



Balancing Economic Growth with Social Equity in Malaysia: Building an Equitable and Prosperous Future

14 November 2024
Perdana Leadership Foundation, Putrajaya





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Programme

- 9.00am** Opening Remarks
-
- 9.15am** Welcome Remarks
Dato' Seri Dr Vaseehar Hassan Abdul Razack,
Trustee, Perdana Leadership Foundation
-
- 9.30am** Keynote Address with Q&A
Dr Nungsari Ahmad Radhi, Chairman of
Khazanah Research Institute & a Member of the
Policy Advisory Committee to the Prime Minister
Token of Appreciation to Keynote Speaker
-
- 10.45am** Break
-
- 11.15am** Panel Session with Q&A
Moderator:
Mr Muhammed Ahmad Hamdan, Media Prima
News Anchor & TV Host
- Panellists:**
Professor Datuk Dr Norma Mansor, Director,
Social Wellbeing Research Centre (SWRC),
Universiti Malaya
Dr Mohd Afzanizam Abdul Rashid, Chief
Economist, Bank Muamalat Malaysia Berhad
Ms Syalin Koh, Research, Design, and Impact
Manager, Teach For Malaysia
Token of Appreciation to Moderator & Panellists
-
- 12.30pm** Lunch
End of Programme

Foreword by



YBhg Tan Sri Azman Hashim
Chairman, Board of Trustees
Perdana Leadership
Foundation

I would like to wish a warm *Selamat Datang* to panellists, participants, and guests to the Perdana Leadership Foundation and to the twenty-fourth in a sequence of events under the Perdana Discourse Series which debuted on 23rd August 2004.

The Discourse Series is an important part of the activities of the Foundation. It is the Foundation's hope that regular hosting of these intellectual discourses on topics that are uniquely Malaysian will help identify issues relevant to nation-building and the development of a progressive and prosperous society.

On behalf of the Board of Trustees, I would like to express our sincere appreciation to Dr Nungsari Ahmad Radhi, Chairman, Khazanah Research Institute, and a Member of the Policy Advisory Committee to the Prime Minister, for agreeing to share his views on this topic **“Balancing Economic Growth with Social Equity in Malaysia: Building an Equitable and Prosperous Future”**.

I also thank the panellists who will contribute to the discussion with their own unique perspectives, Professor Datuk Norma Mansor, Director of the Social Wellbeing Research Centre (SWRC), Universiti Malaya; Dr Afzanizam Abdul Rashid, Chief Economist, Bank Muamalat Malaysia Berhad, Ms Syalin Koh, Research, Design, and Impact Manager, Teach For Malaysia and Mr Muhammed Ahmad Hamdan, Media Prima News Anchor and TV host as the moderator.

This series will not be possible without the support of various individuals and organisations, especially DRB-HICOM Berhad, the series sponsor.

I wish everyone a rewarding discourse series, the outcome of which, we hope, will enhance efforts at affecting a better Malaysia for all.



ABOUT THE PERDANA DISCOURSE SERIES

Perdana Discourse Series began in 2004 with the objective of facilitating knowledge-sharing and dialogue on issues of national interest between eminent and experienced leaders from the public and private sectors, and Malaysian youth.

It is a semi-structured communication platform where a prominent presenter will speak on a pre-determined topic addressing its definition and tracing issues like policies, strategies, and challenges. Our Discourse Series has featured YABhg Tun Dr Mahathir Mohamad, YB Tan Sri Muhyiddin Yassin, (the late) YABhg Tun Arshad Ayub, Tan Sri Wahid Omar, Tan Sri Rafidah Aziz, Tan Sri Ambrin Buang, Professor Dr Elizabeth Lee, Professor Emeritus Tan Sri Dato' Dr Dzulkipli Abdul Razak, and other notable leaders as keynote speakers.

The Perdana Discourse Series is divided into two sections, keynote address and panel session. The keynote session is where the keynote speaker will present and share their perspectives and insights on the topic, followed by a Q&A session with the audience. Subsequently, panellists will discuss key points from the keynote speech, and present their own views on the subject, incorporating as far as possible, comments on government policies and initiatives, past and present.

The Perdana Discourse Series is organised by the Perdana Leadership Foundation and is fully sponsored by DRB-HICOM Berhad.

Objectives of Perdana Discourse Series

- ◆ To offer a platform for research on national policies, past and present.
- ◆ To facilitate the sharing of knowledge and experience on issues of national concern between generations of Malaysians.
- ◆ To map past and present policies introduced under Malaysia's past Prime Ministers.
- ◆ To generate fresh discourse and ideas that can aid policy-makers.

Discourse Output

Monograph publication by PLF.

“Balancing Economic Growth with Social Equity¹ in Malaysia: Building an Equitable and Prosperous Future”

Malaysia's journey from independence to an upper-middle-income economy has been marked by impressive economic growth and structural transformation. While these advancements have raised Malaysia's global standing and improved many Malaysians' quality of life, they have also introduced new challenges. Persistent income inequality, and uneven development between regions reflect that growth alone does not automatically translate into equitable progress. Bridging these gaps is essential to ensure that all Malaysians can enjoy the full benefits of the nation's economic success.

As Malaysia's economy continues to expand, ensuring that growth benefits all citizens equitably becomes increasingly essential. Despite substantial progress, wealth disparity remains significant, and continues to challenge the ideal outcomes of economic growth. According to the Department of Statistics Malaysia (DOSM), the Gini coefficient² in Malaysia has steadily decreased over the past two decades, showing improvements in income equality. In 2002, it was 0.461, indicating higher inequality. By 2012, it dropped to 0.431, and in 2022, it further declined to 0.404³. This figure illustrates a moderate level of income inequality in the country and emphasises the ongoing need for strategies to bridge the income gap. This inequality not only hinders social mobility but also creates obstacles for marginalised communities striving to improve their socioeconomic standing. When opportunities for advancement become fewer, the potential for creating a truly inclusive society diminishes.

1. Social equity refers to the fair and just distribution of resources, opportunities, and services in a society. It means ensuring that all individuals, regardless of their background, socioeconomic status, ethnicity, or location, have equal access to opportunities that improve their quality of life, such as education, healthcare, employment, and housing.

2. The Gini coefficient is a statistical measure used to assess income inequality within a population. Values approaching 1 signify a higher level of inequality, while values nearing 0 indicate a more equitable distribution of income.

3. <https://open.dosm.gov.my/dashboard/household-income-expenditure>



An excerpt from the Second Malaysia Plan (1971–1975) illustrates Malaysia's longstanding commitment to addressing these issues. The plan explicitly focused on reducing economic disparities between ethnic groups and improving rural living standards. It aimed to distribute wealth more equitably by prioritising rural development and access to education, thereby fostering social unity. The plan marked the beginning of Malaysia's ongoing efforts to balance economic growth with social equity, which remains central to the country's development goals.

The most recent plan, the Twelfth Malaysia Plan (2021–2025) builds on previous efforts and reflects the country's commitment to achieving sustainable, inclusive, and balanced growth. The plan aligns with the government's aims to provide a fair standard of living for all Malaysians. From the Second Malaysia Plan (1971–1976) to the present, sustainable development and inclusivity have been the underlying themes in Malaysia's socio-economic development policies to ensure no one is left behind.

A clear vision for the future as well as innovative policies are essential. The challenge is in identifying policy priorities as well as to balance income distribution and growth. Issues such as the urban-rural divide, access to quality education, affordable healthcare, and employment opportunities, particularly for those in underserved communities, should be taken into account. Supporting the micro and small business sector and encouraging economic diversification will also enable more citizens to benefit from the country's growth.

Balancing economic growth with social equity is key to Malaysia's long-term prosperity. Ensuring equitable opportunities for all Malaysians will not only sustain economic growth but also create a united and resilient country.



Some questions to seed discussion:

1. What do recent trends indicate about the wealth divide and income inequality in Malaysia?
2. Is the urban-rural divide one of the main contributors to the wealth divide in Malaysia, or are other factors at play?
3. Do modern economic structures and financial markets pose a challenge to more equitable distribution of wealth and income? If so, what would be the key levers of change?
4. What are the key barriers to social mobility in Malaysia, and how can policy reforms help overcome them?
5. Can education play a pivotal role in “raising the floor” (ie: lifting mean incomes) and reducing disparities in income and wealth?
6. How effective are fiscal reforms in addressing inequities in wealth distribution?
7. What role should the private sector play in promoting both growth and social equity?
8. How can Malaysia’s social safety nets be strengthened to better support vulnerable groups, such as the elderly, disabled, and low-income families, without over-burdening government expenditures and without imposing punitive tax rates?
9. What lessons can Malaysia learn from other countries that have achieved relative success at balancing economic growth with social equity?

Profiles of Keynote Speaker



Keynote Speaker

YBrs Dr Nungsari Ahmad Radhi

Chairman, Khazanah
Research Institute & a
Member of the Policy
Advisory Committee
to the Prime Minister

Dr Nungsari Ahmad Radhi was appointed as the Chairman of Khazanah Research Institute on 1 January 2024 and Trustee on 26 December 2023.

Dr Nungsari is an economist and Chairman of Malaysia Airports Holdings Berhad. He presently sits on the board of Bank Negara Malaysia, Yayasan Rahimah Yusof, and Koperasi Tunas Muda Sungai Ara Berhad. He is a member of the Advisory Committee to the Finance Minister (ACFIN), the Policy Advisory Committee to the Prime Minister (PMAC), and the National Economic Action Council (MTEN).

He has been an academic, a Member of Parliament, a consultant, and has sat on various corporate and statutory boards and served in executive positions in various Minister of Finance, Incorporated companies, including Khazanah Nasional, Prokhas, Pengurusan Danaharta Nasional, Syarikat Jaminan Pinjaman Perniagaan, and DanaInfra Nasional.

His interests revolve around the microeconomics of policymaking, and he has been a contributing columnist for The Edge since 2000.

Profiles of Panellists & Moderator



Panellist

Professor Datuk Dr Norma Mansor

Director
Social Wellbeing
Research Centre (SWRC)
Universiti Malaya

Norma Mansor is currently the Director of Social Wellbeing Research Centre (SWRC), Universiti Malaya, a position she holds since 2013. She was appointed the Secretary of the National Economic Advisory Council, Prime Minister's Department (2009 to 2011) after being the Dean of the Faculty of Economics and Administration from April 2004 to June 2009. She was also the Executive Director of the International Institute of Public Policy and Management (INPUMA) from September 2001 until March 2004. Professor Mansor was the President of the Malaysian Economic Association (MEA) from 2018 until 2024. She had served as a consultant to various organisations, including the United Nations Development Programme (UNDP), the World Bank, International Labor Organisation (ILO), Organisation for Economic Co-operation and Development (OECD), the European Union (EU), the Asian Development Bank (ADB) and numerous Malaysian public agencies. As an academic, Professor Mansor has written extensively in books and scholarly journals in the areas of public and social policy, ageing and social protection. She was awarded Emeritus Professorship by Universiti Malaya in October 2018. Professor Mansor is also a fellow of the Academy of Sciences Malaysia (ASM).

Profiles of Panellists & Moderator



Panellist

**Dr Mohd Afzanizam
Abdul Rashid**

Chief Economist
Bank Muamalat Malaysia
Berhad (BMMB)

With over two decades of expertise in investment research, Dr Afzanizam has a distinguished career specialising in economics and capital markets. His professional journey includes significant roles at notable institutions such as the Employees Provident Fund (EPF), Bank Islam Malaysia Berhad, and the Retirement Fund Incorporated (KWAP), where he provided valuable economic insights. In his current position at BMMB, Dr Afzanizam is instrumental in offering strategic macroeconomic advice, focusing on fiscal and monetary policy. Beyond his contributions to the financial sector, he is an active commentator in the media, an academic mentor at various local universities, an Adjunct Professor at Universiti Teknologi MARA (UiTM) and an advisor to Special Select Committee on Finance and Economy, Parliament of Malaysia. Dr Afzanizam's educational credentials are equally impressive, holding a Ph.D. in Economics and an MBA in Applied Finance & Investment from Universiti Kebangsaan Malaysia (UKM), along with a Bachelor of Business Administration (Hons) in Finance and a Diploma in Investment Analysis from UiTM.

Profiles of Panellists & Moderator



Panellist

Ms Syalin Koh

Research, Design,
and Impact Manager
Teach For Malaysia

Syalin is currently the Research, Design, and Impact Manager at Teach For Malaysia, a non-profit organisation on a mission to give all children the opportunity to realise their potential through quality education.

Her interest in the education sector was solidified during her time as a Debate Mate mentor, coaching debating in Birmingham's inner-city schools while she was an undergraduate student in the UK. Upon graduating, she joined the Teach For Malaysia Fellowship and taught in a high-need secondary school for two years.

In 2022, Syalin was awarded the UK Government's Chevening Scholarship to pursue her master's degree, where she explored fundamental questions in education, philosophy and policy while bridging theory, policy, and practice. She has also contributed as a freelance writer, content developer, and facilitator for various educational initiatives.

Syalin holds a Master of Arts with Distinction in Philosophy of Education from the Institute of Education, University College London, and a Bachelor of Arts with Honours in Political Science and Sociology from the University of Birmingham. She also has a Postgraduate Diploma in Education from Institut Pendidikan Guru Malaysia. Syalin hopes to continue furthering the education discourse and agenda in Malaysia through her work.

Profiles of Panellists & Moderator



Moderator

**Mr Muhammed
Ahmad Hamdan**

Media Prima News
Anchor and TV Host

Muhammed Ahmad Hamdan is a news anchor and host on TV3, presenting Buletin Utama and Nightline, and hosting the business talk show Money Matters. He holds a Master's degree in Business and Economic Journalism from Columbia University in New York and has 14 years of experience in media and journalism, including roles as a business reporter for the New Straits Times and The Edge Malaysia. He previously taught part-time at the Faculty of Communication and Media Studies at Universiti Teknologi MARA (UiTM) and is now teaching part-time at the Faculty of Modern Languages and Communication at Universiti Putra Malaysia (UPM).



About Perdana Leadership Foundation

www.perdana.org.my

Perdana Leadership Foundation was established in January 2003 with the aim of preserving, researching, and disseminating materials by and on Malaysia's past Prime Ministers as well as events connected to them, with particular emphasis on the policies, strategies, and initiatives they adopted. Premised on the belief that past leadership can yield valuable insights for present and future development, the Foundation's objective is to increase awareness and appreciation of Malaysia's history and leadership legacy.

The Foundation's physical home in Precinct 8, Putrajaya, was completed in October 2003. The stately building now houses the Perdana Library, an auditorium as well as a multi-purpose hall in addition to the office of the Foundation's Honorary President who is the country's fourth and seventh Prime Minister, YABhg Tun Dr Mahathir Mohamad.

The Foundation operates the Perdana Library which houses 12,000 physical titles and more than 250,000 digital documents, including speeches, policy papers, and articles.





The Foundation's objectives are:

- ◆ To research, document, disseminate, and publicise the intellectual legacies of Malaysia's past Prime Ministers.
- ◆ To create awareness of the development process of the nation and draw lessons from the nation's history to enhance future development.
- ◆ To illuminate the contributions of Malaysia's past Prime Ministers in the social, economic, and political development of the nation.
- ◆ To be a resource centre of policies, strategies, and initiatives that were adopted under Malaysia's various Prime Ministers which may be used and adapted as models for the development of other nations.

The Foundation also has a broader objective which is to promote global understanding by providing a channel for scholars and thinkers to undertake research and idea-sharing for lasting, peaceful resolutions.



About DRB-HICOM Berhad

www.drb-hicom.com



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TUNKU ABDUL RAHMAN PUTRA AL-HAJ (1957-1970)

Remembered as the Father of Independence, Malaysia's first Prime Minister, Tunku Abdul Rahman, had recognised the vital importance of fostering cooperation among Malaysia's various ethnic groups as a way to overcome political problems. It was also Tunku who proposed the idea of Malaysia - a federation of Malaya, Singapore, Sarawak, and Sabah which was established in 1963. Perhaps Tunku Abdul Rahman's greatest single achievement was in giving Malaysians a sense of pride and nationhood.

“Right from the moment when I became Prime Minister, my aim, my thinking, my planning and as a matter of fact my whole heart was set on building up a prosperous and happy Malayan society.”

Tunku Abdul Rahman

TUN ABDUL RAZAK HUSSEIN (1970-1976)

Tun Abdul Razak masterminded and implemented Malaysia's New Economic Policy (NEP), vigorously tackling the economic and social disparities which had fuelled racial antagonism. The NEP set two basic goals: to reduce and eventually eradicate poverty and to eliminate the identification of race with economic function. For his contributions to national and rural development, he is known as the Father of Development.

“As we move along the road of nationhood we will have to make adjustments and re-adjustments in order that our people of various races should have a rightful place in our society.”

Tun Abdul Razak

TUN HUSSEIN ONN (1976-1981)

Tun Hussein Onn was renowned for emphasising the issue of unity through policies aimed at rectifying economic imbalances among the races. These included the launching of the National Unit Trust Scheme. He also dedicated his tenure as Prime Minister to creating a culture of discipline, purpose and integrity. For his efforts at promoting goodwill among the country's various communities, Tun Hussein Onn is remembered as the Father of Unity.

“Our successes have been founded on moderation. In a multiracial country, moderation requires strong disciplines. It demands sacrifices by all communities in the overall interest of the nation. It requires us to seek solutions which are acceptable to all communities rather than to any particular community.”

Tun Hussein Onn



TUN DR MAHATHIR MOHAMAD (1981 – 2003) & (2018 – 2020)

Tun Dr Mahathir Mohamad opened the country to foreign investment, reformed taxation, reduced trade barriers, privatised numerous state-owned enterprise, besides creating a world-class physical infrastructure. He also sought to bridge Malaysia's ethnic divisions by increasing general prosperity. In 1991, he launched the New Development Policy, which emphasised industrial and commercial development and the elimination of poverty. Under Tun Dr Mahathir's leadership, Malaysia developed into one of the most prosperous and dynamic economies in Southeast Asia, with a burgeoning manufacturing sector, an expanding middle class and an enhanced quality of life.

“Malaysia is our country, we are born here, we grow up here, make a living here and here we will die. Whether this country is good or bad is because of us. We can choose. Choose wisely because our lives are at stake.”

Tun Dr Mahathir Mohamad

TUN ABDULLAH AHMAD BADAWI (2003 – 2009)

Tun Abdullah Ahmad Badawi, the fifth Prime Minister of Malaysia, is well-known for his efforts to fight corruption with his initiative to set up the Malaysian Anti Corruption Commission (MACC) and his initiative to address bureaucracy in business-government dealings with PEMUDAH (Pasukan Petugas Khas Pemudahcara Perniagaan). In the economic sphere, he focused on modernising the agriculture sector and initiated plans for various economic hubs, namely, Iskandar Malaysia (in Johor) and the East Coast Economic Region (ECER). With more than 30 years' experience in public administration, Tun Abdullah improved the efficiencies of public sector services for the convenience of Malaysian citizens.

“The quest to find what we stand for is the work of many generations. But in the final analysis, we can agree on one thing: that we love (Malaysia's) diversity and its eccentricities. This is the only country we have, the only place where we feel truly at home, and we want it to succeed.”

Tun Abdullah Ahmad Badawi

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