



Wrap up and Closing Remarks

BUILDING BACK MORE SUSTAINABLY: FUTURE PATHWAYS FOR MALAYSIA

By

Mr Alizan Mahadi

Senior Director (Research),

Institute Of Strategic and International Studies Malaysia

PRAXIS 2022

“BUILDING A BETTER MALAYSIA”

4 October 2022

Hilton Kuala Lumpur

Mr Herizal Hazri, Chief Executive of ISIS Malaysia

ISIS-PRAXIS Partners; Ms Miriam Fischer, Director of Konrad-Adenauer Stiftung (KAS Malaysia), Employees Provident Fund (EPF) and Astro Awani,

Esteemed Board Members,

Distinguished guests,

Ladies and gentlemen,

Part I: Adapting to a Changing Global Landscape

1. We are now coming to a close for PRAXIS 2022. I am aware that I stand between you and your lunch but after a day and a half of intensive conferencing, I thought it would be a good opportunity for all of us to reflect on our deliberations, as building back a better Malaysia, of course, does not end here.
2. This year's PRAXIS was held in a challenging environment. Many were optimistic that by now, as vaccination rates have increased, as economies have opened up, that we would be on a relatively smooth path to recovery. However,

the challenging global environment persists, and there are many difficult choices for every nation, including Malaysia, to make to ensure that we balance short-term needs with long-term goals.

3. But now we certainly know that what is constant is change. The pandemic and recent geopolitical challenges highlight that while some things remain the same, there are some issues that have either changed, evolved or accelerated during the pandemic. As a trading nation, achieving economic resilience will require us to adapt to this uncertain global landscape.
4. For example, we have seen the acceleration in climate action, including the urgency in the transition of energy systems towards renewable and low-carbon technologies. We have also seen how inclusive development, or rather the lack of it, impacted the most vulnerable communities and segments of society disproportionately in the face of crises. The pandemic has exacerbated issues such as those faced by women having to choose between a career and childcare. We have seen how some of the most vulnerable communities fall between the cracks, with insufficient welfare support at the height of the pandemic.
5. Nonetheless, crises also offer opportunities. It offers us real-world evidence to further understand and crystallise some of the challenges we face. The funds committed to our recovery can be aligned to desired outcomes and pathways. If done properly, it can be watershed moment, a short circuit, in achieving a better Malaysia.
6. It is with this thinking that we, at ISIS Malaysia, have focused our work on the strategic areas that will impact the nation's future. This includes ensuring economic resilience (including food and energy security), climate change, women's economic empowerment, the digital economy and social protection. The PRAXIS 2022 conference was conceptualised along these lines and towards building a discourse on how to build a better Malaysia.

Part II: Key trends, risks and recommendations (from each session)

Ladies and gentlemen,

7. I won't be able to do justice to the rich discussions that were held but allow me to provide a brief recap of the sessions we had.
8. The first session of PRAXIS 2022 focused on the macroeconomic landscape of 2023, asking the question of whether the outlook is risky or rosy. With the geopolitical challenges faced and recessions in major economies projected, virtually all the panellists concurred that the outlook was risky and uncertain. This will be impacted by the continued geopolitical tensions including the Ukraine war, development and policies on the energy crisis, tighter global financial conditions and even renewed Covid-19 outbreaks. Fiscal space is also limited which will undermine efforts to aid the underserved and underrepresented. But the panellists remain hopeful that Malaysia's status as a net exporter of commodities will greatly assist in bolstering economic resilience given continued demand in the short term. However, in the longer term, we should remain vigilant as the outlook can be described as cautiously optimistic at best, with further uncertainties to be expected.
9. Session two discussed the human cost of climate crises - a relevant topic in our time as we grapple with the effects of flooding in Malaysia. The panellists raised social cohesion as an important factor in building climate resilience. They also stressed that solutions for adaptation cannot be designed through a one-size-fits-all approach, but is specific to the needs of various communities and demographics. Without a bottom-up approach and stronger collaboration across different stakeholders, vulnerable communities will continue to be put at risk with graver consequences down the line. Ultimately, climate change is a systemic issue which requires systemic intervention, including relooking and rethinking our dominant economic model and framing of the issue altogether.
10. The third session looked at supporting women's economic empowerment with childcare. It questioned if the recovery from the pandemic has truly been inclusive given the lack of investment in care undermining women's participation in the labour force. Across the board, the panellists concurred that

childcare was not simply a woman's issue but a family issue, one that affects everyone in society. What is needed is enhanced policy attention, government coordination and above all, improvements in affordability, accessibility and quality childcare for every Malaysian. With the upcoming budget, the panellists echoed hopes for greater resources for early childhood care and education for both public and private systems.

11. Session four saw a discussion on the creative economy, particularly on spurring the industry towards greater growth. As it stands, the panellists suggested that the industry remains somewhat "untracked", with the outputs of the creative economy not fully captured by the Department of Statistics. The panellists also agreed that the supply side is healthy, with various grants, funds and incentives being made available by the government, yet domestic demand hasn't fully picked up yet. They concurred that a "True North" for the creative economy needs to be identified, and this will anchor the policy framework, incentive structure and initiatives in the coming years.

12. The penultimate session, session five, focused on building a safer digital future. The panellists acknowledged that the digitalisation process is proceeding smoothly, with more and more SMEs adopting digital practices. However, the legal and policy frameworks regulating data need to be updated. For example, current policy gaps mean that only certain types of data transactions are covered under the ambit of the Personal Data Protection Act, and this may lead to suboptimal results. They suggested a mix of policy updates while reminding users to be more mindful of the types of data shared online.

13. Last but certainly, not least, session six aptly closed with a discussion on social resilience. Panellists agreed on how the pandemic laid bare the strengths and weaknesses of our existing social protection mechanisms – providing us with a crucial opportunity for review. On the positive side, they noted how there is now an increased awareness on the need for social protection mechanisms, with assistance being able to be delivered faster to the most vulnerable within our society. Yet, they also acknowledged challenges in coverage of assistance, especially due to inconsistencies in data and those in the informal sector and

others that may be left out of these assistance programmes. What is needed is to prime these mechanisms during times of surpluses to ensure that sufficient capital is available during times of crises.

Part III: Pathways for a Better Malaysia

14. Each of the sessions highlighted some of the key trends and, more importantly, what we need to do to address these strategic challenges. It laid out some of the pathways that we can consider towards crafting a better Malaysia.
15. Broadly, in an age of crises, it highlighted the need for Malaysians to anticipate the multitude of risks we face, whether, geopolitical, economic or environmental. This requires having good foresight and tools to scan the horizon and develop pathways to address multiple scenarios of the future. Governance in the 21st century has to be agile to address these uncertainties.
16. To address climate change, the global transition in energy systems and towards strengthening climate action offers Malaysia opportunities to craft our own unique pathway for a low carbon and resilient future. While strategies on reducing emissions should continue, there is an urgent need for expanding the discourse towards addressing climate action strategically, including how it affects areas such as trade, economy and security. Furthermore, we have to carefully craft the process of the transition, and ensure that it is just and inclusive.
17. The acceleration of the digital economy also offers a huge potential for Malaysia as almost everything is connected to the digital realm. If implemented strategically, it can have a multiplier effect on the economy and society such as through emerging sectors and dynamic areas as we have seen from what can be achieved in the creative economy. However, for Malaysia to be on a path of Industry 4.0 or even Society 5.0, there is a need to enhance human capital to match these demands.

18. Towards inclusive development, the need for agility in the need to address an uncertain future landscape extends to social protection. There is a need for livelihoods to be protected to cope with times of crises as well as in facing the major transitions of our time such as those related to sustainability and digital transformation. As we are focused on recovery, this provides an opportunity of shifting social protection to focus on long-term interventions rather than short-term social assistance and increase its coverage including the informal sectors. Also, there is a real need to enhance investments in the care economy. These actions will not only enhance inclusivity, but will also increase productivity.
19. These pathways, if planned and initiated properly, can contribute towards achieving a better Malaysia that is more inclusive, resilient, prosperous, and therefore, sustainable. While they require much further thought and discussion, I believe that PRAXIS 2022 has contributed to the discourse as a way forward by providing a space for interaction and exchange.
20. But the conversation does not end here. In many of the sessions, there was a sense that we need to continue this conversation. There was also a sense that Malaysia is at an important juncture, and there is a need – as the Honourable Minister, Datuk Seri Mustapa Mohamed highlighted – for creativity and courage. I would like to take this opportunity to invite any partners, friends or colleagues to continue the journey with us at ISIS Malaysia, to continue to share ideas, or even find concrete ways in how we can collaborate with the aim of finding creative and bold ways to build a better Malaysia.

Closing remarks

Distinguished guests, ladies and gentlemen

21. Before I end, on behalf of ISIS Malaysia, I would like to take this opportunity to show my gratitude to our partners, Konrad-Adenauer Stiftung (KAS Malaysia) and Ms Miriam Fischer, Employees Provident Fund (EPF) and Astro Awani for making PRAXIS 2022 possible.

22. I would like to, once again, express my appreciation to all the brilliant panellists for their input and for the thought-provoking sessions we had in the last two days.

23. I also would like to thank my colleagues at ISIS Malaysia who have worked tirelessly to organise this event, and allowing us all a space for exchanging our ideas.

24. And last but not least, thank you to all of you for your participation in PRAXIS 2022 and contributing to the discussions in building a Better Malaysia.

On that note, thank you for your kind attention and I declare PRAXIS 2022 closed.

Terima kasih and enjoy your lunch!