



United Nations Malaysia



PRESS RELEASE

UNDP-commissioned Report highlights need for a new development paradigm in Malaysia to ensure long-term economic growth

Key recommendations emphasize higher R&D expenditure and building of an indigenous pool of scientists & technologically skilled workforce, as well as better social protection to ensure sustainable future and inclusive growth

Kuala Lumpur, 1 December 2009 – The United Nations Development Programme (UNDP) today launched a new report calling for Malaysia to prioritize technology and innovation, in order to realize its aim of transforming itself into a high-value economy and creating a more stable and sustainable future for the nation.

In his opening remarks, Mr. Kamal Malhotra, UN Resident Coordinator for Malaysia and UNDP Resident Representative for Malaysia, Singapore and Brunei Darussalam said, “For Malaysia to emerge successfully from this crisis and transform into a high value economy, there must be an urgent and much greater shift towards technology and innovation, as strengthening its technical competency and capacity through R&D and technological upgrading, will be critical to ensuring its long-term economic stability and sustainability.”

Mr. Malhotra added, “A major part of the economic transformation needs to focus on human capital development; there is hence an urgent and systematic need to build a critical pool of scientists and a technologically skilled workforce which needs to be given the highest priority, especially since such investments often take decades to bear fruition.”

Speaking on Malaysia’s recovery from the ongoing economic and financial crisis, Mr. Malhotra said, “While Malaysia announcement of two stimulus packages worth RM60billion is commendable, the bigger challenge remains in ensuring that the stimulus packages and programmes are well targeted for impact, but also ensure a future growth trajectory that is equitable and fair and one through which the growing disparities between urban and rural sectors are reduced and the welfare of all people are equally prioritized.”

The Malaysia report was commissioned by UNDP and co-authored by a team led by Prof. Dr. Rajah Rasiah, Dean, Faculty of Economics and Administration, University Malaya and Dato’ Dr. Mahani Zainal Abidin, Director General, Institute of Strategic and International Studies (ISIS).

The event also featured the local launch of a UNDP regional synthesis report on the financial and economic crisis in Asia Pacific.

The Regional Synthesis Report was introduced by Dr. Ajay Chhibber, UN Assistant Secretary-General and UNDP Assistant Administrator and Director for Asia and the Pacific, who said, "If Asia wants this to be its century, it must more vigorously find an alternate development path away from its old export led growth model and instead view this crisis as an opportunity to rebalance and re-direct Asian growth through domestic demand expansion."

The Report has emphasized the importance of more equitable growth and the need to avoid the huge imbalances that underpinned the massive global expansion of the 1990s in which developing Asia expanded capital to the developed West.

He added, "There are worrisome signs that some may be tempted to return to the old export led model which is unsustainable given the debt laden economies of the West."

The Regional Synthesis Report also urges that Asian countries to modernize social protection policies that not only serve as welfare measures to protect human development, but also act as countercyclical buffers in periods of macroeconomic downswing, in view that the poor, as well as vulnerable groups such as women and children, are the worst effected by the economic crisis.

According to the Report, Asia as a whole records very low coverage of social protection programmes, with only 30% of the elderly receiving pensions and only 20% on the unemployed having access to labour market programmes such as unemployment benefits, training or work-for-food programmes. Healthcare is also cited as a major concern region-wide, with only 20% of the population having access to health-care assistance, and Asia recording the highest rates of out-of-pocket health care expenditure in the world.

About the Malaysia report

The Malaysia report presents a package of eight (8) recommendations for policymakers on how Malaysia can achieve its goal of becoming a high-income economy, as the country seeks to prioritize both short-term responses and longer-term economic restructuring measures to deal with the crisis and its implications. To download a copy, please visit www.undp.org.my from Dec 2, 2009.

About the Regional Synthesis Report

The Regional Synthesis Report is co-authored by Dr. Ajay Chhibber; Dr. T. Palanivel, Senior Policy Advisor and Programme Coordinator, The Millennium Development Goals Initiative (MDGI), UNDP Regional Centre for Asia and the Pacific, Colombo, Sri Lanka; and Prof. Jayati Ghosh, Professor of Economics, Jawaharlal Nehru University, New Delhi, India. To download a copy, please visit www.undp.org.my from Dec 2, 2009.

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About the United Nations in Malaysia

United Nations Technical Assistance programmes date back to the time of Malaysia's Independence in 1957, focusing on specific areas such as health and nutrition, education curriculum development and the establishment of country's telecommunication base. The UN Country Team in Malaysia is headed by the Resident Coordinator, who brings together all specialised funds and agencies dealing with operational activities for development, including the United Nations Development Programme (UNDP), United Nations Children's Fund (UNICEF), United Nations High Commissioner for Refugees (UNHCR), United Nations Population Fund (UNFPA), World Health Organisation (WHO), United Nations Conference on Trade and Development (UNCTAD) and the United Nations University (UNU).

About Universiti Malaya

Universiti Malaya, or UM, is Malaysia's oldest university. It was established in April 1949 in Singapore with the merger of the King Edward VII College of Medicine (founded in 1905) and Raffles College (founded in 1928). The vision and mission of UM are to advance knowledge and learning through quality research and education for the nation and for humanity and to be an internationally renowned institution of higher learning in research, innovation, publication and teaching.

About ISIS Malaysia

ISIS was set up in 1983 as a nonprofit private company. In essence, ISIS Malaysia is the country's first think tank. Its primary concern is with the study of policy in five central areas of interest. These are: (i) Defence, Security and Foreign Affairs; (ii) National and International Economic Affairs; (iii) Nation-Building; (iv) Science, Technology, Industry, Energy and Natural Resources; (v) International Understanding and Cooperation.

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