

Malaysia on the right track to achieve the SDG

1.0 Background

At the United Nations General Assembly in 2015, 193 nation states including Malaysia adopted the 2030 Agenda for Sustainable Development with direct global commitment towards creating a more inclusive and green development. The 2030 Agenda is supported by the 17 Sustainable Development Goals (SDGs) with 169 targets and 232 indicators.

Malaysia is dedicated towards achieving the SDGs by 2030 and has put the care of this vision to the Economic Planning Unit (EPU), Prime Minister's Department to coordinate all initiatives related to Sustainable Development (SD) and SDGs. The Malaysia's National Development Plan consisting among others the 5-year Malaysia Plans are aligned towards the SDGs.

The governance of SDGs in Malaysia is directly under the purview of the Prime Minister's Office with five dedicated working committees looking after specific SDGs. For example, the Committee of Inclusivity takes care of Goal 1 No Poverty, Goal 2 Zero Hunger, Goal 5 Gender Equality and Goal 10 Reduced Inequalities.

The public sector has paved a series of initiatives as reported by the EPU, Prime Minister's Department for the nation to move forward along the goals and targets of SDGs. The Prime Minister chairs the National SDG Council which has a multi-stakeholder and participatory governance structure. The government practices empathy by engaging with the non-governmental organisations and the private sectors to align SDGs with the economic growth plans. A National SDG Roadmap has been formulated to guide the implementation of the 2030 Agenda and the SDGs.

2.0 How has Malaysia fared in SDG?

According to the Sustainable Development Report 2020 released by the Cambridge University Press, Malaysia is ranked at the 60th position amongst 166 countries with the Sustainable Development Goals (SDG) index score of 71.8. Sweden tops the list with the score of 84.7, Republic of Korea at the 20th position (78.3), while the last in the list is Central African Republic with a score of 38.5 (Sachs et al., 2020). Generally, Malaysia has done well in SDG including the year of 2020.

The Report shows that Malaysia has been doing well in SDG 1 No Poverty, SDG 3 Good health and Well-being, SDG 4 Quality Education, SDG 5 Gender Equality, SDG 7 Affordable and Clean Energy, SDG 8 Decent Work and Economic Growth, SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Consumption and Production, and SDG 13 Climate Change. These aforementioned SDG achieve an average performance of above 75 out of the maximum score of 100. In 2020, Malaysia has further improved in SDG 1 No Poverty, SDG 7 Affordable and Clean Energy, SDG 8 Decent Work and Economic Growth, and SDG 9 Industry, Innovation and Infrastructure.

The good SDG report card and specifically the improvements in SDG 1 No poverty, SDG 7 Affordable and Clean Energy, SDG 8 Decent Work and Economic Growth and SDG 9 Industry, innovation and infrastructure in 2020 are the results of tireless and motivated government-private sector-public (GPP) engagements and partnerships. In Malaysia, both the public and private sectors have played critical roles in ensuring the achievements of the SDG. The government enacts policies, which are governed by the laws and regulations while the private sector and general public commit themselves to drive the achievement of those policies.

3.0 Selected Malaysian efforts in achieving the SDG

Malaysia has been doing well in eradicating poverty until the emergence and pro-longed Covid-19 pandemic, which may bring the poverty rate of the country backward by 10 to 20 years. The absolute

poverty rate in Malaysia has improved to 5.6% in 2019 from 7.6% in 2016. The national poverty line has been revised from USD218.54 to USD531.37 in July 2020 to reflect poverty better the current economic development of the country. The Malaysian economy was doing moderately well just before the Covid-19 pandemic. The government has aimed to make Malaysia a high-income nation between 2024 and 2028, and with supportive financial aids available for the bumiputera (indigenous people of Malaysia) to start and expand their micro- or small and medium-enterprises have uplifted many of the households out of poverty. However, with the several national lockdowns due to the spread of the Covid-19 pandemic, an additional 1.2 million households in Malaysia are expected to fall into poverty as reported by the local dailies. The government has in late June announced a USD36 billion (@MYR4.17/USD on 1/7/2021) "Pemulihan" (recovery) package, the largest since the first lockdown to boost the economy while expecting less people to be left unemployed and thereafter contributing to the spike in poverty rate of the country. The private sectors play a big role in helping the government to eradicate poverty by supplying more equal job opportunities regardless of race or religion. The several lockdowns, which have cost the Malaysian economy to lose USD550 million per day, if prolonged will force 40 percent of the small-and-medium enterprises (SME) to close their business operations. The government has taken the right step to minimise the damage on the economy by announcing a six-month moratorium starting July 7, 2021 for all individuals, micro-businesses and SMEs. With the people-centric policies aiming to realign the achievement of SDG 8 Decent work and economic growth, the Malaysian economy is expected to grow at 4.5 percent in 2021 amid a spike in Covid-19 cases in the recent months.

The Malaysian government realises and puts priority on the Fourth Industrial Revolution (4IR) boosting SDG 8 Decent work and economic growth, SDG 9 Industry, innovation and infrastructure, and SDG 12 Responsible consumption and production concurrently. The country has recently launched a national plan on 4IR with a focus on digitalisation and technology to transform Malaysia into a high-income nation. The 4IR aims to support the development policies of the country, such like the Shared Prosperity Vision (SPV) 2030 and the Five-year Malaysia Plan. The five core technologies singled out in the 4IR are big data analytics, internet of things, artificial intelligence, blockchain and cloud computing. The policies and plans for the national 4IR blueprint involve all stakeholders and hence the private sector plays a crucial role in determining the best practices ensuring their contributions to the success of this national plan. Universities is also another important stakeholder, where graduates are prepared with the relevant skills and know-how to be part of the 4IR when they join the workplaces. Creativity and innovation are the two main business acumens required by the new generation of workforce to embrace digitalisation into their business operations and strategies. Private sectors such like the banking segment in the country have invested hugely in their digital capabilities in the last few years, preparing themselves to meet the increasing customer demand for internet and online banking. The prolonged Covid-19 pandemic has strained the cashflows and revenues of the banks due to moratorium given to their lenders and this have put them into a cost constrained position. Nevertheless, banks have little choice as 4IR is pushing them into an environment where technology has become the heart of banking.

A HSBC Survey reported by the News Straits Times indicated that 75 percent of the Malaysian businesses support mainly the SDG 3 Good health and well-being and SDG 4 Quality education, and SDG 9 Industry, innovation and infrastructure, which are seen to be more relevant to the nature of their businesses. HSBC places great importance on sustainable finance, where the focus is to help business operations to move into a low carbon and sustainable economy. UCSI University located in Kuala Lumpur emphasises SDG as one of their core values, where SDG related programmes, courses and activities are put in place to create awareness and motivate the students to be part of this global and great vision of everyone in achieving SDG 4 Quality education and SDG 17 Partnerships for the

goals. The University welcomes industrial partners and sponsors to collaborate and fund SDG activities and innovation. More information on the SDG activities of the University can be found at <https://sdg.ucsiuniversity.edu.my/ucsi-news-and-articles-new/>.

4.0 Malaysia moving on

The Department of Statistics Malaysia has in late 2018 reported that the nation is definitely on the right track to achieve the SDG indicators by 2030. The Chief Statistician shared that the commitment of Malaysia to the sustainable agenda is evident in the manner the government writes the Mid-Term Review of the 11th Malaysia Plan. Retrospectively, Malaysia has moved forward in a bigger quantum to realise the SDG indicators. This is evident in the report by Sachs et al. (2020), which sees only SDG 17 Partnerships for the goals, having a drop in performance in 2020 as compared to the previous year. Malaysia is confident in achieving the SDG in 2030 through a multi-stakeholder participation model motivated by the national policies and plans. However, these efforts to achieve the SDG indicators may be affected due to the Covid-19 pandemic, where human and financial resources have been reallocated to focus in fighting this deadly pandemic. Malaysians have to rejuvenate their ambition for SDG 2030 when they achieve victory fighting against the Covid-19 pandemic in time to come.

5.0 Conclusion and future expectations

Malaysia is on the right track to achieve the SDGs by 2030. In the Sustainable Development Report 2020, Malaysia in general has either improved or sustained the achievements in almost all SDG. Worthy to note are the needs to improve the indicators of SDG 10 Reduced inequalities and SDG 13 Climate action. It is expected that Malaysia will buck-up on improving the Gini coefficient, which has been affected by the pro-longed pandemic. The inequality in the distribution of income is expected to improve when the lower income group returns to the normal economic activities as the vaccination process has drastically improved in the month of July 2021. The government is also expected to refocus on the emission of energy-related carbon dioxide once the pandemic is under control. With the pro-longed Covid-19 pandemic and loss in government revenues, it is expected that the timeline to achieve the Goals will be affected. Nevertheless, Malaysia is confident and hopes to achieve the SDG indicators by 2030 post-Covid 19 pandemic capitalising on SDG 17 Partnerships for the goals.

References

Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. (2020). *The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020*. Cambridge: Cambridge University Press. https://s3.amazonaws.com/sustainabledevelopment.report/2020/2020_sustainable_development_report.pdf.

The Edge (December 28, 2018). Malaysia on track to achieve Sustainable Development Goals Indicators 2030. <https://www.theedgemarkets.com/article/malaysia-track-achieve-sustainable-development-goals-indicators-2030>.

The News Straits Time (December 11, 2019). HSBC Survey: Malaysian businesses support UN sustainable development goals. <https://www.nst.com.my/business/2019/12/547027/hsbc-survey-malaysian-businesses-support-un-sustainable-development-goals>.

About the Author

Associate Professor Dr Pek Chuen Khee is currently the Dean of Faculty of Business and Management, UCSI University and Chief Executive Officer of UCSI Poll Research Centre, both located in Kuala Lumpur, Malaysia. Pek is also the Research Director of the Centre for New Inclusive Asia and ASEAN Research

Center for a Community with Shared Future, think-tanks of two non-governmental organisations in Malaysia. He can be reached at pekck@ucsiuniversity.edu.my.