

COORDINATING EFFORTS TOWARDS CONSOLIDATING SOCIAL PROTECTION PROGRAMS IN MALAYSIA

**Expert Group Meeting on Inclusive Social Protection Systems
in Asia and the Pacific
Bangkok, 11-12 April 2019**

NORMA MANSOR

DIRECTOR OF SOCIAL WELLBEING RESEARCH CENTRE (SWRC)

UNIVERSITY OF MALAYA

norma@um.edu.my

swrc.um.edu.my

Background

Malaysia in becoming an inclusive and advanced nation

ECONOMIC GROWTH

- GDP per capita at the national level rose from RM38,915 in 2016 to RM42,228 in 2017 – a steady growth since 1960

INCOME INEQUALITY

- Gini coefficient of 0.399 in 2016 from 0.441 in 2009
- Income inequality is expected to improve further with the Gini coefficient reducing to 0.385 in 2020

VULNERABLE GROUPS

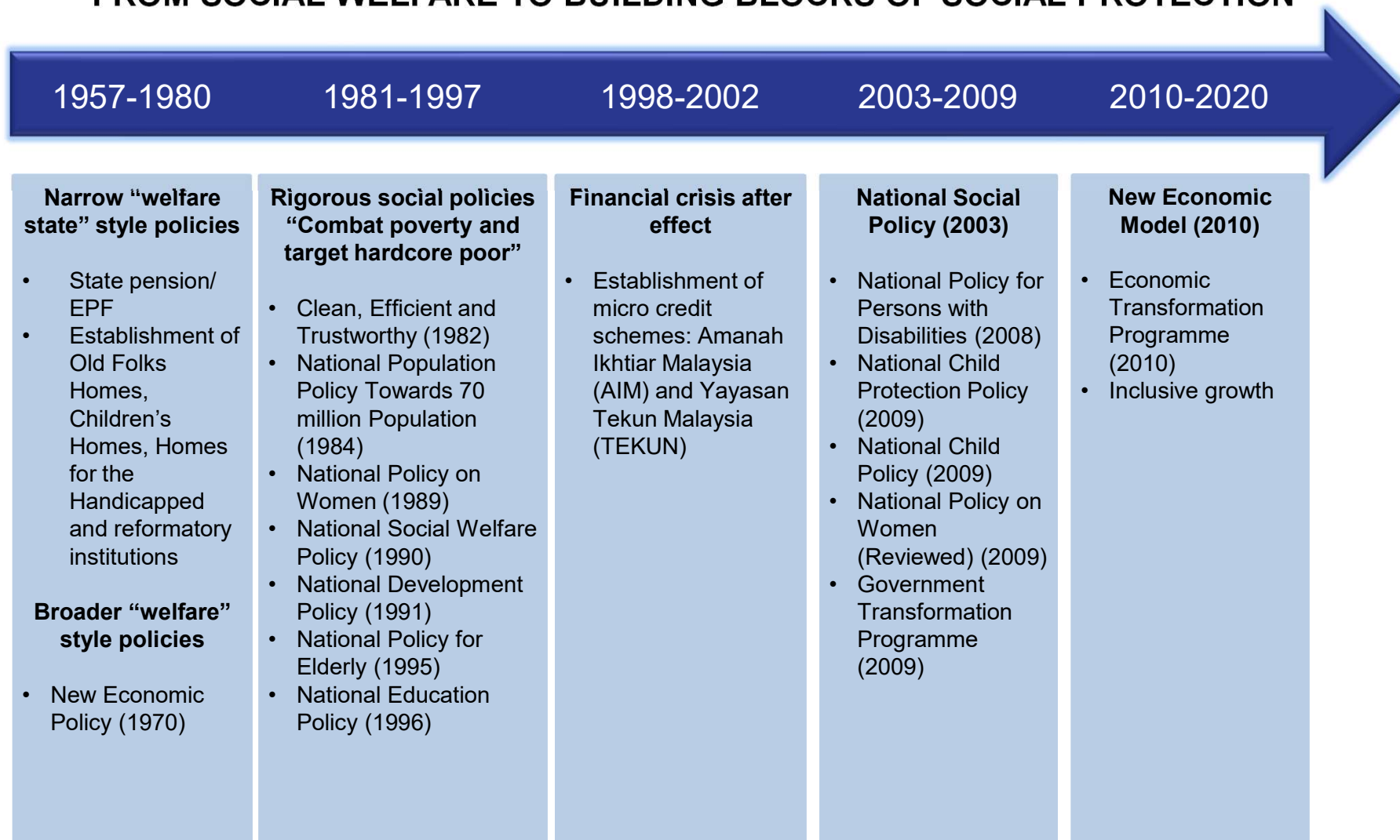
Incidence of poverty
reduced from 3.8% (2009) to
0.4% (2016)

Mean B40 household income
increased from RM1,440 (2009)
to RM2,848 (2016)

Source: EPU Socioeconomic Statistics, Eleventh Malaysia Plan

Background

FROM SOCIAL WELFARE TO BUILDING BLOCKS OF SOCIAL PROTECTION



Background

- In 2018, the Deputy Prime Minister of Malaysia appointed the Employees Provident Fund (EPF) and the Social Security Organization (SOCSO) to initiate work towards the consolidation of social protection programs in the country
- Other relevant agencies such as Retirement Fund Incorporated (KWAP), Central Bank of Malaysia (BNM), Khazanah Research Institute and Social Wellbeing Research Centre are also invited as part of the working group to start the preparatory work
- A national consultation on the blueprint was held on 28 and 29 November 2018 involving relevant ministries and agencies.

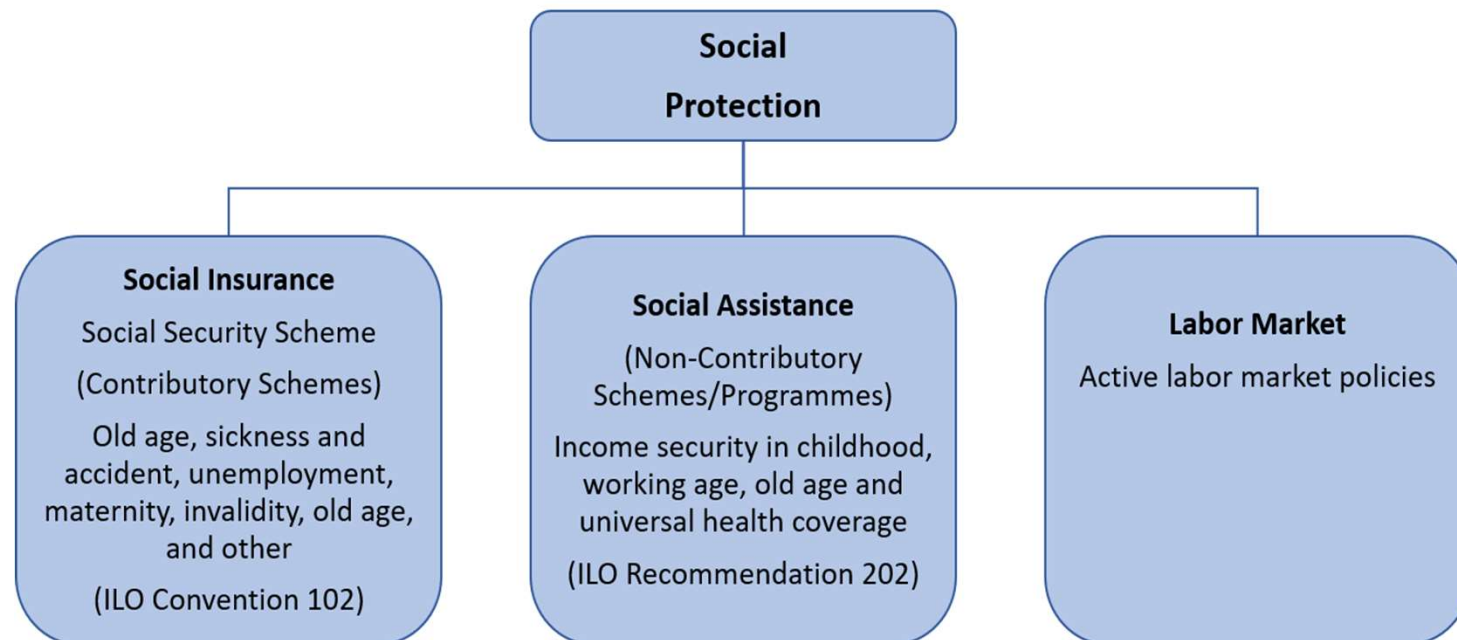
Baseline scenarios of social protection in Malaysia

- Economic growth is at a steady pace but inequality has worsened since 1990
- Absence of a social protection parent policy
- Social protection programs are too fragmented with more than 110 programs under more than 20 ministries and agencies
- Inadequacy of assistance and coverage by available programs
- Targeting complexity and high levels of exclusion

Social protection definition

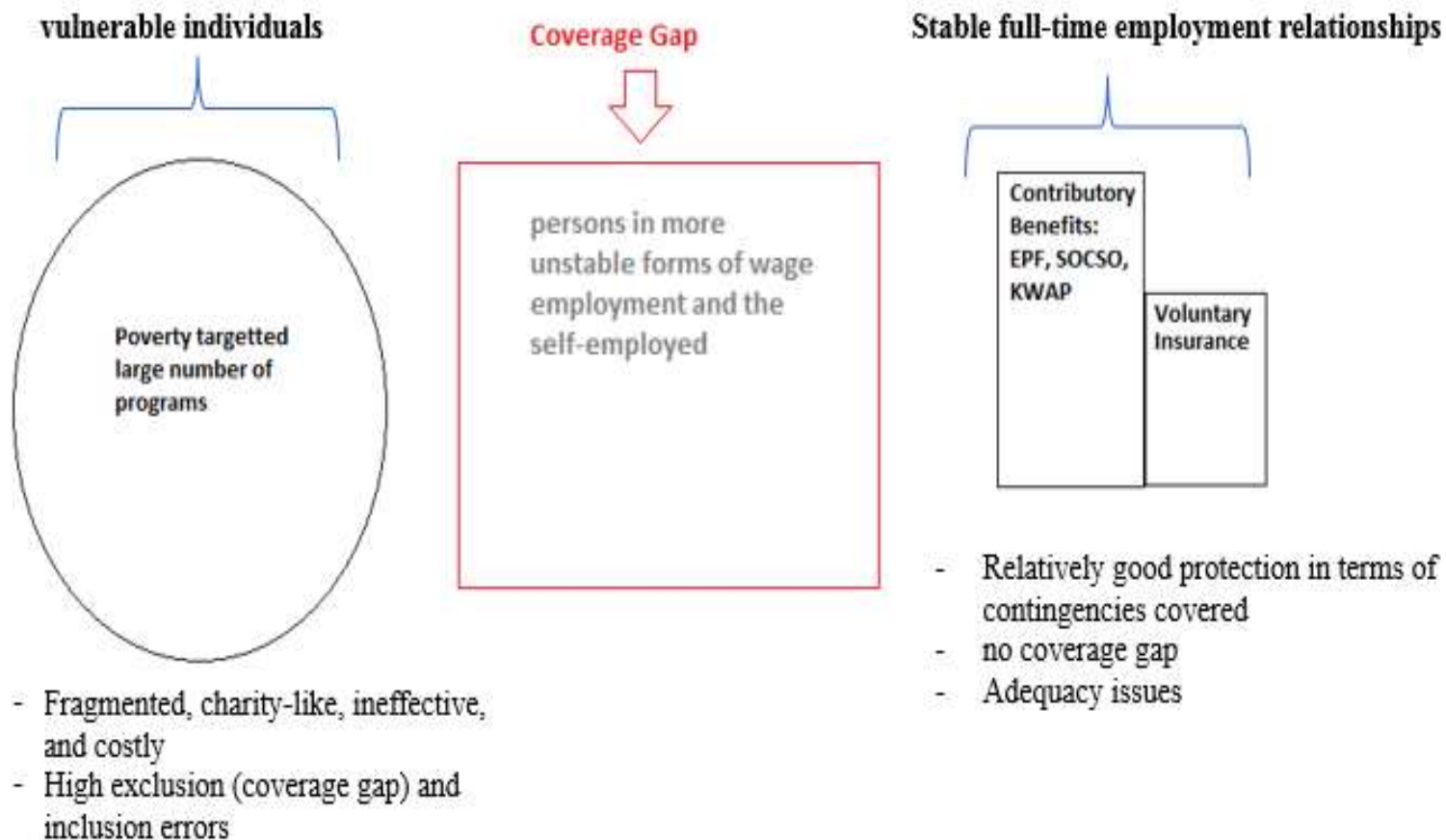
Social protection is generally understood as the combining of social insurance – i.e. contributory forms of social provisioning and social assistance - i.e. transfers covering much of the population, and generally funded by public sources

Main components of social protection



Gaps in social protection coverage

Social protection coverage in Malaysia at two poles



Guiding principles of the blueprint



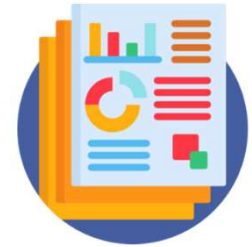
**NO ONE LEFT
BEHIND**



**SUSTAINABILITY
AND ADEQUACY**



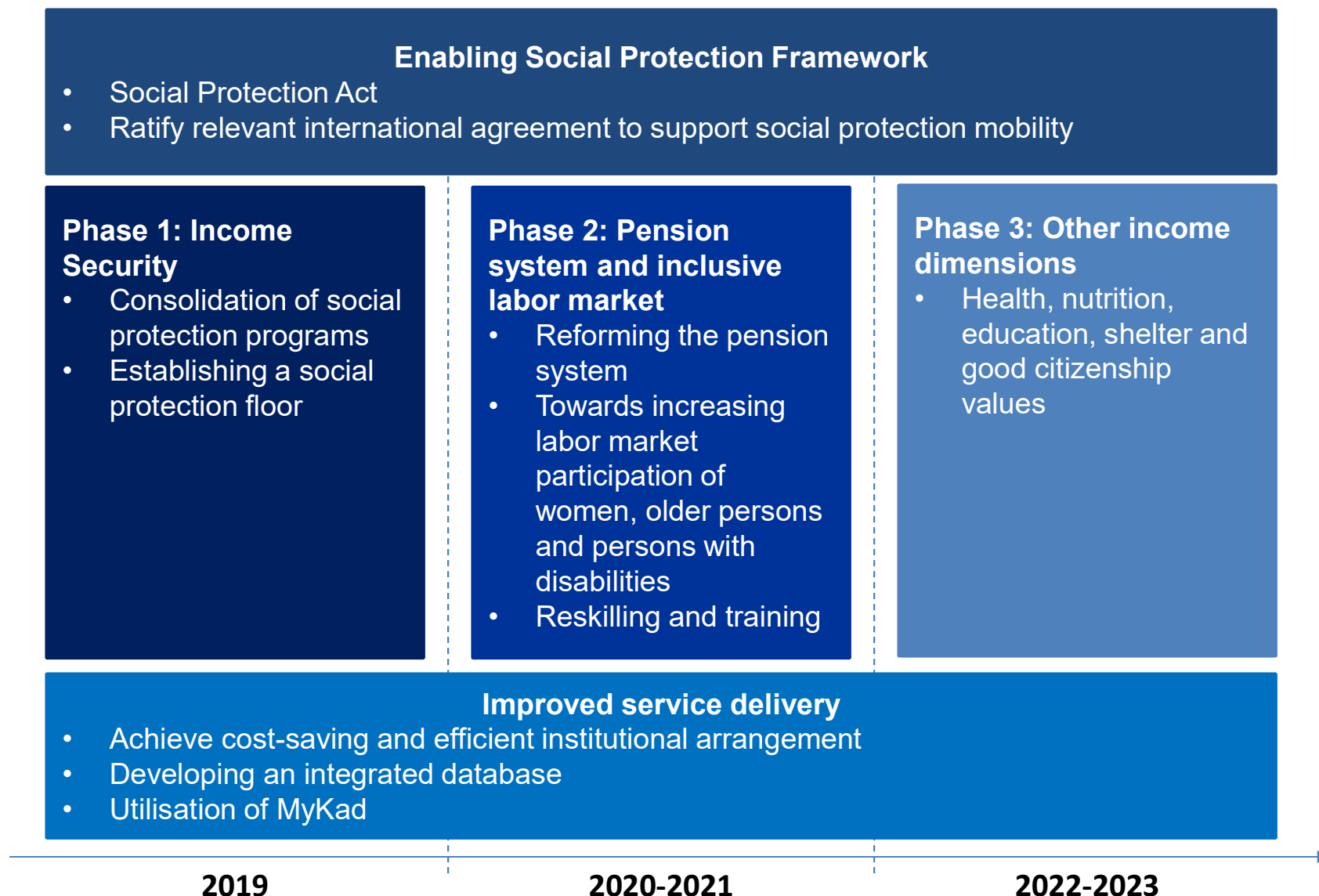
**EFFICIENT AND
EFFECTIVE
SERVICE DELIVERY**



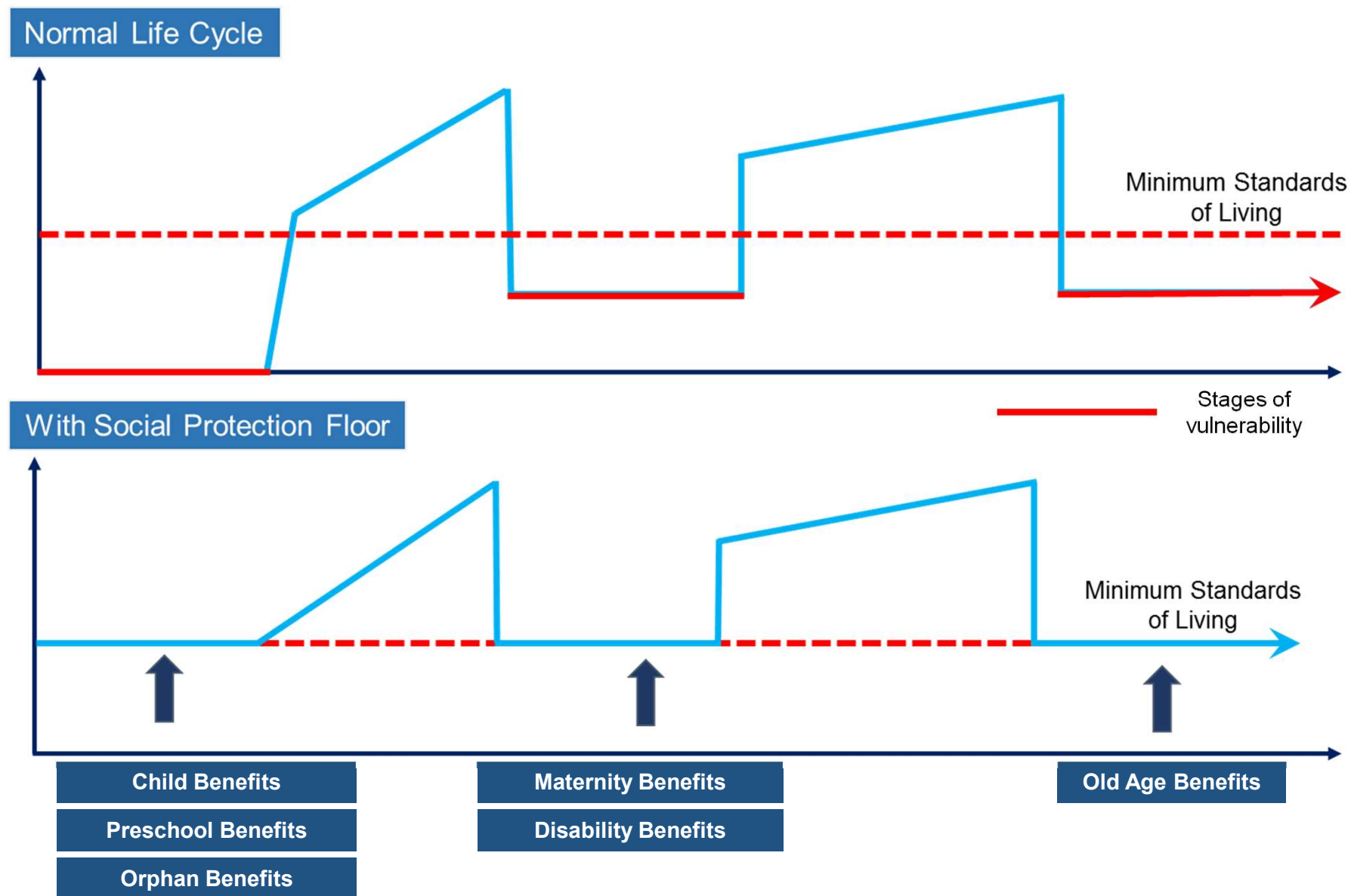
**STRONGER LEGAL
FRAMEWORK**

Towards an **EQUITABLE SOCIETY – No one left behind**

Framework and timeline of the blueprint



Different stages of vulnerability



Integrated social protection system

Recommendations:

- Shift from poverty targeting social assistance approach to a developmental model
 - Consolidate all fragmented programs into a life-cycle social protection floor
 - Target life-cycle associated risks such as childhood, maternity and old age coupled with risks of disability and orphan hood with social assistance – this will lead to the empowerment of women and children
 - Ensures that vulnerability is not transmitted from one stage to the next

Integrated social protection system

Recommendations (cont):

- Administrative simplicity and efficiency
 - To ensure easy access to programs, the blueprint working group has engaged with the National Registration Department to establish a unified database system by optimizing the usage of the unique MyKad national identification
 - The report is mindful of the physical limitation of Malaysians in accessing the benefits – hence, intends to propose an innovative “beneficiary-centred” service

Challenges

- Bureaucratic ills
 - Fragmentation due to programs administered by different ministries requires bringing them together to work as the concept of whole government
- Political will
 - Getting the buy in from the government and government agencies, and breaking away from the mindset of welfare and charity to solidarity
- Legislation
 - The absence of a social protection act indicates there is no guarantee of protection

THANK YOU