KINGSLEY STRATEGIC INSTITUTE

MALAYSIAN CSO-SDG ALLIANCE
A partner in the National SDG Steering Committee

PROCEEDINGS REPORT

# Dialogue Among Stakeholders on Transformative Economies

## Conversations & Hearing Voices Among Business Leaders and Civil Society Actors

***Report of discussions on 21st February 2019 at the Royal Lake Club, Kuala Lumpur***

### PREAMBLE

Inequalities between the top 10 percent and the bottom 10 percent among all the ethnic communities is on the rise. There are also evident signs of growing poverty despite claims from official reports. The actions of the global elites and the global super wealthy are impacting local economies, calling for stronger global action to facilitate local economic development. Here, the role the cooperative movement in Malaysia and globally provide alternative economic models. The Kingsley Strategic Institute (KSI) and the Malaysian CSO-SDG Alliance hosted a dialogue to discussed these issues and examine how cooperatives can bring about viable transformative economies to improve standards of living and wellbeing.

### WELCOME REMARKS

**Tan Sri Michael Yeoh, President, Kingsley Strategic Institute**

It is important to address issues and challenges faced in transforming the economy. Issues such as poverty, unemployment, and education reform are key building blocks towards creating transformative economies.

Five key strategic thrust needs to be given priority:

1. **Sustainable economic growth**. Digital transformation is needed to ensure that Malaysia is able to cope with digital disruptions. There also needs to be further deregulation to boost business. It was also proposed that the Malaysian Competition Commission (MyCC) be given greater powers to oversee business practices and ensure competitive practices for greater consumer protection
2. **Inclusive Development**. The SDGs should be made a central pillar in the inclusive development thrust.
3. **Employment Commission**. Generating jobs in the future is critical and important. This includes looking at the entire education system, such as TVET and reskilling people to provide jobs for the future, as it is predicted that two-thirds of today's jobs will soon no longer exist.
4. **Entrepreneurship development**. To promote start ups among the younger generation. There is also a need to take account of microenterprises and social enterprises. The establishment of a National Social Enterprise Development Plan was proposed and formulated by the Economic Action Council (EAC).
5. **Ethical Leadership**. Integrity and ethical leadership need to be at the core of any economic policy. Without ethics, nothing works and people will become lost. There needs to be an all-out war against corruption, as well as greater institutionalisation of good governance, integrity, accountability, and transparency.

These five key pillars will be put together as the National Inclusive Sustainable Economic Policy (NISEP) for the consideration of the EAC. The six core objectives the NISEP will address are:

1. Strengthening national unity and harmony
2. Promoting sustainability with a greater focus on SDGs
3. Create an inclusive and caring Malaysian society where no one is left behind
4. Develop a values-based society, upholding integrity and ethical leadership
5. Prepare Malaysians to face the challenges of the VUCA world, a world that is volatile, uncertain, complex, and ambiguous, as well as the 4th Industrial Revolution.
6. Promote the 3I's – Integrity, Inclusiveness, and Innovation to achieve the 3P's – Peace, Progress, and Prosperity

## DISCUSSION PROCEEDINGS

### Panel Discussion

**Moderator**
**Prof Datuk Dr Denison Jayasooria, Malaysian CSO-SDG Alliance / KITA, National University of Malaysia (UKM)**

Malaysia needs to be clear on what kind of economy it wants in the New Malaysia which requires institutional and parliamentary reform. This will allow it to be clear on its policies, such as tax regimes and other necessary changes. Malaysia also needs to decide on the business ethos it desires and reflect if its economy is truly inclusive or if it has only catered to one segment of society while others have been marginalised.

Economic priorities also need to be reconsidered. Is it about GDP and the number of investments coming in? Has Malaysia been competitive? Are Malaysians making enough money? What entails inclusiveness in the New Malaysia? Is it really sustainable? Or does it require a change in its approach? Or is it that regardless of any political party, business remains the same? Is it a shared prosperity or is there widening inequality?

**Prof Rajah Rasiah, Distinguished Professor of Economics, Asia-Europe Institute, University of Malaya**

There are concerns with how wealth is being manage which is indicative if anything has changed in the New Malaysia. The entire range of poverty needs to be examined, perhaps similar to notions proposed by Thomas Piketty, where there needs to be an effort to determine how the top 10 percent of households can allocate resources to the bottom 10 percent, as the top 10 percent will have much more power to divert resources.

In the past, the grassroots of poverty were only defined in terms of poverty income. This has become questionable as to whether the income levels that distinguishes people who are below or above the poverty line is appropriate as it is not yet rationalised if such levels of income should be maintained, or if there should be bigger bundle of items included that would reflect essential need. At the time, relative poverty was seen from the perspective of Gini coefficient, which is simply an average form of inequality. Now, they look at relative inequality, using the Piketty or Palma approach. One can have a favourable

Gini Coefficient, but this may not be reflective of actual issues. Therefore, there is a need to go through the entire range of data.

In terms of tools of development, the Minister YB Yeo Bee Yin, has done well in pushing for what the United Nations Convention for Climate Change has been addressing. Other aspects are also being examined, such as competitiveness, whether the power and energy that is produced allows competitors in Malaysia to use the same cost of using power is comparable to competitors abroad. There is also a focus on renewable energy with the halting of construction of several dams which would harm native populations, such as those in Tenom and Jeli. YB Yeo is also trying to get rid of the use of plastics.

Issues of polarisation have also increased since the last General Election with people going back to ethnic groups as a consequence of the backlash based on perception from the former government that the Democratic Action Party (DAP) is controlling the Malaysian government. There needs to be unique institutional strengthening, not only the market as an institution, but also be on issues like trust, religious belief, and other aspects which can be synchronised and calibrated in ways to see that pluralism is respected. Whenever there is an attempt to go away from it, there should be penalties to check people actions in order to move forward.

The Economic Affairs Ministers has not given any direction or statement as to how the economy will be restructured. The declining trend in many sectors in value added gross output can be reversed. Malaysia is experiencing a phenomenon of premature deindustrialisation, where prior to reaching a maturity of 28 percent gross output in manufacturing, a declined was experienced since 2000 to 21 percent. Meanwhile, China has shown a consistent rise to 30 percent, while the United States and Germany reached 50 percent. This is a reflection of quality in relation to performance.

The use of static measurements of performance (such as revealed comparative advantage) are misleading as it will always show improvements. However, what is not seen, for example, when Malaysia manufactures microchips, the level of value-addedness has become less. Worse yet, it employs the use of foreign workers. Therefore, the type of KPIs being used are questionable as they are often seen in terms of the amount of FDI which is given importance. Unfortunately, no focus is given on the quality of investments on whether these investments will raise technological levels in local firms to participate more in these processes.

Appraisal committees should be involved when dealing with public goods, as public goods need to be promoted extensively as the synergy is at the highest, such a knowledge. If these aspects can be distinguished, there will be an incentive or grant which is determined by the committee. Such a mechanism has not been fully developed in Malaysia. It is important to build a system with a framework that allows for participation of labour.

When it comes to Industry 4.0, the Master Plan Malaysia is developing has not come close to what Vietnam is preparing. For example, when considering investing in technical vocational education and training (TVET), the world will soon deal with smart robots and artificial intelligence (AI). It is no longer about training individual workers to be precise through precision engineering, mechatronics, and other skills. Instead, there is a need for designers, programmers, and remote-manufacturing/agriculture. Such plans are not visible in Malaysia's plans. There is also no appraisal to assess how much Industry 4.0 has penetrated the market.

**Prof Datuk Yusof Kassim, Chairman, COMMACT Malaysia**

There is a difference between the current economy and a transformative economy. Other countries like Spain, Germany, other European countries, and even the Philippines have gone quite far ahead compared to Malaysia in the area of transformative economies. The major difference between the conventional economy and the transformative economy is in its processes and outcomes. For example, the Mid-term Review of the 11$^{th}$ Malaysian Plan (11MP) saw the use of many big jargons, such as *inclusive development*. However, when one looks at the features of the 11MP, its "inclusive development" initiatives do not actually satisfy the conditions of inclusive development as they still focus on growth and equity. The two are separate economic activities, one to promote growth, while the other

is to redistribute or repair the weaknesses of an activity. On the other hand, a transformative economy involves a single activity.

There are many examples at the local level, particularly at the municipality level. Mondragón, Spain, has an economic activity catering to both at once. This means that the economy is about power relations – a struggle between people, the state, and businesses. During the 11MP's Mid-Term Review, one-third of Malaysia's GDP comes from labour and the remaining two-thirds from capital. This means, if capitalist will earn more, there are higher returns compared to labour. In actual terms, disposal income has not increased due to the amount of salary increase compared to inflation and the cost of living.

A transformative economy is a tentative economy which requires the involvement of the three stakeholders; local government, NGOs, and business corporations, where the economic activity is operated, owned, and managed by the people of a local area. The transformative process requires structural change. However, Malaysia's framework has remained the same. There have been many clichés and it is questionable if the government understands what transformative economies are. They are not just about money and market as it introduces an element of humanity and the value of people. The process needs to begin at the local level, especially in the urban areas where there are high number of unemployed and has a high instance of urban poverty.

Inclusive development should consider matters of redistribution right from the beginning, not an afterthought. This involves building communities, power, and the establishment of more democratic control over government and businesses. In Mondragón, many activities are owned by the people living there, from schools, cooperatives, hospitals, and other activities. Workers own the business, which transforms the relationship between workers and management as they own and manage. Workers are part of the management, create wealth, and their views are heard. In the community, they create jobs and promote the local economy. There are many cooperatives, which exist without the intention of forming a large corporation. There is a number of cooperatives that come and work together. This is one of the values of transformative economies.

Mondragón's cooperatives are located in a small town. It has the largest number of cooperatives in the world with approximately 80,000 workers under the holding of Mondragón Corporation Cooperative.

Though they operate in the context of the world's capitalist system, they have had a paradigm shift in terms of profit sharing and cooperation between their cooperatives. On the other hand, despite having a high number of cooperatives in Malaysia, very few of them work together. Instead, they are competing with one another. This is not the true spirit of cooperatives, which is to care among each other and care about the community, despite the fact that they may not be cooperative members. Mondragón had to reinvent itself many times. One thing to learn from them is that one has to be resilient to survive. This is a case for a community democratic approach to business based on values, one not based on race, class, or gender in dealing issues affecting society. This can be a means of addressing polarisation after the 14th Malaysian General Elections, by promoting this activity not based on race, class, or gender, but based on the needs of society and the values embedded in the cooperative.

**Dr Madeline Berma, School of Economics, UKM**

In terms of economic growth, there has been rapid growth in Sabah and Sarawak, similar to many other states in Malaysia. Sarawak contribution's share of GDP to Malaysia is 9.8 percent. In terms of saving, Sarawak is one of the richest in Malaysia. Yet, such figures are meaningless to the people on the ground as incidents of poverty are still high in Sarawak. Although Malaysia's poverty rate is 0.04 percent, poverty among the Orang Asli (natives) is still rampant. 7 of the 10 poorest districts in Malaysia are located Sarawak. Also, Sarawak's median household income is also below the national average, indicative that income earners in Sarawak are not earning as high. More employment and investment is needed. Much of this inequality is related to infrastructure. Though there are inter-ethnic gaps, there are also intra-ethnic inequalities that occur within ethnic groups. Many East Malaysians do not have financial assets, in terms of rural savings. This is a concern as there are not enough safety nets.

There should be separation of data as Sarawakians and the Orang Asli are always lumped together with the Malays, which shows an inaccurate level of achievement. The state faces many shortcoming issues. Many of its inhabitants have stunted growth and are underweight. Broadband coverage is insufficient. Dilapidated schools still occur despite many meets with the Ministry of Education. There are not enough learning materials, such as textbooks with students squabbling for the limited quantities available. There are many stateless children. Water ambulances services have been discontinued following a policy to rescind the service across Malaysia, as Peninsula Malaysia no longer needs it, affecting patients in Sarawak which were forced to use public ferries for transfer. Public transportation is insufficient. Culture is being lost, replaced by Malay-Muslim culture, which is not Sarawak's culture. Deforestation is rampant due to logging. Living conditions are poor. There is still a high instance of inequality, despite some of these areas being in close proximity to Petrajaya. The provision of utilities like water and electricity are often disrupted. Matters like the Bakun dam and NRC land issue have not been addressed. The Dayak community is still marginalised.

Solutions to these issues must consider the type of development projects and models that have to be undertaken. Many targets have been met, but the people are still neglected. Hence, a separate development model may be required for Sabah and Sarawak. Growth needs to be humanised. Development is not optional, as it is the right of the people. The community are not passive recipients and need to engage. The provision of basic amenities needs to be made available and expedited, regardless of the fact if they voted for the government or not as it is their right. Current education and awareness is very urban-biased, with many issues not applicable to Sabah and Sarawak when they do not even have electricity. Development that is needed is one that caters for inclusive needs and sustainability.

**Dr Jeyakumar Devaraj, Former Member of Parliament for Sg Siput / Author of the book *An Alternative Vision for Malaysia***

Malaysia has been getting it very wrong as transformation requires massive change. Yet, nothing has changed. Issues with the system need to be identified in order for change to take effect. However, many fundamental issues have not been addressed, such as the role of the global elite, the 0.01 percent, which has got it too much their way as the whole system has been skewed towards them. For change to occur, the entrenched privileges of this very powerful set of people who control governments, the WHO, WTO, and IMF need to be challenged.

Since the 1990s, many rules have been changed to strengthen the hand of the super-rich. There are now global supply-chains, making it impossible for local manufacturers to demand more payment from MNCs or to price their goods higher. For examples, semiconductors component sold in Penang may be one-fifth the cost of the same item sold in America, which is why it is produced in Penang. If local manufacturers demand more, these companies will uproot and go to another country. MNCs set up production in multiple locations. Should one country make too many complaints, they will simply go somewhere else. This forces local manufacturers to take less, which in turn causes them to be unable to pay more to their workers.

Hence, local Malaysian capitalist are not to be blamed. It is not because they are greedy as it is the super capitalist on the top who are threatening to leave. They are using lawyers and accountants to come up with ways of abusing the system to make the most money for themselves to achieve high salaries. They then go around pretending to be generous.

To focus needs to turn towards how they can pay taxes. Malaysia's corporate tax rate was once 40 percent in the 80s, but it is now 24 percent. The Minister of Finance is putting it off because Singapore's corporate tax rate is 17 percent. ASEAN is competing among itself to lower taxes for the sake of FDI. When taxes are constantly lowered there will be lesser money for redistribution for welfare programmes and for pension or healthcare.

None of the political parties, neither Barisan Nasional nor Pakatan Harapan, wants to talk about it as the government is funded by the corporations. Hence, the political world is heavily influenced by the rich. This is what needs to be transformed and talked about, otherwise it becomes superficial. Such an imbalanced system needs to be called out.

Countries should cooperate, not cut down trade rates and compete, but instead work together to maintain and create a common value for their peoples which can then be used for welfare programmes. While it is fine to have FDI, it should not be on low terms, especially when such terms seem to be getting worse. The Trans-Pacific Partnership Agreement (TPPA) was written by the United States and the top corporations. The things they want are terms like limiting the sourcing of materials and no transfer of technology, all of which are written into the TPPA. It is questionable why such terms are written as it is very one-sided and a tremendous imbalance.

The biggest problem is the global imbalance of wealth which is coming from too much power and too much benefit for the 0.01 percent. This needs to be addressed. There is now a global movement pushing for the regulation of the super-rich and introduce better tax systems, prevent transfer pricing, and prevent tax havens.

## Q&A

**Ms Siti Rohayu Baharin, Buku Jalanan Chow Kit**

Many of the young, whom have not yet been corrupted by power and wealth, sometimes have an idealistic intention to form a political party with noble ideas. However, they fall short due to issues of funding. To make matters worse, Malaysians will not vote for people who are unable to shower them with money. The poor also will not trust those who are too idealistic. When talking about sustainable development and transformative economy, what is the level of willingness of economic players in humanising the economy? How much wealth and power are they willing to give back to the people?

**Ms Zara Phang, WWF Malaysia**

The environmental sector when talking about transformative economies, talk about circular economies (ie. waste to wealth). Resource intensive economies are looking at moving wholesale towards renewable energy by 2050. How does this fit into the models of transformative economies, in terms of the cooperatives, change in wealth from the global elite, etc?

**Mr Richard Yeoh, Electoral Reform Committee**

Despite a lack of social justice in Malaysia, voters do not seem to be too concerned. This is a contrast from the 50s-70s when there was greater support for socialist and left-wing ideals which was reflected in the political landscape. However, in recent years there has been a greater uptake of neo-liberal issues and consumerism which takes advantage of its own people. Wage levels, even for white collared graduates, has not improved in the past 30 years and has instead gone backwards. A fresh graduate today does not earn much more than a fresh graduate 30 years ago and cost of living have increased. Infrastructure is also poor in many areas in Sarawak and even urban areas of Kuala Lumpur among the People's Housing Programme (PPR) flats. Despite 60 years of independence, Malaysia still does not have a public housing programme, which is fundamental. Singapore embarked on this immediately when they were removed from Malaysia. A mindset change is necessary.

**Tan Sri Omar Abdul Rahman**

Malaysia wants an economy that is innovation driven and private sector led, but this is mainly conducted by major players. This now needs to be balanced with the grassroots and where transformative economies can come in. An economy that is innovation driven and private sector-led depends on many forms of innovation, the most of which is technological innovation. However, Malaysia's main players in the private sector, particularly the small companies, are not technological savvy. There are no structures within these companies that looks at the new needs of technology in the company nor are they paying attention to developments which they can utilities.

Transformative economies require technology and innovation, which is also known as grassroot innovation. The Malaysian Innovation Foundation (YIM) under the former Ministry of Science, Technology and Innovation (MOSTI) was supposed to look at grassroot innovation, but this organisation has been in hibernation for many years.

The present economic system mainly suits the big players. Therefore, developing an innovation-driven private-sector led economy should be something the NEAC should be looking at. At the same time, there needs to be a body that is actually looking at transformative level, where technology is key. In a similar fashion to NEAC, a Science, Technology and Innovation (STI) Action Council needs to be established. This way, there will be an economic pillar and also a STI pillar.

**Dato' Wong Yew Kai, FGBMFI**

The social enterprise concept should be more widely adopted, accepting of all ethnicities and helping those from disadvantaged and complicated backgrounds. This model needs to be studied.

**Mr Azman Manaf, Association of Stockbroking Companies Malaysia**

There is an issue of credibility and maturity in Malaysia, which are values which have deteriorated a lot over time. In many countries, even a hint of a scandal would have led to a politician's resignation. For the average Malaysian worker who worked earnestly, not much is earned. This is why it becomes quite disheartening when scandals that involve billions of dollars occur are carried out by the very politicians the people voted into power. Integrity needs to be restored in Malaysia.

**Mr Wong Yoke Ming, Association of Stockbroking Companies Malaysia**

Education is an important factor in a transformative economy as it shapes thinking. The people need to be ready to take on these challenges when it comes to innovation.

**Dr Jeyakumar Devaraj**

The level of concern and care from one person to another depends on the situation. For example, graduates with student debts will have will face difficulties as many of them have contractual jobs. This situation is different from before, when it was easy for graduates to find a job and did not have student debt. It is simpler for people from the earlier generation to show more care and spend time in volunteer organisations. How people are altruistic and care for one another is dependent on how secure they are. Even a wealthy country, if its people live in insecurity and have their own worries (eg. The B40 who have their own problems and are less able to take care of themselves and their own families) will be unable to care for others.

To resolve this, resources need to be pulled together, such as the provision of good healthcare for all and provision of bigger houses so that people can take care of their families and elderly. It is questionable why Malaysia, being a rich country, is limiting itself and in doing so, distorting its own value system. These are matters transformative economic must address.

Insecurity generates self-centeredness. This forces people to take care of their immediate needs first. The problems faced by the PPR stems from policy. These poor communities are made responsible for collecting their own funds to maintain their flats, which is quite challenging for them to do as they cannot afford to pay. Many of the children living in PPR flats are malnourished. Therefore, the reason they cannot pay maintenance fees is because they are not getting enough in the first place.

A government with surplus should use this surplus to operate these flats and put these flats under the responsibility of local councils who can take over money collection and operate it. Joint management cooperation can still manage it, but realistically, when they have full time jobs, they will struggle to operate it. Remedying this issue will help poor families.

The way forward needs to include discussions but the political system is quite divisive. This makes it difficult for people to help each other when they are fighting among themselves. There needs to be a counter debate, one that is based on human beings and needs, not ethnicity.

**Prof Madeline Bema**

The provision of education is a concern that is shared by all regardless of ethnicity, gender, or class. There should be no political interference in education. Due to this, there are nine education systems in the country. There is a role for the third sector, being the NGOs, to promote development. Unfortunately, this role seems to have been hijacked by politicians. Perhaps this is the case as it is allowed by society with the voices of the people are not heard. Concerns of society are not in the spotlight as public intellectuals are not highlighting this issue enough nor making their voices heard. There are not many people who are willing to go the extra mile to care for the underprivileged. Yet, the state and private sector cannot be solely expected to play this role. Society and the community also need to play their part. Those with knowledge should take more effort for the greater good of society.

**Prof Datuk Yusof Kassim**

At the local level there is a means for the food & beverage sector to cluster their businesses for comparative advantage and for mutual benefit. In the area of soft education, the state and local councils should allocate resources to areas which requires it most needs. Circulation of these benefits should also be restricted to the community, not be circulated beyond which results in leakages (ie. when employing foreign workers). Local governments should allocate funds which can be invested in people under their care, enabling them to create micro enterprises, empower people, and enabling financial resources which can be circulate within the municipality.

**Prof Rajah Rasiah**

By definition, inclusive development requires the involvement of the target group and not only about seeing the fall of poverty. Otherwise, just by looking at the figures, people will be happy that the overall Gini coefficient has fallen due to BR1M handouts, but this is not indicative of the real situation. More engagement is needed to determine their needs. Social cooperatives are one of the models which has its origins from the guilds system in Europe. These craftsmen did not have a form of union, nor had workers, but were members. Such forms can be organised into highly competitive models while ensuring that the returns of each member are shared.

This has been experimented in Taiwan where the government gives a minimum guaranteed price for a product. If it goes below a certain price, the state will buy at the guaranteed price in order to stabilise prices. This money is not used just for helping the poor, but also for frugal innovation. Taiwan has a rice self-sufficiency of 90 percent, compared to Malaysia's highest record which was 87 percent in the 1975. They employ the use of smart robots programmed to carry out agricultural work. Such transformation did not take place in Malaysia, which instead brought in more foreign workers to perform functions which could have been automated.

Previously, it was believed that the role of big firms are crucial as they have the capital to finance, take risk, and face uncertainty to initiate cycles of innovation (assuming that the frugal players are only adapting). However, frugal innovation is possible as they are connected to labs in universities and institutes in science parks, allowing them to innovate in a very high level. Such a structural framework can be formed where workers can become participants by forming social cooperatives.

The ILO Macroeconomic framework took care of under consumption. With low wages, the quality of work cannot be guaranteed. Instead, high quality workers which are paid higher wages will be able to consume higher priced products. This was a concept recognised by Henry Ford. This way, the whole economy is participating in shaping demand and appropriating demand, not leaving it to a small concentration of people who have the money and resources to carry out their whims and fancies, rather than displacing those who are not participants in this process.

The way how unemployment is measured in Southeast Asia is an outdated general ILO measurement, as it considers a worker working two days a week as employed. Therefore, there is revamp of underemployment taking place, but there needs to be political will to implement changes.

**Dr Oh Ei Sun**

The Malaysian government needs to remove itself from running the Malaysian economy as it is a capitalist country, but there is too much government involvement. There are various government corporations that compete with the private sector. The government should retreat to a regulatory role and ensure fair competition, instead of being an active market participant. This will give the private sector more room to make the economy more vibrant. Sabah is infected by a resource curse. Regardless of which government is in power, they will be tempted to help themselves with the bountiful resources and ultimately it is the people who will continue to suffer. Yet, there is hope that the situation can be improved. There is a movement in Sabah among the grassroot which is led by the elites led to make use of waste products, making into sellable products to the mid to high markets. Locals need to be persuaded to stop throwing away recyclables and reproduce them for financial gain. This can be

carried out as a social enterprise. Innovation is not necessarily something that must involve high-tech means as it can also make use of daily items for financial gain, and in doing so, killing two birds with one stone by increasing levels of income and preserving the environment.

**Tan Sri Michael Yeoh**

To achieve transformative economies, there is a need to depoliticise and make economic policies no longer ethnic-centric, moving away from race-based affirmative action to needs-based affirmative action and the adoption of a human rights approach to development. There is also a need to change our underlying philosophy from wealth creative to ensuring that no one is left behind, as unless this philosophy is changed, nothing much can be done for the poor. Malaysia needs to have a sense of urgency to tackle inequality and quick action plans to address and correct the problems brought upon by inequality. It also needs to ensure that there are effective monitoring mechanisms in place to review and monitor the effectiveness of various actions. Conversation of ideas and suggestions must be maintained.

**Prof Datuk Dr Denison Jayasooria**

It is the people who are at the centre of the transformative economy. Therefore, ordinary people need to be encouraged to talk about the economy, discuss issues, and identity changes that need to take place. Previously, the former NEAC had a huge committee of 150 people which included people from all walks of life which recommendations were undertaken by the government.

There needs to be greater articulation of global trends and challenges such as the super-rich, MNCs, migrant workers, and other issues that impact Malaysia as they impact domestic wages and policies. This cannot be done in isolation based on global trends. The development agenda is Inclusive, sustainable, and multi-dimensional. Alternative models should be considered and studied in other parts of the world by researchers and policy makers. Values and institutions are at the centre of these developments, where integrity, ethnics, and values should be the main focus regardless of the political divide, leading to institutional reform and the strengthening of these institutions.

*Note: A video recording of this discussion is available online at https://youtu.be/nzFY_IOc_78*

## Appendix 1: Notice and Agenda of Dialogue

KSI
KINGSLEY STRATEGIC INSTITUTE

MALAYSIAN CSO-SDG ALLIANCE
A partner in the National SDG Steering Committee

Presents

**A DIALOGUE AMONG STAKEHOLDERS ON TRANSFORMATIVE ECONOMIES:**

**CONVERSATIONS & HEARING VOICES AMONG BUSINESS LEADERS AND CIVIL SOCIETY ACTORS.**

**Date: 21 February 2019 (Thursday)**
**Time: 2.00pm to 5.30pm**
**Venue: Perdana Room, Level 2, Royal Lake Club**
**Jalan Cenderamulia, Tasik Perdana,**
**50480 Kuala Lumpur**

In conjunction with Barcelona 2020 when the World Social Forum on Transformative Economies will be held, KSI & the Malaysian CSO-SDG Alliance are hosting a series of dialogues between business interest and social wellbeing. The objective is to mutually hear the views and concerns of both parties in the way business and the economy is run.

The contrasting views are maximising profits and economic growth verses common interest, profit sharing equitably and sustainability. On one side was the suppression of workers' rights and the other strong labour unions and better working conditions of the people. On one side its people at the heart of development and the other investments and profits. The dialogue is to ensure both people and capita are important. Both profits and sustainability are key dimensions.

While Malaysia has experienced economic growth and reduction of poverty nonetheless there are wronging trends towards rising economic inequalities which has negative implications for inter-ethnic relations and social cohesion.

We want balanced development where there is economic growth but also equitable distribution and sustainable use of the resources in line with the SDGs. The Eleventh Malaysia Plan and the Midterm review these promises but in reality many sections in our society are becoming poorer.

How can we ensure that the economy does not alienate the poor & low income, and exploit migrant workers, women and indigenous people? How can we ensure decent work, improved living conditions & just wages? How do we ensure effective monitoring and enforcement including appropriate taxation?

**Program**

2.00 pm Registration

2.30 pm Word of Welcome by **Tan Sri Michael Yeoh** (KSI)

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|---|---|
| 3.10 pm | Introduction & by dialogue moderation **Prof Datuk Dr Denison Jayasooria** (CSO-SDG Alliance & KITA-UKM) |
| 3.20 pm | **PANEL DISCUSSION**<br>• **Dr Jeyakumar Devaraj** (Former MP for Sg Siput & Author of the book "An Alternative Vision for Malaysia")<br>• **Prof. Dr. Rajah Rasiah** (Distinguished Professor of Economics, Asia-Europe Institute, University of Malaya)<br>• **Prof Datuk Yusof Kassim** (Chairman ,COMMACT Malaysia)<br>• **Dr Madeline Berma** (School of Economics, UKM) |
| 4.20 pm | Open Discussion |
| 5.00pm | Concluding Remarks |
| | End of Forum |

## Appendix 2: Promotional e-banner

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*The views presented in this report may not necessarily represent that of the Kingsley Strategic Institute or its partners.*

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