



INSTITUTE OF STRATEGIC &
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(ISIS) MALAYSIA

Hosted by ISIS Malaysia

PRA^XIS

RECOVERING MALAYSIA

21 - 22 October 2021 • Virtual Platform

In partnership with



Report

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Welcoming remarks

Session time : 9.30am (UTC + 8) | 21 October

Herizal Hazri

Chief executive
ISIS Malaysia



Welcoming remarks

Herizal Hazri

Chief executive

ISIS Malaysia

Bismillahirrahmanirahim

[SALUTATIONS]

Excellencies

Distinguished colleagues

Ladies and gentlemen

Assalamualaikum warahmatullahi wabarakatuh, selamat pagi, and good morning to all of you.

On behalf of ISIS Malaysia, I have the honour and privilege to welcome all of you to PRAXIS 2021. The theme for this year's conference is "Recovering Malaysia", which highlights two things. Firstly, even before the arrival of a global pandemic, the world around us is in constant flux. And secondly, is the fact that while change is a constant, its effects, whether positive or negative, are far from certain. As such, what we ought to do is not to prevent change, but to direct it towards recovery and progress. We need to capitalise on future opportunities, while overcoming the myriad obstacles that lie ahead.

I believe some of you might have heard of and participated in the PRAXIS conference in the past. After a brief hiatus last year amid the pandemic, I am elated that we are able to resume this highly-regarded conference this year. We aim to build on this momentum and make this conference a major annual event alongside our security-focused flagship conference, the Asia-Pacific Roundtable, in the years to come.

The PRAXIS conference aims to equip policy analysts, researchers, business leaders and policymakers with

novel, information-rich analyses to assist in their corporate planning and business growth strategies, as well as in designing and shaping policies. To achieve this, it is imperative that we connect relevant policy knowledge with the business and policy acumen of those present today. As we like to say here at the PRAXIS conference: "knowledge without practice is useless, and practice without knowledge is dangerous".

What this means for us at ISIS Malaysia is that we cannot do policy research in silos – distant and out-of-touch from the real-world reality of what is happening on the ground.

This has always been our guiding principle for the PRAXIS conference since its inception. In fact, I would like to highlight that the word "praxis" itself is defined as the point at which thought turns into action, when theory becomes practice, and when knowledge transforms into implementation.

It is my hope that this spirit will guide our discussions today.

Excellencies

Distinguished guests

Ladies and gentlemen

Since our last ISIS PRAXIS in 2019, the world has changed by leaps and bounds. It would not be an exaggeration to say that the onset of the Covid-19 pandemic has changed our world. It has levelled tremendous health, economic and social impacts across the globe, and the devastation that it has left in its wake will continue to shape the world for decades to come.

In Malaysia, the impacts of Covid-19 on our economy, workers and households have certainly been severe. Nonetheless, as our vaccination rates continue to climb, and as total positive cases continue to decline, there are glimmers of hope that a truly inclusive and sustainable economic recovery can begin to take root.

For us, economic recovery does not only mean a recovery to pre-pandemic levels of GDP growth. It will need to extend far beyond mere macroeconomic aggregates. It will need to include the recovery of vulnerable and marginalised groups across the nation. It will need to mean a recovery across all industries, sectors and regions. And most importantly, this recovery cannot come at the expense and detriment of our natural environment.

These are the considerations that must be part of our discussion in the coming days.

As is often said, crises beget opportunity. The pandemic has afforded us a brief window to take stock of existing progress, challenges and obstacles – as well as to reflect on what kind of future do we want for Malaysia. We have a golden opportunity before us to reconsider and restate our aspirations, goals and ambitions as a country, and to accelerate efforts towards achieving those ambitions.

To be sure, these ambitions and efforts should not be of the government's alone. As we have mentioned before in past years, everyone from the mightiest of corporate captains to the ordinary man of the street should partake in this process of nation-building – reflective of our growing democratic responsibilities.

For us at ISIS Malaysia, the PRAXIS conference is our way of supporting this process. By convening experts, scholars and opinion-shapers to engage in robust and constructive discussions on issues ranging from economics, business, and of course, politics, we hope that we will be able to contribute to nation-building and to the recovery of Malaysia.

Excellencies

Distinguished guests

Ladies and gentlemen

On making this year's PRAXIS conference a success, and on behalf of ISIS Malaysia, I would like to take this opportunity to extend our sincere appreciation to the distinguished speakers for making time to contribute to our deliberations today.

To Konrad Adenauer Stiftung and CGS-CIMB, our heartiest gratitude for partnering with us on this conference of national importance.

Last, but definitely never least, I would like to thank all of you for being with us this morning and I look forward to engaging with all of you in the discussions to come.

Thank you.

Keynote address and official opening

Session time : 9.40am (UTC + 8) | 21 October

Dato' Sri Mustapa Mohamed

Minister (Economy)

Prime Minister's Department



Keynote address

Dato' Sri Mustapa Mohamed Minister (Economy) Prime Minister's Department

Bismillahirrahmanirrahim.

Distinguished colleagues,

Ladies and gentlemen,

Assalamualaikum warahmatullahi wabarakatuh and a good day to all,

I trust that all of you have been keeping well and staying safe.

Before I begin, I would like to thank the organisers, the Institute of Strategic & International Studies (ISIS) Malaysia, for giving me this platform to share some of my thoughts on the post-Covid19 world, and what we can do to rebuild Malaysia.

The theme of this year's conference, "Recovering Malaysia", is important for a few reasons. The first is that after almost two years of battling and struggling to contain this pandemic, we are beginning to see light at the end of this very dark tunnel. As we gather here virtually, 9 states have progressed to Phase 3, and 7 states have progressed to Phase 4 of the National Recovery Plan, meaning that some semblance of life as we knew it is being restored.

Ladies and gentlemen,

While we can rejoice at the fact that we are coming out of this pandemic, the lockdowns implemented for most of the past two years have come at the cost of the Malaysian economy shrinking by 5.6% in 2020, after registering a growth of 4.4% in 2019.

Further, as a small and open economy highly reliant on external trade, we bore the brunt of pandemic as total trade dropped by 3.6% in 2020, following a contraction of 2.1% in the preceding year.

Domestically, average unemployment rate was 4.5% last year, affecting young people disproportionately.

As we stand here at the cusp, or the inflection point between the pandemic and post- pandemic worlds, it is evident that we have our hands full of challenges. While we might leave the pandemic itself in the rear mirror soon, the road ahead is not without new challenges.

But if there is one thing that this pandemic has offered us – it is the opportunity to rethink old ways of doing things, and to reform some of our policies.

Ladies and gentlemen,

My contribution to this discourse that will take place today and tomorrow centres on the recently released 12th Malaysia Plan.

As the plan outlines, there are eight key challenges that we must overcome to become a high-income economy. These challenges are the low productivity among micro, small and medium enterprises (MSMEs), low quality investments, slow structural economic transition, widening development gap between states, low share of compensation for employees, limited gains from global value chain participation, disruption of the medium-term fiscal consolidation and negative impact of economic growth on environment.

At this juncture, allow me to elaborate on some of these challenges based on three main themes – structural issues, Malaysia's workforce, and inclusive and sustainable growth.

Ladies and gentlemen,

The first theme will touch on structural issues.

One of the main challenges under this theme is low productivity among our MSMEs, which represent 97.2% of total establishments in Malaysia.

The second key challenge is that Malaysia must make the transition from labour-intensive industries towards higher-quality industries. To do this, we must position Malaysia as a stronger investment hub in the region.

Towards realising these goals, the National Investment Aspirations (NIA) have been adopted as our main framework. One of the efforts that will be implemented under this framework is to review existing incentives, and to focus on investments in advanced technologies.

The third key challenge is the need to take advantage of the gains from Malaysia's participation in the global value chain. According to OECD's latest statistics, Malaysia's exports rely heavily on imported inputs whereas the share of Malaysia's products embedded in exports is relatively low.

We can address this by enhancing the strength of our domestic players in the global value chain.

Ladies and gentlemen,

The second theme that I would like to elaborate on is Malaysia's workforce.

Here, the main challenge that I would like to highlight is the low share of compensation for employees of 37%. When benchmarked against other countries, Malaysia's labour share of income still lags behind some advanced countries such as Singapore, South Korea and Australia. Research by BNM has shown that workers in Malaysia are not paid proportionately to their productivity levels. This issue is particularly evident in industries that are labour-intensive and heavily dependent on low-skilled workers.

As firms transition to high value-added industries, we want to see productivity levels boosted further, and for workers to receive their fair share of compensation.

This would be aligned with our plans to develop Malaysia's human capital. In the past, disruptions to industries have exposed us to vulnerabilities such as a mismatch in skills among our talent. Going forward, we must ensure that workers are adequately equipped with relevant knowledge and skills before entering the labour market. Key initiatives towards this include strengthening STEM education and reforms in the TVET system.

Ladies and gentlemen,

The third and last theme that I will highlight today centres on the two elements needed for development to be truly meaningful – inclusive growth and sustainability.

Under this theme, the first challenge is the widening development gap between states and regions in Malaysia. Uneven economic growth has led to disparities in household incomes and higher incidences of absolute poverty in less-developed states.

The 12th Malaysia Plan aims to address this by expediting the development of the less-developed states of Sabah, Sarawak, Kedah, Kelantan, Perlis and Terengganu. At least 50% of the total Federal Basic Development Expenditure will be allocated to these states for education, healthcare and basic infrastructure.

The second challenge is to overcome the income gaps between races, communities and gender. We will continue to address these issues going forward.

The third challenge is the negative impact of economic growth on the environment.

While we advocate for economic development through industrialisation and urbanisation, this cannot come at the cost of the environment that Allah SWT has blessed us with.

Too often, we see countries make the mistake of chasing higher economic growth to the detriment of the natural environment and biodiversity.

At the global level, the recent report by the IPCC warns us that should we continue at our current rate, global warming is likely to lead to, among others, further extreme weather and rising sea levels.

As we aim to align our development plan with the

Sustainable Development Goals, there is a need to place a stronger emphasis on the element of sustainability in all national initiatives.

In particular, we have committed to work hand-in-hand with the private sector to make Malaysia a carbon neutral country as early as 2050.

Ladies and gentlemen,

But moving forward, the 12th Malaysia Plan cannot be implemented by the government alone. For it to be successful, we must take collective responsibility. Implementation will be key in the months and years ahead.

On that point, I hope that all who are present today will debate the 12th Malaysia Plan, and provide constructive criticism to the government.

Thank you once again to ISIS Malaysia for inviting me to deliver the keynote address. I wish all of you a fruitful and constructive conference over the next two days.

Thank you.

Assalamualaikum warahmatullahi wabarakatuh.

Session 1 - 2022 in Focus: Economic and Geopolitical Risks of a Post-Covid World

Many countries are still contending with the scars inflicted by the pandemic while geopolitical tensions across the world are mounting, exacerbated by the social unrest resulting from Covid-19. This session outlines the short- and long-term economic and geopolitical risks surrounding the global and regional economy - and explores what the world will look like in 2022.

Moderator



Alizan Mahadi
Senior director (research)
ISIS Malaysia

Speakers



Dr Apurva Sanghi
Lead economist
The World Bank



Intan Nadia Jalil
Regional head
Group Economic and
Market Analysis
CIMB

Session time : 10.00am (UTC + 8) | 21 October

Session 1

2022 in focus: economic and geopolitical risks of a post-Covid world

The session discussed the future prospects of Malaysia's recovery in the post-Covid era. It touched on the advantages of the vaccine drive, growing trend of digitalisation and need for a comprehensive social safety net.

Dr Apurva Sanghi commented on the global, regional and local implications of the pandemic. From a regional perspective, the World Bank indicates Malaysia's trajectory as ahead of that of Thailand and the Philippines, but behind that of Indonesia, Vietnam and China, which have already surpassed their pre-pandemic outlook. Malaysia is expected to reach pre-pandemic output in 2022. A key trend during the pandemic is digitalisation, which has seen automisation and digitalisation efforts grow significantly in Malaysia. Apurva raised concerns over how this digitalisation can be sustained without widening the digital divide between individuals, firms and Malaysian states. He added that while Malaysia has taken advantage of the external environment during the pandemic, we need to be well positioned against the shifting global landscape towards trade and services.

Intan Nadia Jalil emphasised the need for more comprehensive systems in Malaysia. She recognised that the high vaccination rate in Malaysia has enabled the country to control the spread of the virus and avoid lockdowns that are economically damaging. She raised the importance of a strong public health system to meet the shocks of the current and future pandemics. As the pandemic has highlighted gaps in Malaysia's system, Intan urged the creation of a comprehensive social safety net. This social protection should provide and deliver health services equitably to both urban and rural

areas and needs to prevent the widening of the digital divide.

On the issue of a comprehensive social safety net, Apurva described Malaysia's social protection as broad but shallow. There is a fragmentation in the social system as protection is not efficiently distributed and must be addressed. He highlights that the immediate solution is to increase the revenue base and offers three solutions. First, the revenue base should be diversified. Second, the government should reconsider a GST or VAT that can plug onto these foregone revenues. Third, the progressivity of the income tax system should be re-evaluated. Intan added that the government needs to continue pursuing investments and avoid fiscal austerity.

Both speakers also commended the 12th Malaysia Plan for its broad and inclusive agenda in guiding economic progress. Agendas, such as poverty disparity, environmental sustainability, and new areas for growth, are encouraging. However, they also highlight the importance of fleshing out the details of these plans. On the climate change agenda, Apurva called for greater emphasis on adaptation.

In the closing remarks, Intan emphasised the importance of creating resilient systems and protections for Malaysia to achieve a high-income status in the longer term. Apurva reiterated the importance of managing inequality, especially the digital divide.

Session 2 - Future Pandemics: Preparing for the New Normal

With Covid-19 laying bare pain points in the country's healthcare system, what can we do to build resilience to manage future pandemics? This session takes stock of the experience in dealing with Covid-19, identifying what could have been done better, and what more can be done to prepare Malaysia for the next pandemic.

Moderator



Harris Zainul
Senior analyst
ISIS Malaysia

Speakers



Dr Subatra Jayaraj
Primary care physician
Klinik Rakyat PJ



Dr Khor Swee Kheng
Visiting fellow
ISIS Malaysia

Session time : 11.15am (UTC + 8) | 21 October

Session 2

Future pandemics: preparing for the new normal and the future

The session reflected on the road so far and the road ahead in dealing with Covid-19. Dr Subatra Jayaraj and Dr Khor Swee Kheng discussed Malaysia's successes and shortcomings in pandemic management and shared insights for the future.

Dr Jayaraj presented a brief rundown of Malaysia's initiatives to curb the effects of the pandemic. She highlighted the effectiveness and limitations of the movement control order, contact tracing and digital surveillance and the national vaccination programme. Malaysia must learn from the 20-month experience of dealing with the pandemic and prepare for new challenges as we transition to endemicity.

Dr Jayaraj stressed that Malaysia with its "social" culture must think of ways to change citizens' behaviour, especially when it comes to limiting the spread of Covid-19. She also shed light on how Malaysia should better utilise primary care systems. These must be systematically incorporated into the broader pandemic management system.

On the topic of vaccine inequality and how certain sections of society get left behind, Dr Jayaraj reiterated the importance of understanding the specific needs of these communities and to roll out targeted policy provisions. She also highlighted the challenges faced by women, youth and migrant workers during the pandemic and underscored how vital it is to be inclusive in all pandemic-related policymaking.

Dr Khor put forth three main points on how to manage future pandemics. First, Malaysia must add healthy populations with better nutrition, higher health literacy and more efficient healthcare systems. Nations can no

longer rely on border controls to manage pandemics when globalisation is the status quo. Malaysia must ensure future healthy populations through sound policymaking.

The second point stresses on the significance of improving ventilation systems to manage the transmission of Covid-19 and any future pandemic. Existing buildings can be adapted accordingly with natural or mechanical ventilation. The government must internalise the need for these re-engineering solutions and consider providing financial support to relevant stakeholders.

The third point on sustainable social protection is relevant to the informal and gig sectors in Malaysia. With the profound uncertainties tied to these sectors, the government must find new ways to protect the workers, especially in terms of health protection.

Dr Jayaraj and Dr Khor also offered solutions to address structural issues with the healthcare system, particularly the issue of burnout. A more efficient system that provides better funding to increase the number of staff and train them should be in place. Besides this, a health reform commission should be formed, accountable only to Parliament. This could aim to guide reforms for 10–15 years, including health financing and human capital reforms.

In their closing remarks, Dr Khor stressed that from 2022 onwards, Malaysia must adopt a multi-pronged strategy to address the complex pandemic. Dr Jayaraj emphasised that health literacy is crucial, and that policymaking must be based on evidence, data and science.

Session 3 - Youth Rising: The Future for Young Malaysians

The pandemic has disproportionately hurt young workers and jobseekers while the closure of schools and social activities has taken a toll on their mental health and education. The pandemic also highlights the longstanding inequities that young Malaysians have had to contend with. This session provides a platform for young Malaysians and investigates structural impediments and explores policy avenues for the youth.

Moderator



Saraya Mia
Broadcast journalist
Astro Awani

Speakers



Qyira Yusri
Co-founder and
education director
UNDI18



Datuk Nicole Wong
Youth chairman
Malaysian Chinese Association



Tengku Nur Qistina
Senior researcher
ISIS Malaysia

Session time : 9.30am (UTC + 8) | 22 October

Session 3

Youth rising: the future for young Malaysians

This session discussed the role young Malaysians play and will play going forward, not just on the economy and education, but also political participation and policymaking. Nicole Wong, MCA Youth chair, highlighted how opportunities for youths to participate in the latter depend heavily on their economic and social contexts.

Social norms, she noted, resulted in multiple forms of discrimination against youth – particularly women. While data and history have shown that youth do want to join politics even while in university, regulations and rules have made it difficult to do so. This is a loss to the political landscape, given that in other nations young lawmakers are a norm.

Tengku Nur Qistina pointed out that sexual harassment was one of the key forms of discrimination usually levelled against women. The still-nascent Sexual Harassment Bill was required, as well as a broader societal understanding of what constituted sexual harassment, given that surveys had found 22% of harassment occurred in schools and universities. The example of 17-year-old Ain Husniza Saiful Nizam was brought up, with her experiences illustrating how vulnerable young women are.

There are economic and health costs to the harassment: reduced productivity in the workplace, poorer educational performance, which has a knock-on effect on career progress, and psychological health impacts.

Meanwhile, Qyira Yusri of Undi18 discussed the many ways youth can and have become involved in the business of policy and nation building: while negotiation, advocacy and media engagement were

key, this year, protests both online and offline were used to "get ... voices heard".

Despite the many available platforms to share opinions, safe spaces are still in short supply noted Qyira: political parties and social media are viable spaces and platforms, but people still feel unsafe. Age, too, should not pose a barrier to political involvement: democracy requires equal participation regardless of backgrounds, and excluding a group from the democratic process due to age could be seen as a form of discrimination.

Later in the session, Qistina discussed gender-responsive budgeting, described as "making sure that the government understands there are issues that need specific allocations". Such budgeting is not exclusive to girls and women as upholding women will, in turn, bolster other marginalised communities, particularly post-Covid19. Boosting women participation in the workforce – which took a blow due to the pandemic – is also key to remedying the gendered economic consequences of the pandemic.

Qistina also touched upon the pressing issue of youth suicide and mental health. With the pandemic taking a toll on mental health and leading to a spike in suicide, access to counselling in schools and a wider recognition of adolescent mental health concerns must be realised. Mental health, she said, is also associated closely with youth employment: due to disruptions in the job market attributable to the pandemic, many fresh hires are left in more precarious situations and, therefore, face more burdens and pressures.

Session 4 - Going Digital: Transforming Micro-Enterprises in Malaysia and the Region

The pandemic led to the rapid growth of the digital economy and digital trade in Malaysia and the region from early 2020. Given that MSMEs in the country and the Asean region make up around more than 90% of businesses, how can they reap the benefits of a growing digital economy? What are their challenges, post-pandemic?

Moderator



Calvin Cheng
Senior analyst
ISIS Malaysia

Speakers



Smita Kuriakose
Senior economist
The World Bank



Aiza Azreen Ahmad
Chief digital business officer
Malaysia Digital Economy
Corporation



Dr Lurong Chen
Senior economist
Economic Research Institute
for Asean and East Asia

Session time : 10.40am (UTC + 8) | 22 October

Session 4

Going digital: transforming microenterprises in Malaysia and the region

Smita Kuriakose discussed how the pandemic has accelerated the need for digitalisation adoption by MSMEs and SMEs. She noted how the pandemic forced most to transform themselves due to mobility restriction and emergence of remote work. However, different firms have different digital adoptions, mostly benefiting large firms. Employees' missing skills and financial constraints are among the impediments. There is no quick fix, but the time is ripe for policymakers to calibrate the right policies, especially in improving capacity building, knowledge transfer and close collaboration between different stakeholders.

Aiza Azreen Ahmad explored how MDEC has been conducting a lot of development measures to grow small enterprises. Interventions are necessary and they have come up with seven solutions for digitalisation that hinged on creating digital presence, e-commerce, digital operations, backend process, cybersecurity, data analytics and artificial intelligence. Digital adoption will be accelerated through curated programmes. Enterprises have access to grants, financial aid and acceleration programmes. She also emphasised on how MDEC has succeeded in transforming female entrepreneurs in Langkawi and reviving the economy through Penjana initiatives. She emphasised on the need to develop the ecosystem in Malaysia. Therefore, close collaboration between varied stakeholders is vital to make it a reality.

Dr Lurong Chen shared the need to empower MSMEs and SMEs so that they can gain global competitiveness. The use of data-driven decision-making could propel

them further. However, he also shared some issues impeding the progress of digital adoption among MSMEs and SMEs. Forward-looking strategies that are too aggressive or too conservative could hinder their transformation. Resource constraints, bereft of risk management and lack of in-house digital skills also prevent them from transforming and innovating. He commented on how Chinese dominance in the e-commerce landscape is based on good logistics and supply chain ecosystems and less regulation, which enabled them to grow faster. He closed his remarks by urging policymakers to have the right mindset by providing forward-thinking solutions to increase digitalisation efforts in Malaysia and the region.

Session 5 - Progress for All: Localising Sustainable Development across Malaysia

The realities and experiences of the marginalised and lower-income communities across the country are often underappreciated. How have communities fared amid the onset of the pandemic – and how have they recovered? This session spotlights the ongoing efforts of the bipartisan All-Party Parliamentary Group Malaysia for Sustainable Development Goals (APPGM-SDG) to localise sustainable development, identify local issues and implement solution projects.

Moderator



Tehmina Kaoosji
Independent broadcast journalist
and gender activist

Speakers



Prof Datuk Dr Denison Jayasooria
Senior fellow, ISIS Malaysia;
Head of APPGM-SDG secretariat



Maria Chin Abdullah
Petaling Jaya MP;
APPGM-SDG vice-chairman



Assoc Prof Dr Zainal Abidin Sanusi
Director
Sejahtera Centre
International Islamic
University Malaysia

Session time : 11.50am (UTC + 8) | 22 October

Session 5

Progress for all: localising sustainable development across Malaysia

This session discussed the functions of the All-Party Parliamentary Group Malaysia for the Sustainable Development Goals (APPGM-SDG), purpose, successes and issues it has faced since its conception in 2015, following the passage of the SDGs themselves. The discussion touched on the impacts of Covid-19 on more marginalised communities, for whom improvements in welfare is a key component of the SDGs.

The APPGM-SDG succeeds in bringing together individuals and groups across the public and private sectors and civil society to generate awareness of and find solutions to key issues facing the country, including but not limited to climate change and sustainability, gender equality, support for the marginalised and vulnerable, and poverty. The APPGM-SDG is a successful example of a democratisation of the policy formulation process; it forces decision-makers to obtain grassroots feedback on local issues and brings together a range of solution providers (such as researchers, policymakers and other subject-matter experts) to devise appropriate responses. In essence, the APPGM-SDG is a strong example of a whole-of-society approach to policymaking which enables political participation on the ground as opposed to the centralised, top-down alternative that Malaysia typically employs.

Also highlighted is the growing importance of mechanisms, such as the APPGM-SDG, given that the pandemic has deepened inequalities across the country, with many of the already marginalised or vulnerable facing the most significant socioeconomic struggles. They include women, migrants and refugees, the B40, and even segments of the M40 – to the point where academics are seriously considering whether Malaysia is comprised of a B60. Aid cannot come solely in the form

of financial handouts, and the development of the appropriate solutions again requires policymakers to engage with the masses. The importance of this decentralised approach can be seen through some of the successes of the APPGM-SDG, which for instance saw the completion of 33 projects in 2020, despite the challenges created by Covid-related lockdowns.

Decentralisation must continue. Malaysians face many issues – attaining a good education, income and jobs; access to public services and infrastructure; poverty, both rural and urban; a general lack of good, transparent governance; corruption, and so forth. Navigating these challenges will require the development of institutional mechanisms to facilitate the decentralised approach to policymaking that enables the government – and other stakeholders – to find solutions that can address the challenges. Ultimately, the APPGM approach showcases the possibilities of a decentralised approach to solution-making, but this process is only in its nascency, and we need to take further steps to ingrain these new practices and approaches to address local-level issues.

Closing remarks

Session time : 12.50pm (UTC + 8) | 22 October

Alizan Mahadi

Senior director (research)

ISIS Malaysia



Closing remarks

Alizan Mahadi

Senior director (research)

ISIS Malaysia

Distinguished guests, ladies and gentlemen

We have now come to the closing segment of PRAXIS 2021. I think all of you would agree with me that the past two days has certainly been a thought-provoking exercise in reviewing, rethinking and reimagining a post Covid-19 Malaysia.

Make no mistake, "Recovering Malaysia" will be a colossal undertaking. It will require mending new and acute wounds and healing older, chronic ones. It will compel us to address short-term concerns and at the same time mitigate the longer-term impacts and risks of the pandemic, and recover from one of the worst economic crises that the nation has faced. It will also require discourse and an exchange of ideas across ethnicities, across urban and rural communities, across generations and across different sectors.

Towards this end, PRAXIS 2021 was deliberately designed to be forward-looking in adapting to a different landscape. Particularly, in line with the need for recovering Malaysia, the conference was curated to get views from diverse voices. Topics that have emerged, whether it be directly due to the pandemic or due to other factors during these extraordinary times, were selected and thanks to our speakers, some great ideas were put forward and discussed.

Ladies and gentlemen

We started the conference by looking ahead to 2022 by providing an economic snapshot at the global and domestic levels. This session highlighted that we can be cautiously optimistic in terms of the economic outlook in that the Malaysian economy should recover to

pre-pandemic levels of economic output in 2022. Nonetheless, there are various structural issues, including social protection system, the need to look into our revenue base and catalysing sustainable and inclusive growth that require more detailed responses in moving forward.

We then looked into the topic of the day, which is Covid-19 and health, including looking into future pandemics. The session highlighted that when it comes to pandemic management, we must take an approach that is broader and preventive. This includes taking stock of the populations that are left behind and ensure that we address the issue of inequality in terms of vaccination and social protection.

Looking into the future, we also heard from a youth perspective on recovering Malaysia. It is clear that the time for youth in Malaysia is now, more than ever. There is increased awareness of the role of youth in policymaking, governance and democracy – and similarly, youths are keen to get involved both online and offline, using both engagement and advocacy as well as online movements to make their voices heard. However, once again, social protections are required. The pandemic has impacted youth employment, mental health and women participation in the workforce, and measures such as mental health protections and gender-responsive budgeting to cushion the impact of Covid-19 are suggested.

One of the biggest shifts we have seen in the world is the acceleration of the digital economy. In Session 4, we explored this impact to Malaysia and the region. In this context, the Southeast Asian region and Malaysia is one of the fastest-growing digital markets in the world and

the pandemic has increased the number of digital consumers in Malaysia. However, Malaysia's SMEs are only at the beginning of their digitalisation journey and face large constraints towards increasing digital adoption in the country. Policymakers need to improve the digital skills of Malaysia's workforce, reduce digital divides, encourage entrepreneurship and risk-taking, and be aware of the sustainability of digital adoption.

Finally, in the last session we touched on sustainability. While sustainability has emerged as a focus during the pandemic, particularly in relation to environmental, social and governance (ESG) and climate change, what is clear is the need to translate sustainability to the ground level, especially towards recovering from this crisis. The Sustainable Development Goals (SDGs) provide a good instrument to mainstream sustainability but it needs to be championed by local leaders through certain set-ups that translate these ideas to solutions. In this sense, the All-Party Parliamentary Group on SDGs (APPGM-SDG) provided a model and mechanism for bi-partisanship, and more importantly, to directly address solutions to the most vulnerable communities in a time when it is needed the most.

Ladies and gentlemen

A few common themes emerged from the sessions. Firstly, while we can be cautiously optimistic, uncertainty remains and uncertainty is the new norm. We may face new variants, we may face new pandemics and we may face future risks including a climate and biodiversity crisis and further supply chain disruptions. Moving forward, we need to better anticipate future risks through, for example, preventive measures in pandemic management such as better targeting and

enhanced information systems. And we need to adapt our practices to the new normal. For example, one specific suggestion, is even adapting engineering practices to ensure better ventilation. MSMEs will also be required to move towards digitisation. These suggestions would require an agile form of governance that will be capable to adapt to the changing and dynamic landscape and risks and opportunities that lie ahead.

Secondly, and related to ensuring resilience, is the need for inclusiveness. The pandemic laid bare the inequality that persists in the society, whether it be from an income perspective, digital divide, gender or age as well as the challenges faced by the MSMEs. Essentially, the pandemic has pushed the vulnerable to the edge. Many suggestions were highlighted, but the key response is to address both short-term and long-term concerns. For example, in the short-term, direct cash transfers would help alleviate immediate challenges. However, this needs to be balanced with addressing the social protection system holistically, including broadening the coverage as well as address issues such as mental health and youth employment.

Finally, is the focus on sustainability, both from an environmental point of view, as well as from a fiscal point of view. One of the areas that emerged strongly from Covid-19 is the realisation of the need to build back better with stronger foundations. The environment is our life support system and it was highlighted that we need to adapt to future crises brought about by climate change. To ensure fiscal sustainability, there were also suggestions on diversifying our revenue base as well as ensuring that coming up to the Budget 2022, to be announced next week, there is a need to ensure that the

appropriate amount of spending is allocated. However, sustainability needs to go to ground and requires efforts from all members of the Keluarga Malaysia including members of parliament – both government and opposition – civil society organisations, academic and experts, private sector and the public at large. The whole-of-nation approach needs to be deliberately implemented through mechanisms such as the APPGM-SDG.

Distinguished guests, ladies and gentlemen

With that we come to the end of PRAXIS 2021. All I have left is to thank the key organisations and people that made this conference a success. I would like to thank our partners Konrad Adenauer Stiftung for your enduring support. Also, to CGS-CIMB for making this conference possible. I would also like to thank my colleagues who have worked tirelessly to organise this conference. Of course, special thanks go to all the brilliant moderators and speakers who provided thought-provoking ideas that will hopefully influence the discourse on recovering Malaysia moving forward. And finally, thank you to all of you for following PRAXIS 2021 and hope you also benefited from this year's conference.

With that, I close PRAXIS 2021, and hopefully, see you, possibly in person next year for PRAXIS 2022.

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