

NATIONAL ECONOMIC OUTLOOK CONFERENCE 2018-2019

LABOUR MARKET AND INCLUSIVE GROWTH



MALAYSIAN INSTITUTE OF ECONOMIC RESEARCH

21- 22 NOVEMBER 2017
INTERCONTINENTAL HOTEL, KUALA LUMPUR

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Labour Markets and Inclusive Growth

There have been several developments in human history which have altered the way in which people live. The ability to make fire was one of the earliest. The development of the wheel on land and the sail on the seas. One of the most far-reaching was the domestication of grains and animals ten thousand years ago, which made agriculture a viable alternative to hunting and gathering.

With the *agricultural economy*, value could be stored. People could stock up food for the winter, and could save it for times of need. Agriculture could generate surpluses, which could be exchanged for other supplies, leading to the spread of trade. With the agricultural economy came the more settled lifestyle, and the possibilities of early specialization of labour. It represented a huge increase in living standards, and enabled populations to expand. The agricultural economy gave rise to what we acknowledge to be the earliest civilizations. Since then, the story of humankind written records began.

Over two centuries ago a further advance was made. The use of mechanical power to replace the effort of humans or their animals ushered in the age of the *industrialization*. It began in Britain with the application of water power to the textile industry. Water power was replaced in turn by steam power, and then by gas and electricity. The application spread rapidly beyond textiles to other industries, notably iron and steel, and then mass manufacturing in general.

The basis of this new economic organization was not land, but investment capital. What resulted was the *industrial economy* boosted the production of goods and later food. The *capital economy* heralded the age of mass consumption, as Adam Smith observed, "the end of all production is consumption."

It has been the industrial economy which has made the most striking gains in human living standards, for it has enabled ordinary people to achieve a higher standard of living than ever before in the history of mankind.

What mass production did is, it made material goods become widely available and consequently add comfort and choices to life. Domestic appliances for example, have halved the number of hours which people need to spend on housework. While, improvement in transportation modes have brought travel opportunities to a population, most of whom did not travel far from their birthplace prior to this economic tectonic shift.

The capital economy has also made possible mass education and public health programmes. It has also brought the leisure time which enables people to pursue hobbies and artistic interests.

Recent changes in economic organization represent more than a late development of the capital & industrial economy. It seems that what is happening now represents not a development of the capital economy, but its replacement. This New Paradigm, helps to place in context, the changes that take place in the economic organization.

The phrase 'new economy' has been used liberally to describe businesses which deal in new technologies, in mass communications, or in anything related to computers and the Internet amongst others. One aspect of many of these businesses, and others, which is new: it is in the degree to which their major resource is not financial capital, but the skills of people.

Fledgling businesses used to compete for financial capital. But many new firms compete not for capital, but for a supply of talented or creative people. Their output is often not measured in material goods, but in services and software. They can be found in the new technology, in communications, in computers, in Internet-based activity, but also in services, including financial services and ultimately include major advancements in Life Sciences such as nanotechnology, proteomics, genomics and biotechnology.

What is different about these companies is that it is no longer capital investment which is their life blood and enables them to function and develop. Where human talent, rather than financial capital, is the economic base, a rather different type of company emerges, and as it proliferates, so does a different type of economy and a different type of society.

Not surprisingly, some people will be left behind, as the global economy is in the midst of a series of demographic and economic shifts, leading to what has been called the new economy. This is because technological transformations have rendered many formerly scarce resources abundant. Therefore, now the key constraints on economic and business development have become the skills, knowledge, and talent embodied in individual workers.

Ultimately, economic success and failure will increasingly be determined by the strategic acquisition and management, by businesses and individuals, of economically-relevant skills.

In the final analysis, achieving high-income status economy will be meaningful, only if the benefits trickle down to all Malaysians. However, attaining the high-income status is a prerequisite for improving people's wellbeing and achieving happiness. It ought to be noted that the top 10 countries in the United Nations World's Happiness Report 2016 are all high-income economies.

The upcoming National Economic Outlook Conference (NEOC) 2018-2019 is a "must-attend" Conference. An array of outstanding panelists will attempt to dissect each of the component elements of this thematic topic. Targeted at senior management and industry captains, the briefing provides a platform for frank discussions and debates. Come join us and keep abreast of the latest happenings in the Malaysian economy. Attendance is limited and will be on a first-come, first-served basis.

PROGRAMME

DAY 1: Tuesday, 21 November 2017

Time	Agenda
08:30-09:00 a.m	Registration
09:00-10.00 a.m.	OPENING CEREMONY
	Welcoming Remarks YBhg Tan Sri Prof. Emeritus Anuwar Ali Senior Advisor at Open University Malaysia (OUM)
	Address and Official Opening YB Datuk Johari bin Abdul Ghani Second Minister of Finance, Malaysia
10:00-10:30 a.m.	Tea Reception
10:30-12:30 p.m.	SESSION I : Malaysian, Asian & World Economic Outlook, 2018-2019
	Chairman YBhg Emeritus Professor Datuk Dr Mohamed Ariff Distinguished Fellow, MIER
10:30-11:00 a.m.	World Economic Outlook Mr Chikahasa Sumi Director, Regional Office for Asia & the Pacific International Monetary Fund (IMF), Japan
11:00-11:30 a.m.	Economic Outlook for Developing Asia Dr Joseph Ernest Zveglich, Jr. Assistant Chief Economist, Economics and Research Department (ERD), Asian Development Bank (ADB), Manila
11:30-12:00 p.m.	Malaysian Economic Outlook Professor Emeritus Dr Zakariah Abdul Rashid, Executive Director, MIER
12:00-12:30 p.m.	Q&A
12:30-02:00 p.m.	Lunch (Serena Brasserie)

02:00-04:45 p.m.	SESSION II: Labour Market
	Chairman (TBA)
02:00-02:30 p.m.	Macroeconomics of Labour Markets YBhg Dato' Dr Ahmad Zubaidi Baharum Shah Faculty of Economics and Management Universiti Putra Malaysia (UPM)
02:30-03:00 p.m.	Key Issues Relating to Recent Labor Market Development in Malaysia Dr Hazrul Izuan Shahiri School of Economics, Faculty of Economics and Management, Universiti Kebangsaan Malaysia (UKM)
03:00-03:15 p.m.	Tea/Coffee
03:15-03:45 p.m.	Minimum Wage Encik Shanmugam A/L Thiagarajan The National Wages Consultative Council (MPGN)
03:45-04:15 p.m.	National Employment Returns (NER) Tuan Haji Asri bin Ab. Rahman The Institute for Labour Market Information and Analysis (ILMIA)
04:15-04:45 p.m.	Informality and Informal Employment Siti Asiah Ahmad The Department of Statistics Malaysia (DOSM)
04:45-05:15 p.m.	Q&A

DAY 2: Wednesday, 22 November 2017

09:00-11:30 a.m.	SESSION III: Welfare and Growth
	Chairman YBhg Tan Sri Datuk Amar Dr Wilson Baya Dandot Member, Advisory Panel, MIER
09:00-09:30 a.m.	An Uneven Future? An Exploration of the Future of Work in Malaysia Allen Ng Director of Research at the Khazanah Research Institute (KRI)

09:30-10:00 a.m.	Regional Disparity: Imbalances in Development in Malaysia Dr Ahmad Fauzi Puasa Deputy Director MIER
10:00-10:30 a.m.	Technology: a disruption to sustainable growth? Herizal Hazri Country Representative The Asia Foundation – Malaysia
10:30-11:00 a.m.	Refreshment
11:00-11:30 a.m.	Closing the Productivity-Wage Gap Dr. Khalid bin Abdul Hamid Senior Research Fellow, National Institute of Public Administration (INTAN)
11.30-12.00 p.m.	The Implications of Investments And Products from The People's Republic of China on the Malaysian Labour Market Wan Saiful Wan Jan Chief Executive of the Institute for Democracy and Economic Affairs (IDEAS)
12.00-12.15 p.m.	Q&A
12.15- 01.00 p.m.	SESSION IV: Panel Discussion on the Theme
	Chairman YBhg Dato' Hamzah Bakar Member, Board of Trustees, MIER
	Panel Members: Professor Dr. Jomo Kwame Sundaram Institute of Strategic and International Studies (ISIS) YBhg Emeritus Prof. Tan Sri Anuwar Ali Senior Advisor at Open University Malaysia (OUM) YBhg Tan Sri Dato' Mohd Sheriff Mohd Kassim Chairman, PLUS Malaysia Berhad
01:00-01:10 p.m.	Closing Ceremony Professor Emeritus Dr Zakariah Abdul Rashid Executive Director, MIER
01:10-02:30 p.m.	Lunch (Serena Brasserie)

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