



PRESS STATEMENT | 27 JULY 2023

For Immediate Release

EKONOMI MADANI: RAISING THE FLOOR FOR ALL MALAYSIANS

JULY 27, 2023 - Social and Economic Research Initiative (SERI) welcomes Prime Minister Dato Seri Anwar Ibrahim's "Memperkasa Ekonomi Madani" agenda, with its stated goals of raising both the floor as well as the ceiling. As a think tank dedicated to supporting and promoting policy initiatives that bridge the gaps in our society, SERI takes a particular interest in ideas that directly target those most vulnerable in our society.

This ensures we close the gap of inequality in Malaysia, especially important given the current global and local economic climate. It is incumbent on the Government to help those who need it most by creating equal conditions and opportunities for all Malaysians to succeed regardless of ethnicity or social class.

EQUALITY OF OPPORTUNITY

The Government's commitment to bridging the gender gap in the labor market is commendable. Despite the exceptional achievements of young women in education, their representation in the labour force remains disproportionately low at approximately **55.5% compared to men's participation rate of 80.9%**. This disparity not only hampers economic growth but more importantly, also undermines principles of equality.

In response, the Government's focus on bolstering female participation is crucial to ensure a fair and inclusive workforce. Initiatives such as funding support programmes to encourage mothers to return to work and providing affordable child care centres will play a vital role in breaking down barriers that hinder women's full participation in the labour market.

Changes to economic policy alone however, will not be enough to increase female labour participation. These initiatives must also be complemented by a broader women's agenda that examines and addresses social and cultural gaps that hinder serious progress. Economic solutions cannot be considered in a vacuum.

SOCIAL SAFETY NETS FOR ALL: BUILDING RESILIENCE AND STABILITY

The Government's vision of extending the social protection net to all citizens is a worthy step towards creating a more resilient and stable society. The proposed Social Protection Programme may provide a safety net that protects people in times of unforeseen adversity.

a) **Prevention through Social Insurance:** The improvements made to existing schemes, along with the extension of mandatory EPF and SOCSO coverage for all employees under the new social insurance scheme, are essential in safeguarding workers against economic uncertainties. This proactive approach will mitigate the adverse impacts of sudden employment disruptions and ensure individuals have the necessary support to regain their footing during challenging times.

b) **Promotion of Retirement Savings Sustainability:** The government plans to adopt measures that will boost the sustainability of retirement savings to safeguard the well-being of Malaysians. This would mitigate the risk of future EPF crises given previous EPF withdrawal schemes during the COVID-19 pandemic.. Beyond welfare purposes, bolstered retirement savings play an important role in contributing to the economy's health and stability. Robust retirement savings promotes a dynamic job market and workforce, and contributes to many investment vehicles which can help fuel economic growth and benefit society as a whole.

c) **Protection through Social Assistance:** The announcement of various cash assistance and Rahmah programmes signifies the Government's dedication to creating a safety net that catches those who may fall through the cracks. These social assistance initiatives will uplift the most vulnerable segments of society, ensuring that no Malaysian is left behind in times of economic hardship.

SERI is a non-partisan think-tank dedicated to the promotion of evidence-based policies that address issues of inequality, particularly at the intersection of technology and society. For more information, please visit www.seri.my or email us at hello@seri.my.