

# MALAYSIAN ECONOMIC CONVENTION 2019

17th - 18<sup>th</sup> June 2019



PERSATUAN EKONOMI MALAYSIA  
(Malaysian Economic Association)

## “MALAYSIA IN REFORM : BUILDING CAPACITY, DIGITALISATION AND GOVERNANCE”

### INTRODUCTION

---

The 14th Malaysian General Election or GE14 held on the 9th May 2018 marked the historical defeat of the ruling party since the country's independence in 1957. The agenda of the newly elected government is reform. This agenda has sprung from a movement that started in September 1998 but since then has attracted a wide array of popular movements for social, political and economic change. The outbreak of the 1MDB scandal has exposed the many deficiencies in the existing governance of the Malaysia government. The result of the GE14 not only ended the myth of coalition politics in Malaysia but also brought forth a democratic system that offers new hope for nation-building after 60 years of independence. The new Prime Minister has promised to restore the rule of law. A series of reforms have been announced. Restoring robust governance is vital in its own right but also in strengthening the foundations for an economy. The economy needs to leverage new business innovations and disruptions that are occurring with increasing frequency. This convention provides a platform to analyse whether the reform process that has taken place thus far is on the right track and whether the institutional governance now is on the way to face new challenges in the new industrial revolution. The sub-themes of this convention are therefore Governance and Reforms, and the New Business Environment.

**Malaysian Economic Association** is proud to host the **Malaysian Economic Convention 2019**. We cordially invite submission of research papers in the following themes and sub-themes as listed below:

### THEME

---

#### **Theme 1: Governance and Reform**

Reform in Regulatory System  
Good Governance  
Government's Role in Business

#### **Theme 2: The New Business Environment**

Business Innovation and Disruption  
Talent Development  
Business Digital Transformation

## **Theme 1: Governance and Reform**

The reforms that are underway cover many areas, but several of these are vital to good governance. These are the separation of powers, public sector governance, and the state's role in economic activity.

### **Reform In Regulatory System**

Separation of powers between the three main branches of government, the legislative, executive and judicial, is essential to prevent the concentration and arbitrary exercise of power by any single branch. Arbitrary use of power leads to corruption. Malaysia had this separation written into its constitution, but over time this has eroded. The emergence of corruption would hardly be unexpected. A prerequisite to sound governance is to reverse this decay. Measures need to be instituted to ensure this separation of powers regains its effectiveness, and also past steps to weaken this separation are not repeated. Reform in the regulatory system is needed to ensure that the legislative system stays relevant and provides the necessary laws to propel Malaysia to greater heights in business performance index and other indicators. What are these measures and the sequencing of their implementation is the areas that require discussion.

### **Good Governance**

The recent historic general election on May 9 illustrates the concern of Malaysians about correcting the trajectory of the country. Malaysians have voted in a new government that holds out the promise of national reform. Hence, the issue of good governance is of great importance. In acknowledging this, research at many levels, including corporations, non-profit organisations, local and federal governments, as well as international organisations are crucial. This includes the review of and suggestions for the internal organisation of firms, corporate governance, private provision of public goods, local public policies and relations across levels of government. Furthermore, public expenditure and regulation, as well as the implementation of international agreements need to be transparent to deter mismanagement and fraud

### **Government's Role in Business - Malaysia Inc 2.0**

While there exists a legitimate role for government in the economy, such as the enforcement of a regulatory framework to ensure fair competition, the extent to which this role is expanded to other areas of business remains contentious. While the boundaries for government intervention depend to an extent on the nature of the economy, excessive intervention can have an adverse impact on private sector initiatives. As revealed in the book Ministry of Finance Inc., Malaysia's state involvement in business through GLCs is not only extensive, but control of these GLCs is also highly concentrated. How does this affect the private sector's ability and incentive to function in the economy in general, and to respond to the rapidly changing business environment, in particular, is an issue of great importance.

## **Theme 2: The New Business Environment**

### **Business Innovation and Disruption**

Digitalisation means revolutionising interactions, communications, business functions and business models and transforming processes, products, and services. Cloud computing, the Internet of Things and big data are transforming the Malaysian industry, both manufacturing processes and services, increasing efficiency in all sectors. This makes industrial value chains shorter and more vertically integrated than in the past. However, it is not the only disruption that will change the very nature of how business is done. New payment systems, related to digitisation and ride-sharing services, have a significant impact on existing businesses. To be able to manage, and even better, to leverage off these disruptions, Malaysian industries and companies must ensure that their business models enable innovation, as well as investment in the development of the necessary skills. What role should the state play in this rapidly changing environment?

## **Talent Development**

It is well recognised that a trained, skilled and well-educated workforce is essential for raising labour productivity, boosting economic performance and ultimately raising income for the nation. In light of an environment with heightened competition, the development of human capital becomes the primary and most pressing task. Malaysia's problem has been eloquently assessed as: "We are not producing enough talent and those we trained are also leaving." The priority is to pay attention to the education system. Given its many deficiencies permeating the entire system, nothing short of comprehensive reform will suffice. Attention also needs to be paid to strengthening technical and vocational education (TVE), long regarded as a poor cousin of academic education. TVE has anchored the technology upgrading in countries like Germany and Korea. The third area of focus is talent retention. While this is a significant challenge, there are lessons to be learnt from the experiences of countries like China.

## **Business Digital Transformation**

Industry 4.0 entails manufacturers will move from their traditional operation to digitalising their operation by acquiring the cutting-edge technologies to merge all departments on real-time mode using IoT – Internet of Things. The Industry 4.0 business transformation is driven by smart technologies that are developing at an exponential rate and is continuously powered by new Technology Innovations. Due to the rapid change in the global business environment, the old business model cannot be sustained due to high operation cost. Here the industries of all sizes of all sectors will need to learn how to respond and adopt new technologies in order to remain strong and relevant in today's competitive world. This session will be an opportunity for participants to learn about industry digital business transformation through the convergence of physical and digital technologies.

### **PAPER SUBMISSION GUIDELINES:**

Please email the title and abstract by 31 March 2019 to [mgt@pem.org.my](mailto:mgt@pem.org.my), and followed by a full paper on or before 30 April 2019. Selected papers presented in the conference will be published in the journal.

### **IMPORTANT DATES**

---

---

1. Submission of Title and Abstract: 31 March 2019
2. Full Paper Submission: 30 April 2019
3. Decision on Acceptance of Paper: 7 May 2019
4. Registration Date: 15 May 2019

### **GUIDELINES FOR PAPER WRITING**

---

---

Manuscripts must be in English. The paper should be prepared with Times New Roman font 12 and line spacing 1.5. The first page of the manuscript should include paper title, author's name(s) and affiliations, contact information and e-mail address, and abstract of less than 300 words (detailed enough to encourage the reader to explore the whole paper). Please note that all papers must be submitted in PDF and Microsoft Word to MEA Secretariat, email address: [mgt@pem.org.my](mailto:mgt@pem.org.my). Website: <http://pem.org.my/>

## CONFERENCE FEES

---

1. Regular: RM1,000.00
2. Members: RM900.00

Registration fee includes Conference Kits, all refreshments and meals during the conference, but not including dinner.

## CONTACT

---

Normala / Nancee  
The Secretariat  
Persatuan Ekonomi Malaysia  
(Malaysian Economic Association)  
C/O New Block, Faculty of Economics & Administration  
University of Malaya 50603 Kuala Lumpur

Tel No : 603-79560075 / 603-79673647

