

Madani Economy is setting the right tone, say experts

By ALLISON LAI
and FATIMAH ZAINAL
newsdesk@thestar.com.my

PETALING JAYA: The Madani Economy framework is clear, comprehensive and sets the right tone towards building a better Malaysia, say economists.

They said the blueprint, which includes plans for Malaysia to position itself as one of the 30 economic powerhouses of the world within the next 10 years, can be achieved with strong political will and buy-in from the government, private sector and rakyat.

Economist Prof Dr Geoffrey Williams of the Malaysia University of Science and Technology (MUST) said the Madani Economy framework is clear and different from previous approaches.

He also described it as “a set of clear targets rather than a laundry list of projects”, adding that it will help people understand the main aims and themes of the unity government.

“The seven targets of the framework are also pragmatic and perfectly achievable over a 10-year horizon or sooner,” he said.

He said the important aspects of the framework are those focusing on the key elements of a successful economy, including competitiveness, ease of doing business and combating corruption.

Meanwhile, improving the labour share of income and raising female participation are also



Experts weigh in: (From left) Williams, Lee, Foo and Nor Mohamed believe Malaysia's goals to rank among the world's 30 economic powerhouses within the next 10 years can be realised given enough political will.

key elements in socioeconomic engagement and empowerment, as are addressing inequality, accessing opportunities, and coping with the cost of living, he said.

Prof Geoffrey said he also wanted to see the core of policies designed to cut out middlemen, in line with the Prime Minister's recent statement that he wanted to eradicate rent-seeking.

Socio-Economic Research Centre (SERC) executive director Lee Heng Guie said the Madani Economy framework offered clarity on the country's aims, broad strategies and enablers to achieve its aim, but the government has to build forward-looking macroeconomic narratives to convince Malaysians, domestic and foreign investors that Malaysia will rebuild for a better nation.

Of the seven thresholds that Madani Economy has targeted to achieve within 10 years, Lee said some targets are doable, such as

increasing female labour force participation to 60% from the current 55.5%.

“It is good to set aspirational targets, but they must be realistic and doable.

“Radical changes are needed for transformations to be a competitive nation and to deliver more just, equitable, sustainable and resilient futures.

“This requires fundamental cognitive, behavioural and mind-set shifts, including rethinking the role of the state, the growth dimension, resource efficiency, and upholding justice and ensuring equitability,” he said yesterday.

Lee added that the outlined strategies and initiatives were coherent to achieve the vision of building a better Malaysia through the restructuring of the economy, increasing economic growth and investment, restoring fiscal sustainability, good govern-

ance, ensuring inclusive growth, and generating quality and better-paying jobs.

Tunku Abdul Rahman University of Management & Technology's Centre for Business and Policy Research chairman Dr Foo Lee Peng lauded one of the goals of increasing women's participation in the workforce to 60% within 10 years.

“Over the years, there has been a notable increase in women in the labour force, especially among small and medium enterprises (SMEs).

“However, the 98-day paid maternity leave effective this year has made it difficult for SMEs to absorb the cost of doing business.

“They become pickier when recruiting and tend to hire fewer female employees,” she said.

To increase women's and mothers' participation in the workforce, Foo said comprehensive efforts are required, including

legislative and regulatory measures as well as support programmes to encourage and assist them.

Prime Minister Datuk Seri Anwar Ibrahim said at the launch of the Madani Economy that women's participation in the workforce is still low at 55.5% compared with men's at 80.9%.

Khazanah Research Institute (KRI) chairman Tan Sri Nor Mohamed Yakcop said Madani Economy envisions a comprehensive and balanced strategy for charting Malaysia on a stronger development path by realising and seeking to address core national challenges.

He said the strategies outlined for industrial development, digitalisation and investment are expected to boost economic activities, generate better returns for businesses, and raise wages for workers in both the private and public sectors.

Meanwhile, the outlined social protection policies appeared promising in closing the gaps between regions and communities, as Madani Economy recognised that focusing on economic development alone can lead to disparities, he said.

“The prominent focus on health, education and housing will raise the rakyat's quality of life.

“The emphasis on good governance is welcomed given that it is also key to the realisation of the Madani Economy,” he said in a statement yesterday.