

# Protect, Promote and Prevent

*SWRC Social Protection Bulletin*

*Spearheading Social Protection Initiatives for All*



UNIVERSITI  
MALAYA

Pusat Penyelidikan Kesejahteraan Sosial  
Social Wellbeing Research Centre  
(SWRC)

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## The Perspective

# Platform Employment: Balancing Between Social Protection and Economic Growth

**P**latform employment capitalised on digital technology based on innovative business models. It represents a type of gig employment that matches the supply and demand for labour efficiency for specific tasks through online platforms. Gig employment, generally, enhances the labour market efficiency because labours are paid for a specific job demanded by customers. In other words, labour providers can break their work into smaller segments according to job requirement. This sharing economy leads to resource optimisation.

The rise in the platform economy presents both opportunities and challenges for individual workers and the whole economy. People of various ages benefit from job opportunities provided by the proliferation of digital platforms. The platform works may serve as a complement or a substitute for conventional employment. Today, platform work is a viable substitute for young workers struggling to find jobs. Platform jobs can also complement regular jobs for those with low income. Additionally, some retirees without adequate pensions are turning to platform jobs to make ends meet.

Both pull and push factors on the labour supply side contribute to the rapid growth of platform employment. The increasing demand for greater work flexibility and improved work-life balance attracts more people to the platform industry. Conversely, some individuals are forced to join the industry due to a lack of suitable job opportunities in the formal sector. Rapid

growth in the platform industry has also provided job opportunities for many, particularly during the COVID-19 pandemic, when many people lost their jobs. Data from MDEC shows that there were 123 gig platforms in 2021, compared to only 11 in 2016.



The growth of the digital platform industry benefits the economy as it creates jobs for many. However, its rapid growth presents issues and challenges to the economy that require serious attention. Table 1 outlines some of these issues and challenges.

The employment status of platform workers is often unclear. Some consider them employees, while others view them as self-employed. This ambiguity led to legal challenges in several European countries. In many countries, including Malaysia, platform workers are often classified as self-employed.

The main issue about this is the limited access to social protection such as income replacement schemes for retirement and employment insurance which are available to formal sector employees. Platform owners often view platform workers as business partners rather than employees. Therefore, the platform owners are not legally responsible for social protection of their business 'partners'.

Singapore has recently passed a landmark Platform Workers Bill, recognising platform

workers as a distinct category and extending social protection similar to that for conventional employees.

In Malaysia, the platform workers fall into the category of own-account workers in informal employment, according to the Department of Statistics Malaysia (DOSM) (Figure 1). Own-account workers represented 15.0% of the total employed persons in Malaysia, making it the second largest after the employees' category (78.5%). The numbers increased from about 1.5 million in 2001 to 2.2 million in 2021, during the COVID-19 pandemic outbreak.

In Malaysia, platform workers are not covered by formal pensions and retirement legislation. Nevertheless, they may voluntarily participate in the EPF scheme for their retirement plan under the i-Saraan scheme or the self-contribution scheme for people above 60 years old. However, the participation rate is low due to various reasons, including low wages and lacking financial literacy. In 2022, i-Saraan recorded 552,744 contributors out of 2.3 million own-account workers.

**Table 1: Issues and Challenges Related to Platform Employment**

Issues & Challenges	Remarks
Downward pressure on wages	Strong growth in the low-skilled labour supply lowered the marginal product of labour and exerting downward pressure on wages.
Transitory vs permanent employment	Permanent platform workers are vulnerable to low wages and lack of social protection, while those engaged temporarily, may face skill obsolescence.
Low-productivity economy trap	Both the economy in general and the services sector in particular may become trapped in the low productivity structure due to lower marginal product of labour.
Limited social protection	Platform workers have limited access to social protection due to their informal employment status.
Low level human capital development	The industry's need for low-skilled jobs discourages upskilling, with some youths even joining the workforce early, potentially forgoing higher education
Low value-added services	The platform industry's reliance on low-skilled jobs and a less competitive environment discourages high-tech investment, trapping the services sector in low value-added activities.

**PROTECT, PROMOTE AND PREVENT**

For employment protection, platform workers involved in passenger transportation sector (e-hailing) and goods or food transportation sector (p-hailing) are required to register with PERKESO under the self-employment scheme (Self-Employment Social Security Act 2017 (Act 789)). However, participation in the self-employed scheme for other platform workers in different sectors remains voluntary. At the end of 2022, there were 671,073 subscribers to the scheme.

Wages for platform workers, or gig workers in general, vary according to the skills required. Platform employment can be categorised into platform-initiated, worker-initiated and web-based contests. Platform-initiated employment is associated with low-skill and low-wage jobs using third-party platforms like e-hailing and p-hailing. Worker-initiated platform employments involves high skills jobs that

command higher wages. Web-based contest jobs are on-demand contracts that require high skills and also receive high wages. The two largest platform workers' groups in Malaysia are e-hailing drivers and online food delivery riders who typically receive relatively low wages due to low skills requirements.

Younger age groups below 35 represent 35.8% of the own-account workers category (DOSM, 2023). Some graduates choose this platform jobs such as e-hailing and p-hailing due to the lack of better job opportunities. The flexibilities and ease of entry into this type of job appeal to many young workers. This trend exacerbates the issue of underemployment in the country, although it can partially reduce youth unemployment. Based on MOHE's Graduate Tracer Study, 5.6% of fresh graduates in 2022 chose to work as freelancers or self-employed.<sup>1</sup> However, the

**Figure 1: A Snapshot of Employment in Malaysia, 2021**



Source: DOSM (2022)

<sup>1</sup>MOHE (2023). Graduate Tracer Study Report 2022. Putrajaya: Ministry of Higher Education

study offers no further details on the type of work they are engaged in.

The growth of platform job in Malaysia raises more serious long-term economic structural issues. Currently, the development of the digital platform economy is more focused on low-value-added services sector as indicated by the relatively low wages among platform workers. There have been several protests by platform workers demanding higher salaries. The demand-dominated platform labour market puts downward pressure on wages, discouraging the high-tech investments and high-skilled workers. This situation ultimately hamper productivity growth and slows potential output growth and therefore, affecting future economic growth.

On the other hand, the services sector can be steered towards higher value-added growth through an alternative channel, as shown in Diagram 1. The higher value-added growth of the services sector would be achieved by increasing competition within the industries and lowering the barrier to entry, coupled with promoting innovation. Such conditions will enhance labour skills and wages, leading to a higher demand for skilled labour and upward pressure on wages. Ultimately, productivity and potential output will increase, contributing to more sustainable economic growth.

The importance of the platform industry in providing job opportunities cannot be underestimated. Policymakers must ensure platform employment remains dignified, with fair wages, a safe and healthy work environment, and the ability to lift people out of poverty. At the same time, relevant policies must be implemented to ensure industry growth strengthens the economic structure and supports sustainable future economic growth.



# Diagram 1: Digital Platform Economy

## Low-value added services channel

- Less competition
- Limited platform providers
- Lower investment
- Limited innovation

## High-value added services channel

- High competition
- More platform providers
- Higher investment
- Higher innovation

### Labour Market

- Strong growth in low skilled labour
- Downward pressure on wages (lower marginal productivity of labour (MPL))
- Weaker productivity growth

- Strong growth in high skilled labour
- Upward pressure on wages (higher marginal productivity of labour (MPL))
- Stronger productivity growth

### The Economy

- Short-term growth driven by consumption (C)
- Slower investment (I) growth
- Weaker growth on potential output
- Inflationary

- Growth driven by investment (I) and consumption (C)
- Stronger investment (I) growth
- Stronger growth on potential output
- Non-inflationary

Featured Article 1

# Retirement and Pension Framework Reforms Need to be Holistic and Go Beyond Finances, say Experts

as featured in *The Edge* on 5 June 2024, by Luqman Amin

**T**he reformation of retirement schemes by the Employees Provident Fund (EPF) needs to go beyond finances and include multi-sectoral aspects such as health and social, said experts.

Beyond finances, a multi-sectoral approach is crucial for formulating effective retirement schemes in the country considering both health and social aspects, according to Prof Dr Shahrul Bahyah Kamaruzzaman, the consultant geriatrician from University of Malaya (UM) and UM Specialist Centre.

“If we are going to look at it only with regards to finances, but not look into the health as well as the social side of things, then it would be inadequate,” Shahrul said.

Numerous models can be emulated by the country in fostering a holistic comprehensive retirement scheme framework such as age-friendly communities and strategies under the World Health Organisation (WHO) framework, or an integrated care model, to name a few, according to Shahrul.

While financial constraints are often central to discussions about retirement and pension frameworks for ageing societies, other social and economic parts of the ecosystems should not be overlooked.

Speaking at the International Social Wellbeing Conference 2024 (ISWC) here on Wednesday, Dr Lee Hwok-Aun, a senior fellow from ISEAS-Yusof Ishak Institute pointed out the need to have "lifelong learning" in response to changes in the labour market situation in the country.

## PROTECT, PROMOTE AND PREVENT

Lee noted that the pandemic has led to a sharp increase in "re-employment" among senior citizens aged 55-64, which raises concerns over time.

"There's been no attention to that phenomenon of rising unemployment among seniors in 2020. That's why I wanted to make sure that we brought it up because we're talking about re-employment [of] older workers in the labour market" Lee told The Edge on the sidelines during the ISWC.

"For now, it's probably back to kind of the more normal situation where unemployment [for the elderly] is very low. But what if another crisis happens? Are we prepared? Are we focused? Does the labour market provide jobs for them?" Lee questioned.

EPF to focus on formulating a multi-tier retirement scheme framework

Meanwhile, EPF chief executive officer (CEO) Ahmad Zulqarnain Onn said his organisation is committed towards reforming the retirement framework.

He emphasised during his closing remarks the urgency of transitioning from a "single

pillar" system to a "multi-tier or multi-pillar system."

"As for today, [we] have a single-filler system and there is a need to add these multi-tier or multi-traditional layers to the system.

"This [is] pressing to do so because time is short [as] you have seen the data [that we] will become an aged nation by 2057," Ahmad said.

Earlier on Wednesday, Professor Datuk Norma Mansor, the director of the Social Wellbeing Research Centre at the University of Malaya told The Edge the need to adapt the system, with the focus on having a contributory social pension (CSP) scheme.

The mechanism, akin to insurance, allows individuals to receive returns based on their age or upon maturity after 15 years.

Recipients would benefit from basic pension alongside the CSP scheme, in addition to their EPF savings or the Public Retirement Scheme.

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*This [is] pressing to do so because time is short [as] you have seen the data [that we] will become an aged nation by 2057.*





## Featured Article 2

# Self-employed Malaysians Urged to Subscribe, Contribute to Socso

as featured in NST on 3 October 2022, by Azdee Amir

The Social Security Organisation (Perkeso) has pleaded to working Malaysians, especially the self-employed, to subscribe to the organisation's Self Employment Social Security Scheme (SKSPS).

Perkeso Chief Executive Datuk Seri Dr Mohammed Azman Aziz Mohammed made the plea during a visit to the home of p-hailing delivery rider Muhaimin Said, 34, who was killed in a road accident on Sept 23.

"We would like to inform Malaysians, especially those who are self-employed, such as p-hailing delivery riders, to make contributions through the SKSPS scheme and take advantage of the opportunity to receive matching aid and assistance contributions from the government.

"Through the SKSPS matching contributions, the self employed in eight targeted groups including those who rely on digital applications under a delivery company or a service platform provider only have to pay RM46.60 (20 per cent) under the SKSPS second contribution plan. The remaining 80 per cent contribution of RM186.20 will be borne by the government," he revealed.

Azman urged self-employed individuals nationwide to immediately subscribe to Perkeso's SKSPS so that they will always be covered in the event of mishaps, accidents and even illnesses while working.

He stressed that those who work as p-hailing delivery riders riding motorcycles as the mode of transport face a high risk of being involved in accidents while working, leading to loss of life in the worst-case scenario.

"Even though the late Muhaimin was no longer working for an employer in a formal sector, he was still covered under the Employees Social Security Act 1969 because the coverage scheme is based on the principle of 'Once in, always in'.

"Therefore, the next-of-kin, in this case the widow of the deceased, is eligible to receive a pension if the insured individual dies before the age of 60 and contribution requirements are fulfilled.

## PROTECT, PROMOTE AND PREVENT

"We are very sorry that Muhaimin lost his life and we extend our heartfelt condolences to his bereaved family. After carrying out checks, we found out that Muhaimin had made contributions under two acts, the workers' social security act of 1969 and the Self-Employment Social Security Act 2017.

"Therefore Muhaimin's widow is eligible to receive the pension under the Disability Scheme of the Employees Social Security Act 1969 amounting to RM882.98 a month which will be paid periodically for life.

"Apart from this, his widow will also be eligible to receive the dependants benefit amounting to RM837.00 a month which will be paid for life, as well as the one off payment of RM2,000 for funeral expenses under the SKSPS of the Self-Employment Social Security Act 2017.

"For the SKSPS contribution, the late Muhaimin is one of the beneficiaries of the government incentive through the SKSPS matching contribution (SPS Gig) under the 2022 Budget," Azman said.



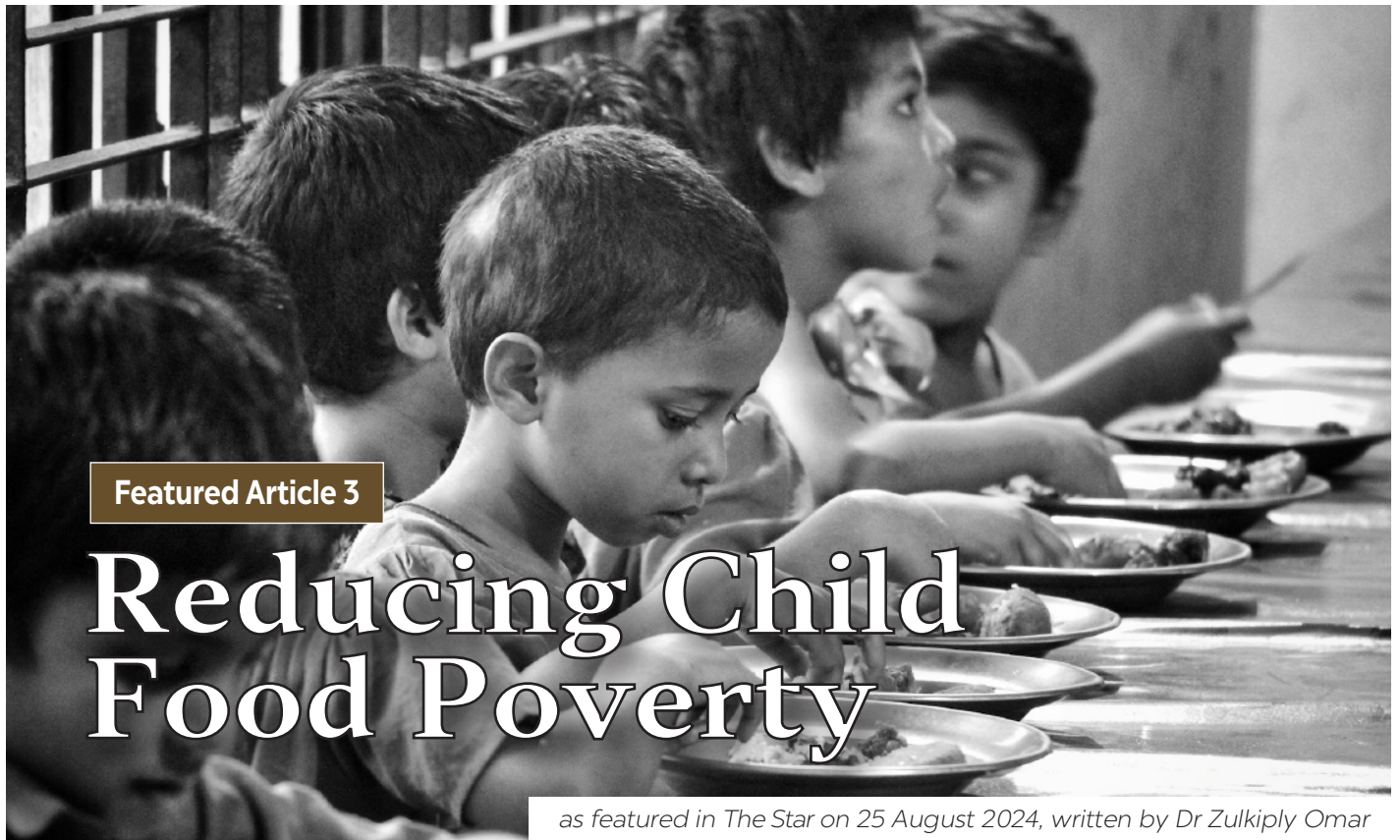
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Featured Article 3

# Reducing Child Food Poverty

as featured in *The Star* on 25 August 2024, written by Dr Zulkipli Omar

**F**ood insecurity is a challenge for the B40 group. These families' children often bear the consequences of inadequate access to nutritious food.

However, it is important to acknowledge that even some children from higher-income families face the same struggles due to lifestyle choices.

A recent Unicef report revealed that 21.9% of Malaysian children under five are stunted. This is similar to the rate in low-income countries and above the world average of 16.8%.

The 2023 report further highlights that 90% of low-income households in KL are forced to make extreme choices, like reducing food intake due to rising food prices, impacting their children's nutrition.

This lack of sufficient nutritious food intake leads to many other negative health-related indicators in Malaysian children. These issues require serious attention not only for the well-being of the children but also for Malaysia's future socio-

economic development due to its negative implications on labour productivity.

Paradoxically, these gloomy social indicators are looming amid somewhat improving household economic indicators – stemming from continuously favourable economic growth. Malaysia's monthly household median income almost doubled in a decade, reaching RM6,338 in 2022. The Gini coefficient is improving over time.

Above all, Malaysia is on the verge of realising the vision set more than three decades ago to become a high-income nation.

Malaysia's socio-economic development has been rather remarkable. The standard of living has improved tremendously, with an urbanisation rate of almost 80%.

Extreme income poverty is nearly non-existent. However, this progress hasn't been equal for all Malaysians. The challenge is in ensuring equitable distribution of these gains. Child food poverty, particularly prevalent among low-income groups, is a prime example.

## PROTECT, PROMOTE AND PREVENT

This issue of inequitable distribution of wealth needs to be resolved through the perspective of social security. Although macroeconomic policies play a significant role in fostering economic growth, on their own, they can't tackle the issue of wealth inequality.

As the saying goes, "you cannot see the forest for the trees". Experiences of many countries show that a direct approach through social transfers is more effective in addressing child food poverty, particularly through in-kind transfers.

For instance, the free food programme for school children can cover a wider target group. All children without exception will have access to nutritious foods. At the same time, this programme would also be able to reduce food expenditure, especially for low-income families.

Currently, Malaysian households spend a substantial proportion of their income on food and beverage away from home, as captured in the restaurants and accommodation services expenditures in the Department of Statistics Malaysia's Household Expenditure Survey, 2022.

Ironically, all five quintiles of households, including the bottom two lowest-income quintiles, spent about 10-12% of their income on this expenditure category. This pattern hinted that spending on food and beverages away from home is not necessarily about a lifestyle for the rich. Understanding why B40 households continue to spend on food away from home despite potential cost savings through home-cooked meals is important.

Rechannelling social assistance from blanket subsidies towards a more categorical target, like providing free nutritious food for children, gives a better return to society. Blanket subsidies, like fuel subsidies, often have unintended receivers; they benefit wealthier households who consume more.

Although some subsidies, to a certain extent, can improve households' disposable income, they prove to be less effective in tackling the specific challenge of improving childhood malnutrition.

A universal free nutritious food programme for school children is certainly more effective. Nevertheless, we can start with an income-targeting programme to address the most vulnerable children.

The household spending pattern that shows the B40 households spent quite a substantial percentage of their income on food away from home should be analysed simultaneously with child food poverty.

It is common for Malaysian children to bring pocket money to buy food in school. This spending is part of food away from home in household expenditures. Financially poor households are prone to a trade-off between quantity and quality of food for their children. At the same time, there is no guarantee that children of higher-income households will consume more nutritious food in school. This situation has exacerbated the child food poverty issue.

The free school nutritious food programme is an effective social security instrument. This social transfer has a direct impact on improving children's food intake. The programme can also directly increase household disposable income, particularly for lower-income group, through a reduction in household spending on food away from home.

The programme could also be embedded with additional objectives of health consciousness among the public, such as food and nutrition literacy and the health and financial benefits of consuming home-cooked food.

# Wajibkan Pekerja Asing Carum KWSP Pacu Produktiviti Ekonomi

*diterbitkan di Berita Harian pada 11 September 2024, oleh Dr Zulkipli Omar*

**K**epentingan buruh asing kepada ekonomi negara tidak dapat dinafikan. Perkembangan ini didorong pertumbuhan penduduk perlahan berbanding keperluan tenaga buruh untuk aktiviti pengeluaran negara.

Pada masa sama, penyerapan teknologi tinggi tidak berintensif buruh agak perlahan. Dalam pada itu, tahap ekonomi negara lebih tinggi berbanding negara serantau turut menjadi faktor pendorong kepada kemasukan pekerja asing.

Kekurangan penciptaan pekerjaan di negara asal berserta dengan upah lebih murah mendorong mereka berpindah mencari rezeki di negara ini.

Banyak diperkatakan implikasi buruk-baik kemasukan pekerja asing terlampau ramai terhadap keadaan sosioekonomi negara. Antaranya, gangguan terhadap pasaran buruh negara dan penyerapan teknologi perlahan, seterusnya menjadi antara faktor menyumbang kepada pertumbuhan produktiviti perlahan.

Gangguan terhadap pasaran buruh mendorong kepada pelbagai isu seperti pengangguran siswazah, guna tenaga tidak penuh (underemployment) serta gaji dan upah rendah.

Terdapat juga masalah sosial dikaitkan pendatang asing. Namun, kehadiran pekerja asing menyumbang kepada pertumbuhan ekonomi jangka pendek rancak.

Bagaimanapun, ada aspek yang kurang diberi perhatian berkaitan pekerja asing, iaitu perlindungan sosial. Secara umumnya, perlindungan sosial ialah sistem melindungi

setiap individu daripada terdedah kepada risiko sepanjang hayat mereka.

Risiko utama adalah kemiskinan dalam konteks luas, iaitu multidimensi. Setiap individu boleh terdedah kepada kemiskinan di peringkat tertentu sepanjang hidup mereka.

Secara ringkasnya, sistem perlindungan sosial mampan bergantung kepada produktiviti buruh tinggi. Pada masa sama, sistem perlindungan sosial baik turut menyumbang kepada peningkatan produktiviti.

Bermula Julai 2024, pekerja asing diwajibkan mempunyai perlindungan di bawah skim keilangan sebagai tambahan kepada skim bencana pekerjaan Pertubuhan Keselamatan Sosial (PERKESO) yang sudah diwajibkan sejak 2019.

Ini bukan sahaja sebagai isyarat menghormati hak asasi manusia, malah menyumbang kepada peningkatan produktiviti ekonomi negara.

Selain perlindungan berkaitan risiko pekerjaan, pekerja juga perlu mempunyai sistem perlindungan untuk pendapatan hari tua atau lebih dikenali sebagai pencen.

## **AS Wajibkan Pekerja Asing Bayar Cukai Payroll**

Sebagai perbandingan, pekerja asing di Amerika Syarikat (AS) diwajibkan membayar cukai payroll. Sebahagian daripada cukai itu adalah sumbangan kepada perlindungan sosial dan insurans perubatan (Medicare) dikenali sebagai cukai Keselamatan Sosial (FICA). Majikan juga wajib membayar cukai payroll untuk pekerja mereka dengan kadar sama.

## PROTECT, PROMOTE AND PREVENT

Di negara ini, Kumpulan Wang Simpanan Pekerja (KWSP) bertanggungjawab menguruskan simpanan untuk hari tua pekerja melalui kaedah caruman wajib bulanan. Namun pekerja asing tidak diwajibkan menyertai skim ini, cuma digalakkan secara sukarela.

Sekiranya mereka mengambil bahagian dalam skim ini, mereka perlu mencarum 11 peratus daripada gaji mereka setiap bulan dan majikan wajib menyumbang RM5 ringgit. Ini berbeza dengan pekerja tempatan wajib mencarum 11 peratus dari gaji bulanan mereka dan ditokok 13 peratus oleh majikan.

Perbezaan caruman KWSP antara pekerja tempatan dengan pekerja asing ini merugikan negara dari segi potensi pertumbuhan ekonomi, di samping isu hak asasi perlindungan sosial pekerja asing.

Caruman KWSP menjadi sumber tabungan penting untuk negara. Tabungan pula menjana pelaburan atau pengumpulan modal untuk meningkatkan keupayaan pengeluaran negara.

Jumlah tabungan dan seterusnya pelaburan modal negara akan meningkat jika pekerja asing diwajibkan mencarum dalam KWSP mengikut kadar sama seperti pekerja tempatan, iaitu masing-masing 13 peratus dan 11 peratus untuk majikan dan pekerja. Mengikut Jabatan Perangkaan Malaysia, terdapat lebih 1.4 juta pekerja asing di negara ini pada 2022.

### RM6 Bilion Dapat Dijana

Jika pekerja asing diwajibkan mencarum mengikut kadar seperti pekerja tempatan, sekurang-kurangnya RM6 bilion tabungan dapat dijana melalui KWSP. Ini tidak termasuk jumlah dijana melalui PERKESO.

Jumlah tabungan dijana melalui KWSP dan PERKESO boleh disalurkan untuk pelaburan, terutama membabitkan perusahaan mikro, kecil dan sederhana (PMKS). Pada masa sama, strategi pelaburan harus tertumpu kepada pengurangan keperluan tenaga buruh kurang berkemahiran tinggi. Ini seterusnya mampu meningkatkan permintaan untuk siswazah tempatan berkemahiran tinggi.

Pelaburan menyumbang cuma lebih kurang satu perlima daripada Keluaran Dalam Negara Kasar (KDNK). Umpamanya pada 2023, sumbangan pelaburan kepada KDNK adalah 20.1 peratus, berbanding sumbangan penggunaan sebanyak 73.9 peratus. Struktur ekonomi negara akan menjadi lemah jika tidak ditangani dengan usaha meningkatkan pelaburan, terutama pelaburan domestik.

Caruman wajib KWSP terhadap pekerja asing juga berpotensi mengurangkan penghantaran wang keluar ke negara asal mereka. Ini kerana caruman wajib akan mengurangkan pendapatan boleh guna mereka.

Di samping itu, mereka juga berkemungkinan secara sengaja mengurangkan hantaran wang keluar kerana mempunyai tabungan KWSP boleh dikeluarkan jika mereka kembali ke negara asal secara kekal.

Bank Negara melaporkan jumlah penghantaran wang keluar sebanyak RM34.2 bilion pada 2023, berbanding RM28.5 bilion pada tahun sebelumnya dan RM22.9 bilion (2019). Ini menunjukkan peningkatan ketara walaupun jumlah pekerja asing menurun daripada 1.8 juta orang pada 2019 kepada 1.4 juta (2022).

Berkemungkinan jumlah penghantaran keluar akan berkurangan melalui tabungan wajib walaupun mereka mengekalkan corak perbelanjaan.

Terdapat persepsi mengatakan buruh asing bersaing dengan buruh tempatan mengundang kepada peluang pekerjaan untuk warga tempatan terhad. Namun, terdapat kajian antara lain oleh Bank Dunia mengatakan pekerja asing memberi kesan positif terhadap pertumbuhan ekonomi negara dan tidak bersaing dengan pekerja tempatan.

Walau apapun, adalah baik sekiranya Malaysia dapat memaksimumkan manfaat pekerja asing untuk meningkatkan potensi pengeluaran negara supaya struktur ekonomi lebih bersedia untuk pertumbuhan jangka panjang lebih mampan.

SWRC In the News

# Retirement Crunch Looming

*as featured in The Star on 9 December 2023, written by Gerard Gimino*



**Professor Datuk Norma Mansor**  
Director,  
Social Wellbeing Research  
Centre (SWRC)

“

By planning for retirement, you can feel emotionally better and more secure as you have the fiscal space and fiscal freedom,” she said.

Prof Norma added that SWRC was proposing to the government to establish a universal old-age social pension fund, similar to those in Thailand and Vietnam.

“This way, retirees can get some monthly income. Those in the higher income groups can be administratively excluded,” she added.

”

SWRC In the News

## Ageing Population Needs GST-like Tax, Says Economist

*as featured in NST on 5 June 2024, written by Diyana Isamudin*



What other countries did when they have ageing population or shrinking working age population is to spread the burden. Tax on consumption like GST generates a lot of money by spreading the burden on everyone, not only the workers.

However, the disadvantage is it's regressive. Now, how do we make it progressive? By giving it back ...to give it to senior citizens, which is what we are proposing.

Amjad suggested using at least 0.75 per cent of the taxes collected from the consumption tax to fund the non-contributory social pension (NCSP) portion. He said operationalising the multi-tier system based on contributory (CSP) and non-contributory social pension (NCSP) will enable everyone to enjoy the same amount of funds, regardless of sectors, vulnerability and genders.

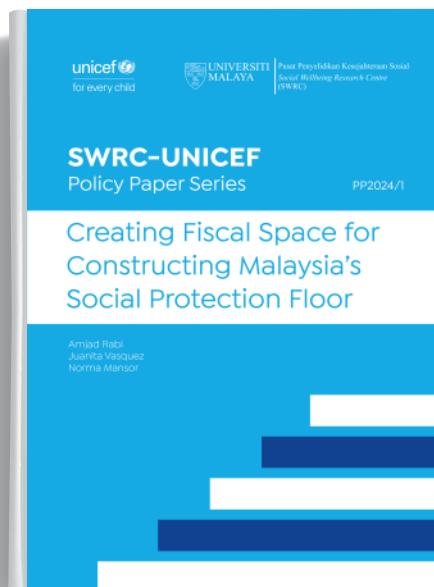


**Dr Amjad Rabi**  
Visiting Expert,  
Social Wellbeing Research  
Centre (SWRC)





## Featured Book



### SWRC-UNICEF Policy Paper Series PP2024/1

## Creating Fiscal Space for Constructing Malaysia's Social Protection Floor

Amjad Rabi  
Juanita Vasquez  
Norma Mansor

For more info: please visit our website  
<https://swrc.um.edu.my/working-paper-series>

Malaysia's rapidly ageing population necessitates substantial investment in young people to sustain future productivity and manage economic burdens. However, a significant number of children are affected by stunting and wasting, indicating insufficient investment in early childhood development. With this shortfall, Malaysia risks suffering long-term productivity losses and perpetual poverty cycles that may threaten future economic stability.

Malaysia's non-contributory social assistance programmes have expanded significantly, resulting in a fragmented system involving numerous agencies. With over 61 programmes spread across more than 15 ministries and agencies, this complexity leads to significant exclusion errors and low adequacy.

To address these issues, the study proposes the gradual introduction of a coherent Social Protection Floor (SPF) that follows the life cycle and the inherent vulnerabilities throughout, covering pregnant women, children, persons with disabilities, and senior citizens. This integrated framework aims to bridge coverage gaps and ensure a cohesive and equitable system that delivers tangible benefits to all segments of society.

Introducing a SPF can cushion welfare losses resulting from subsidy rationalization: Implementing a well-designed cash assistance programme targeted at vulnerable life stages (childhood, old age, maternity, disability) through periodic disbursements can alleviate welfare repercussions from inflationary pressures.

PROTECT, PROMOTE AND PREVENT

# Activities and Gallery

A compilation of SWRC's activities, June - August 2024

## Short-term Training Programme Informatics for Labour Market Analysis (ILMA)

9-11 July 2024 @ Wyndham Grand Bangsar Kuala Lumpur

→ The Informatics for Labour Market Analysis (ILMA) was organised by SWRC between 9-11 July 2024 at Wyndham Grand Bangsar Kuala Lumpur involving 36 participants from various SOCSO offices across Klang Valley. The trainer for this programme was Prof. Dr. Yong Chen Chen, a professor at Faculty of Business and Economics, Universiti Malaya.

ILMA guided the participants to harness the power of digital technology in transforming data and information into knowledge in labour market analysis. Participants were exposed to the knowledge of labour market information system (LMIS) by knowing the purpose, functions, components, data sources, indicators and caveats of LMIS in labour market analysis.

Participants were also trained on how to obtain insightful information from national survey data and create data visualization that prompt scientific enquiry and facilitate a specific decision-making process. Hands-on assignments on cohort analysis for wages in Malaysia using a panel synthetic model were carried out using Tableau software in this training programme.





## Learning Workshop on Economic Human Rights: Rationale and Directions for Malaysia

19-20 August 2024 @ EPF Learning Campus, Bangi

→ Learning Workshop on Economic Human Rights: Rationale and Directions for Malaysia was conducted between 19-20 August 2024. The workshop was a joint initiative between SWRC, SUHAKAM and EPF.

This learning initiative offered a comprehensive examination of public policies aimed at advancing economic human rights in Malaysia, grounded in the normative framework established by international human rights instruments. Through this initiative, participants gained insights into the intersection of economic human rights and public policy.

The workshop saw the participation of more than 30 participants. This training is envisioned to become a flagship training for rights-based organizations operating in Malaysia.



# 2024 INSAP ECONOMIC FORUM

## Session 3: Balancing Economic and Sustainable Social Development in Malaysia

12 July 2024 @ UTAR Bandar Sungai Long Campus



→ The inaugural INSAP Economic Forum 2024 convened industry experts, economists, academia, professionals and representatives from the business community to identify and discuss immediate measures for building a resilient Malaysian economy.

The main focus of the forum was centered around securing the livelihoods of people and ensuring sustainable development, even in the face of global challenges.

SWRC's Director, Professor Datuk Norma Mansor was invited as one of the panellists for Session 3: Balancing Economic and Sustainable Social Development in Malaysia. She was joined by Mr Jason Leong (Bettermind Sdn Bhd) and Sr Dr Chin Hon Choong (UTAR). The session was moderated by Prof Madya Dr Zaini Othman from UKM. Among key themes explored in this session was the critical role of social protection in safeguarding the wellbeing of the population.

# 3rd ASEAN CONFERENCE ON HEALTHY AGEING 2024

## “Ageing Successfully - Equitably, Actively & Naturally”

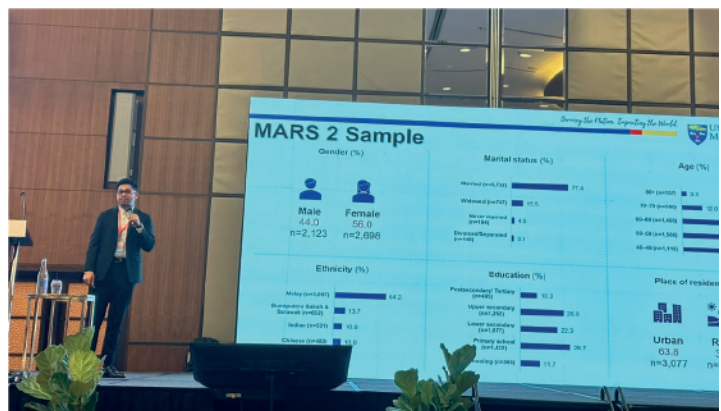
30 July - 1 August 2024 @ St. Giles Wembley Penang

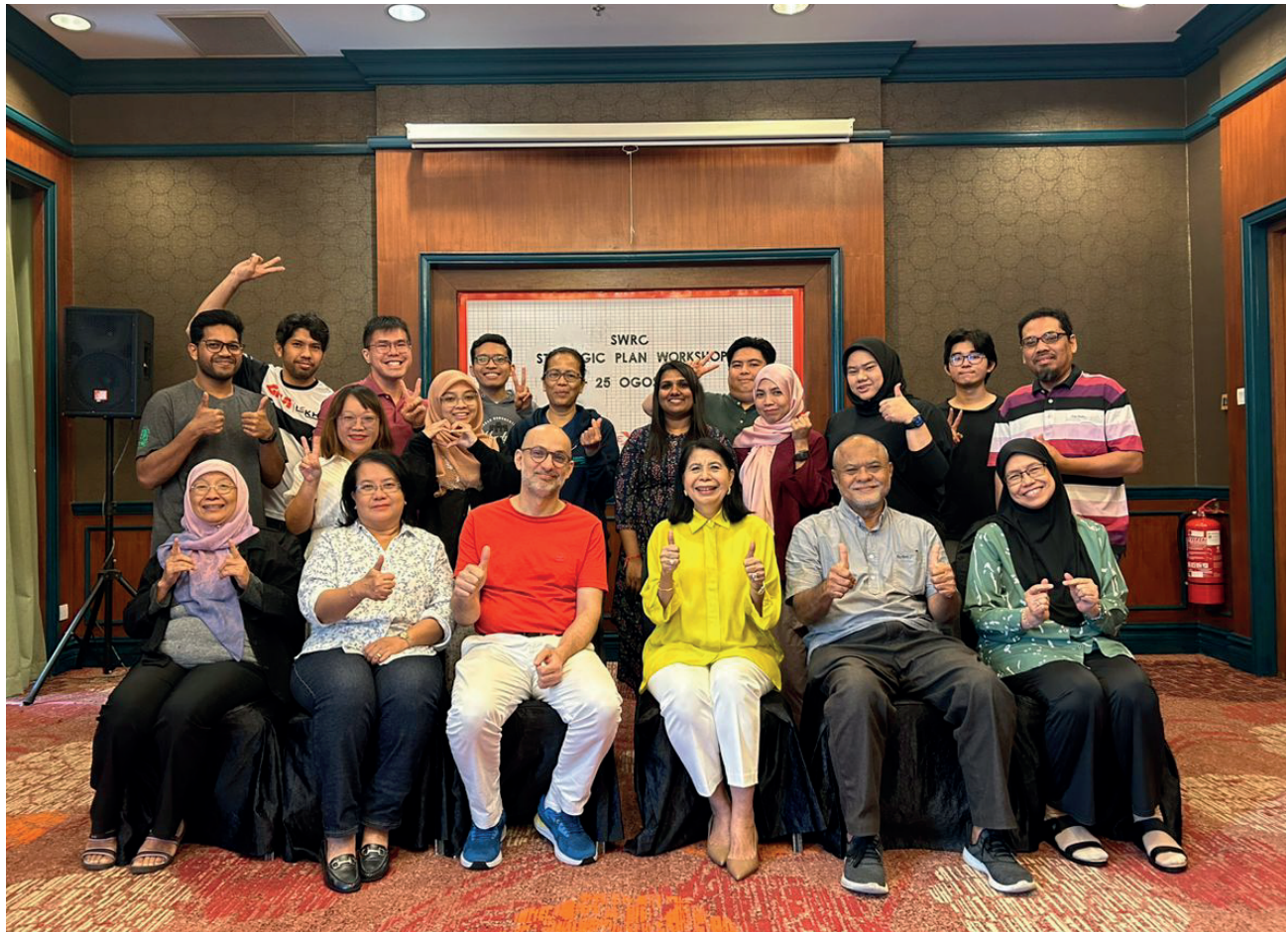


→ The 3rd ASEAN Conference on Healthy Ageing was held between 30 July - 1 August 2024 in Penang. The conference, organised by the Malaysian Healthy Ageing Society (MHAS), highlighted the various challenges and issues with regards to healthy ageing, from a holistic perspective.

The conference also act as a platform to discuss the unique challenges of ageing faced throughout the ASEAN continent, which encompasses cultural, ethnic and religious aspects, in addition to global ageing concerns.

SWRC’s Associate, Dr Muhammad Aizat Zainal Alam was invited to present on MARS Wave-2 findings. The conference was officiated by the Minister of Health, YB Datuk Seri Dzulkefly Ahmad.





## 2025 SWRC Strategic Plan Workshop

23-25 August 2024 @ Port Dickson, Negeri Sembilan

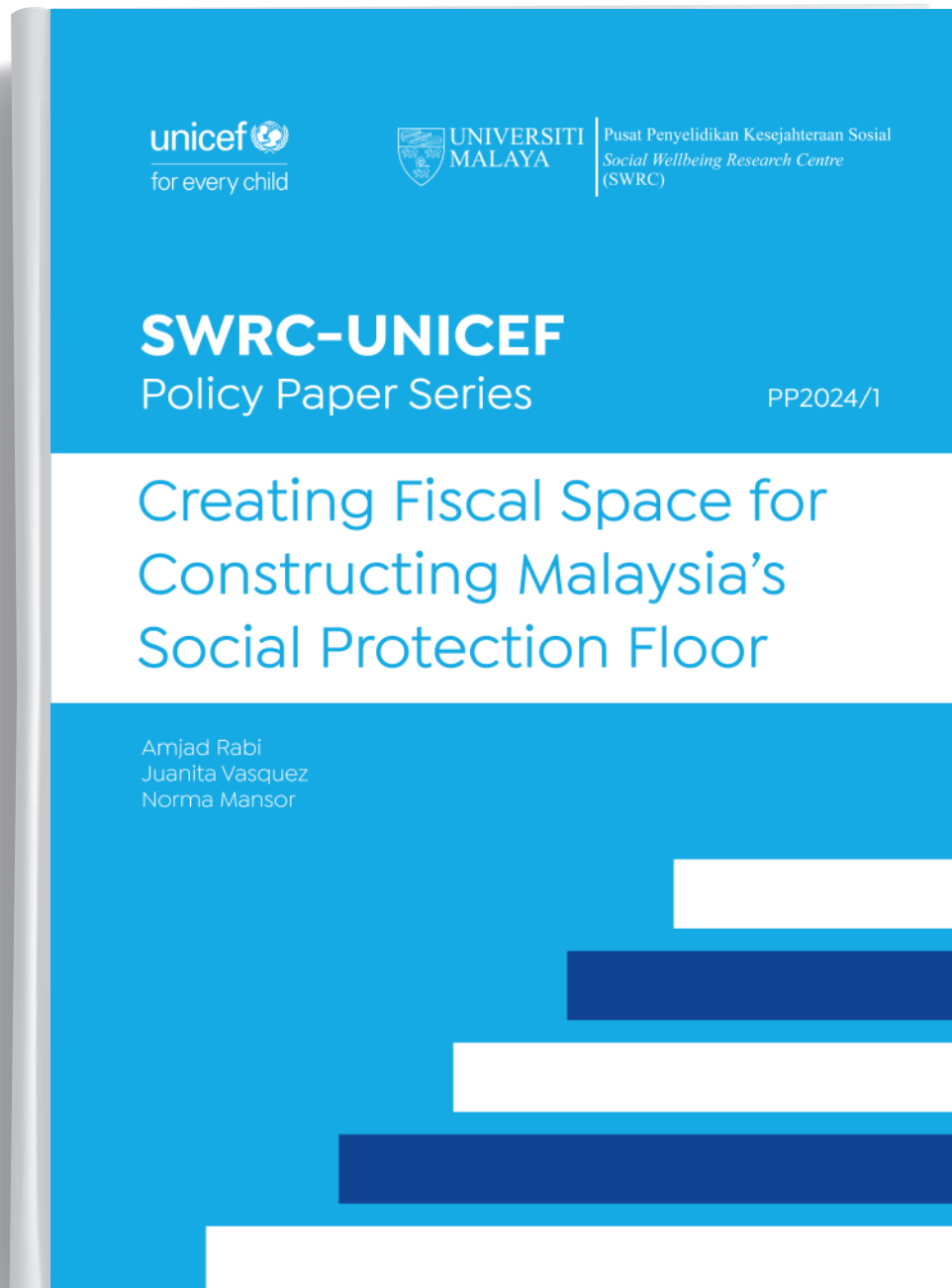
→ 2025 SWRC Strategic Plan Workshop was held between 23-25 August 2024 at Port Dickson, Negeri Sembilan. The primary objective of the workshop was to review the centre's current progress and achievements to ensure they reflect the centre's long-term aspirations.

The session was divided according to the centre's main projects and activities such as the Malaysia Ageing and Retirement Survey (MARS), Belanjawanku Expenditure Guide and Pension and Retirement Professional Programme (PRPP). Action plans were developed to address key challenges for each project, as well as to track progress towards achieving strategic goals.



# Roundtable Discussion and the Launch of SWRC-UNICEF Policy Paper 2024/1 - “Creating Fiscal Space for Constructing Malaysia’s Social Protection Floor”

29 July 2024 @ Auditorium, ISIS Malaysia







## Panellists



**Dr Amjad Rabi**  
Visiting Expert, Social Wellbeing  
Research Centre (SWRC)



**Farqani Mohd Noor**  
Social Policy Specialist,  
UNICEF



**Calvin Cheng**  
Fellow, Institute of Strategic  
& International Studies  
(ISIS) Malaysia



**Lee Min Hui**  
Senior Analyst, Institute  
of Strategic & International  
Studies (ISIS) Malaysia

→ Creating fiscal space to support key social investments, especially in child-sensitive social protection measures, is essential for Malaysia’s sustainable development. Recognising the pivotal role of the national budget in advancing societal objectives, this roundtable analysed Malaysia’s fiscal landscape comprehensively, with a particular emphasis on the importance of government allocations towards education, healthcare and social protection.

SWRC’s Director, Professor Datuk Norma Mansor moderated the roundtable discussion. She was joined by Dr Amjad Rabi (SWRC), Farqani Mohd Noor (UNICEF), Calvin Cheng (ISIS Malaysia) and Lee Min Hui (ISIS Malaysia) as panellists. The policy paper, a joint collaboration between SWRC and UNICEF, was also launched during the event.

## Moderator



**Norma Mansor**  
Director, Social Wellbeing  
Research Centre (SWRC)





## **POLICY PAPER LAUNCH & PANEL DISCUSSION** **“Building a Cradle-to-Grave Care Economy”** **21 June 2024 @ ISIS Malaysia Auditorium**

➔ As Malaysia transitions into an ageing nation, care needs are set to surge alongside a shrinking workforce. This would have major impacts on economic growth, with women standing to be the most disproportionately affected. The looming care crisis threatens to deepen gender inequality and further marginalise vulnerable groups.

On 21 June 2024, ISIS Malaysia launched a new policy paper entitled "Building a cradle-to-grave care economy for Malaysia". The paper highlights the increasing demand for care services due to Malaysia's ageing population and shrinking labour force. The panel discussion was held as part of the launching event, with main focus on how Malaysia should prepare for these demographic shifts and build a cradle-to-grave care economy that is equitable and inclusive.

SWRC's Director, Professor Datuk Norma Mansor was invited as one of the panellists of the session. The policy paper was written by Lee Min Hui, Calvin Cheng, Shazana Agha and Anis Farid, with contributions from Prof Datuk Dr Norma Mansor, Dr Teoh Ai Hua and Sofea Azahar.

# Care Economy: The Business of Care

16 July 2024 @ Astro Awani

The poster features a dark purple background with orange and white text. At the top left are three orange chevrons. At the top right are the 'astro GO' and 'astro AWANI' logos. The main title 'CARE ECONOMY THE BUSINESS OF CARE' is centered in white and light blue. Below the title are two portraits of women. The woman on the left is Dr. Haniza Khalid, wearing a light pink hijab. The woman on the right is Anfaal Saari, wearing an orange hijab and glasses. Below each portrait is an orange box with their names and titles. At the bottom, the 'consider this.' logo is on the left, and the date and time 'TUESDAY • 16 JULY 2024 • 10 PM' are in the center. Below that, it says 'Watch it on CH 501 | Live TV - astroawani.com & Astro AWANI App'.

**DR HANIZA KHALID**  
Senior Research Associate,  
Social Wellbeing Research Centre, UM

**ANFAAL SAARI**  
Selangor State Exco  
for Women & Family Empowerment,  
Welfare and Care Economy

**consider this.** **TUESDAY • 16 JULY 2024 • 10 PM**  
Watch it on CH 501 | Live TV - [astroawani.com](http://astroawani.com) & Astro AWANI App

→ On 16 July 2024, SWRC's Senior Research Associate, Dr Haniza Khalid was invited as one of the guests in Astro Awani's Consider This segment. She was joined by YB Puan Anfaal Saari, state assemblywoman for Taman Templer and Selangor State Exco for Women and Family Empowerment, Welfare and Care Economy.

The session, moderated by Melissa Idris, discussed the potential of the care economy as an economic growth service sector in Malaysia and how stronger system can be built to unlock the true potential of the care economy industry.



An ISSA Technical Seminar entitled ‘Social Security for the Self-Employed and Platform Workers’ was held from 27-28 August 2024 at the World Trade Centre Kuala Lumpur (WTCKL).

The seminar focused on developing strategic and practical solutions to extend social security coverage to platform workers and the self-employed, addressing the challenges posed by the rapidly growing gig and platform economy.

SWRC Director, Professor Datuk Norma Mansor and SWRC Senior Research Fellow, Dr Zulkipli Omar were invited to participate in the seminar. Their insights provided valuable contributions to the discussions on how to ensure adequate social protection for these increasingly vulnerable groups of workers.



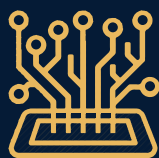
# Join us @ Pension and Retirement Professional Programme 2024!

The Pension and Retirement Professional Programme (PRPP) is a three level course aimed to train social protection practitioners to become specialists in the retirement and pension industry.



## Programme Objectives

The Social Wellbeing Research Centre aims to produce successful and certified professionals in the pension and retirement industry that are able to meet these criteria:



Capable of contributing towards the improvement of institutional development



Become the reference point for pensions management and retirement science in the region



Competent in the practices of pension analysis and retirement

## Programme Structure

The Pension and Retirement Professional Programme will be taught by a combination of lectures, hands-on, practical sessions, guided studies, and exercises. The course will be facilitated by academics and social protection industry experts from all around the world. All educational reading materials will be provided by SWRC prior to the start of each course.

### Courses

To ensure a dynamic learning experience, SWRC has developed three progressive levels of certification, which are:



### Prospective Applicants

SWRC's certifications on social protection are designed for practitioners and professionals in the finance and insurance industry, retirement planning, advisory services and other sectors to sharpen their knowledge and skills in social protection, pension system and long-term care.

### Contact Information

For queries, please contact our coordinator:

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## About Social Wellbeing Research Centre (SWRC)

The Social Wellbeing Research Centre (SWRC) is an academic multi-disciplinary research entity, focusing on conceiving and implementing research in social security and old age financial protection.

SWRC has been providing evidence-based expertise and consulting in the aforesaid domains to elevate economic development on social cohesion in Malaysia.

The Centre supports research in social protection in general and old-age financial protection, in particular. The Employees Provident Fund (EPF) of Malaysia has graciously provided an endowment fund to create the nation's first endowed Chair in Old Age Financial Protection (OAFPC), now known as Social Wellbeing Chair (SWC) at Universiti Malaya.

### STRATEGIC PARTNERS



**KWSP**  
**EPF**



**ASIAN DEVELOPMENT BANK**



**World Health Organization**

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# FLAGSHIP PROJECTS



MALAYSIA AGEING AND RETIREMENT SURVEY

**Malaysia Ageing and Retirement Survey (MARS)** is a major research undertaking by the Social Wellbeing Research Centre (SWRC) to produce nationwide longitudinal micro-level data relating to ageing and retirement involving personal interviews of individuals aged 40 years and older in Malaysia.

MARS is carried out every 2 years and is part of the harmonised database parallel with leading international family studies, namely, Health and Retirement Survey, USA; Survey of Health, Ageing, and Retirement Europe (SHARE); and Japanese Study of Ageing and Retirement.

MARS collects information on vital issues impacting their lives which include personal (background characteristics, etc.), family (relationship with spouse, parents, children, siblings, transfers, etc.), health (health status, diagnosed illness, healthcare utilisation, physical measurement, etc.), economic (work, employment, retirement, income, etc.) and other social factors (friends, social participation, etc.).

## Interested in MARS dataset?

Data request is available through SWRC website ([swrc.um.edu.my/mars](http://swrc.um.edu.my/mars)) and the Gateway to Global Aging Data (<https://g2aging.org/>).



**Belanjawanku** is an expenditure guide that provides estimated minimum monthly expenses on various types of goods and services for different family sizes in Malaysia. It is a budget that can be used for information or as a guide for personal finance. It is known as a reference budget or a budget standard, that contains household expenditure, basket lists of goods and services and their cost thereof, a guide for a family of a specific size and composition to attain a decent standard of living.

The first wave of Belanjawanku (2019) covers the cities and districts in Klang Valley. The second and third wave of Belanjawanku was conducted between 2019–2022 and covered the additional cities including Alor Setar, Kota Kinabalu, Johor Bahru, Kuala Terengganu, Kuching, Georgetown, Kuantan, Kota Bharu, Ipoh, Seremban and Malacca City.

Belanjawanku App was launched in 2023. The app provides a medium for users to track their expenses and plan their budget smartly to achieve a dignified standard of living.



**Belanjawan***ku*

Belanjawan kini lebih mudah



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For Android

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