.
17. The reaction of youths to these global progressions has been mixed. Just as Karl Marx spoke of the proletariat as leading blind revolutions. The majority of the world youths are not aware of the decisions being made today that shall affect their future. The issue of globalization is essentially a youth issue. The global community of the future shall be led by the youth, and is it coherent that the youth be given more prominent role in debate in the subject?
  18. It is at this Malacca International Youth Dialogue that young people have gathered to speak their mind not be led blindly. If the future is yours, why then should you not be involved in the decisions that affect your future livelihood? Young people have the vision to foresee their needs and proactively provide for them. Young people have the vision to solve threats before it turns out to be a problem. Young people have the vision to seize opportunities and turn them into global solutions. Young people have the vision to turn their strengths into pillars of the global community.
  19. Youths today are plagued by numerous challenges, which has not improved much since the United Nations 1985 International Youth Year.
  20. Although progress has been made towards the provision of universal basic education, the number of illiterate people will continue to grow and many developing countries are likely to fall short of universal primary education in the coming years. # main concerns exists regarding the current system of education. The first is that many parents in developing nations are unable to send their children to schools because of social and economic conditions. The second, concerns the lack of educational opportunities for groups such as girls and young women, migrants, disabled persons and refugees. The third concerns the quality of education and its usefulness in assisting young people in their transition to full adulthood. A disparity created by the disproportionate access to information and communication technologies has exacerbated the digital divide.
  21. The International Labor Organization (ILO) estimates that more than 100 million new jobs will have to be created in the world within the next 20years, to cater for the burgeoning world population. Over 70 million young people are unemployed throughout the world according to ILO. Unemployment in an area in which solidarity comes very easily, because it is a state which no person would like to be, and it is generally a social and mentally challenging status.
  22. Unemployment is but one dimension of the employment problem faced by young people. A disproportionately large number of the young in many countries are underemployed, some working fewer hours than they would like to and others working very long hours with little gain.

23. Over 1 billion people in the world today live in unacceptable conditions of poverty, mostly in developing countries. Poverty has various manifestations: hunger and malnutrition, ill- health, limited or lack of access to education and other basic services, homelessness and unsafe environments. Young people are particularly affected by these situations. Hunger and malnutrition remain among the most serious and intractable threats to humanity, often preventing youth and children from taking part in society.
24. Young people in some parts of the world suffer from poor health. Many serious epidemics continue to claim a heavy toll on youth, including malaria, HIV / AIDS, tuberculosis among others.
25. The deterioration of the natural environment is one of the principle concerns of the young people worldwide, as it has direct implications for their well –being both now and the future. The natural environment must be maintained and preserved for both present and future generations.
26. An estimated 400 million people today suffer from mental or neurological disorders or from psychosocial problems such as those related to alcohol or drug abuse. One out of four person who turn to the health services for medical care suffer from such disorders. Youth is a time of experimentation of tapping on new potential and on trying out the untried. It is at this time that many fall into vicious cycle of alcohol and drug dependence. Eventually the dependence leads to mental health complications in later life. Mental disorders are becoming more common, often beginning in the teenage years and affecting many sufferers for the rest of their lives.
27. Among others, these are key challenges facing the young people of today, against such bleak background, it is my firm belief that change can take place. With solidarity, cooperation and understanding between nations, the potential for positive change is unlimited.
28. Can globalization help us with these challenges and problems? I am sure that a more responsible form of globalization is good. This type of globalization is free of selfish motives, at the service of mankind and that adds peace and equality, instead of subtracting from it.
29. Many fear that globalization will create more inequality both within and between countries and increased impoverishment. It can result in vulnerability on people to social risks such as unemployment and crime. The increased chances of exclusion of individuals, communities, countries and regions from the benefits of globalization.
30. Currency speculators and the outflow of capital punish countries pursuing macroeconomic policies that include deficit spending. The taxation capabilities of

- countries are severely challenged by tax competition, tax havens and the transfer of price mechanisms of multinational corporations.
31. Governments confront difficulties in pursuing macroeconomic policies such as industrial strategies. Organizations such as the WTO are quick to remind governments the limits of autonomy in this sphere.
  32. Globalization also sets welfare states in competition with each other. Generating the danger of social dumping, deregulation and a race to the bottom in terms of welfare provisioning.
  33. Globalization raises issues of social redistribution, social regulation and social empowerment to a regional and global level. Globalization generates a global discourse within and among global actors on the future of national and supranational social policy. Globalization creates a global market in welfare providers. It increases the opportunities for private providers of welfare services to operate in many countries, undermining national social service provision and regulatory policies.
  34. All round the world, the owners of capital and wealth are contributing less and less to the financing of public expenditure. On the other hand, those who manage the global flows of capital are driving down the wage levels of their tax paying employees. Wages as a share of national wealth are declining worldwide, no single nation is capable of resisting the pressure.
  35. In the current globalization, powerful transnational corporations bring capital, technology and management to their host country, but without any accountability to the country within which they operate.
  36. International and technological changes have contributed to a lowering of the cost of already low wage unskilled labor, particularly in those sectors exposed to international competition. A consequence has been an increase in the gap between the better paid and the worst.
  37. Globalization has generated severe indebtedness in the south, undermining the capacity of governments to provide education, healthcare and social protection. In many countries, it is now left to NGOs and bottom-up initiatives to provide a partial network of coverage.
  38. Globalization has created zones of exclusion from the formal global economy, in Africa and elsewhere, in which the normal functions of the state, such as taxation, regulation and social spending are non-existent. In such areas, a form of "diverse incorporation" is taking place whereby the poor, without formal rights are obliged to engage in informal exchange and client list relationships to secure their survival needs. In this context, the informal economy of drugs, prostitution, arms dealing and illegal trade flourishes.

39. The emergence of global markets in health, education and social assurance are undermining the possibility of securing social well-being in equitable context where government takes the lead as provider and regulator. It undermines this by separating the middle and professional classes in developing and developed countries from an obligation to establish welfare contracts with their working class and rural compatriots.
40. These many challenges of globalization can be surpassed if we take action today. If we take the right steps for a universally acceptable global community today, there will not be any barriers to our sphere of influence.
41. The global community is a futuristic conception of a world that is peaceful, a world that has justice, a world that has resources are equitably distributed. Today we have youth from over 60 nations, representing various ideologies and beliefs, yet sitting together to plan for their common future.
42. For a global community to emerge, we need global solidarity. The principle need is that of solidarity between peoples in all regions of the world, particularly between youth. Solidarity is concept rooted in the notion of community, whose members share the same interests, duties, responsibilities and aspirations. It is bond between people. First limited to the family, the group, the village, then the nation solidarity can be expanded to become solidarity between all people of the world
43. Solidarity connotes the cohesion of a group of people sharing common conditions and interests and cooperating to improve their position in society. The sought after improvements may be higher income, a greater degree of equity and equality, higher social status, improved access to power, or simply increased capacity to satisfy the basic need for survival. It may imply a struggle and a confrontation with the established powers. It requires equality among the members of the group and the mobilization of all energies towards a clear objective.
44. In a global community, individual members subordinate their private interests or preferences to the collective goal. This active form of solidarity has been the vehicle for much progress in the human condition and for all movements towards more equality and equity and more social justice.
45. Regional and global integration and solidarity within regions took a concrete and powerful form during the last part of the last century. Regional integration scheme from a perception of common interests and economic gains to be made through cooperation and political union, from a conviction that economic and political survival depends on joining forces and also from the desire to render impossible the resurgence of past conflicts. At least in principle and in legal terms, regional solidarity is based on equality among partners. To a limited but real extent, the



- members of a regional union subordinate their national interests to the regional good.
46. For many years, regional and international youth bodies have conceptualized and attempted many projects seeking to achieve social development. Solidarity with its simplicity and its rational and emotional content has a strong appeal for young people. The generosity, enthusiasm and desire for concrete action that exist in youth can be applied to tasks, projects and causes expressing solidarity with other individuals, groups, nations and regions
  47. Youths are the greatest resource this possesses. Only our imagination can limit the possibilities that are brought about when this great resource is united in its common interests and feelings.
  48. Youth around the world should now heed the call for global solidarity, unity and cooperation. Let us unite for social and economic development. Let us unite for the progression of the young people from all background, creeds and nationalities. Let us unite for world equity, justice and peace. Let us unite and build a global community that shows the best potential of mankind, the best potential of youth and the best potential of a world in harmony.
  49. In your deliberations at this Malacca International Youth Dialogue, I hope that you will be able to contribute meaningfully to the substantive discussions and sessions. I am confident that this is the beginning of something big. I am confident that if every one of us here today changes the world in one small way each day, we can improve our planet.
  50. Let us therefore march towards a global community, towards peace, justice and equity. Let us move towards a higher standard of living for all mankind.