Debating Malaysia's economic model

University Tun Abdul Razak recently hosted a thought-provoking event titled 'Debating Malaysia's Economic Model' recently. Attracting academics and diplomats, the event was organised by the Academy of Responsible Management (ARM), sponsored by Konrad-Adenauer-Stiftung (KAS) Malaysia, with the support of UNIRAZAK's Graduate School of Business (GSB).

The event examined Malaysia's past and current economic plans and models, and critiqued them for effectiveness, success, and shortcomings. It also bore in mind that in many of the economic models today, Germany's economy has thus far proven to be one of the most resilient during the current economic crises. This success is often credited to Germany's Development Economic Model.

A group of researchers from Malaysian universities and research institutes presented their preliminary results in the feasibility of using aspects of economic models not only from Germany but from other European and Asian countries as well. Later a roundtable was held in which their preliminary results were debated and discussed.

Professor Datuk Dr Md Zabid Abdul Rashid in his welcoming remarks said "UNIRAZAK has agreed to host the debate to explore alternative socio-economic development models such as the Social Market Economy Models in Germany and taking into account other models in Europe and Asia. With a panel of speakers addressing the various aspects of economy, social justice and policy as well as historical and political dimensions in Malaysia, it is hoped that the discussions will enlighten as well as encourage constructive debate that would allow us to progress further to achieve the desired ideals for society."

In his opening remarks, Jan Senkyr, Country Representative of Konrad-Adenauer-Stiftung Malaysia, said, "The German Model is a social market economic philosophy founded on the specified principles of solidarity and subsidiarity. Solidarity is in terms of achieving the common good whilst subsidiarity creates and guarantee space for individual responsibility and initiative." He also addressed several main points of the German Model, such as having a clear legal framework, competitive economy, a predictable macro-economy, open-market policies, with the state obligated to provide public goods, policies, and necessary infrastructure.

The first speaker was Professor Dr Geoffrey Williams, a leader in social science, sustainability and CSR, and Adjunct Professor at GSB, UNIRAZAK, whose speech was titled 'Laying the Foundations for Economic Stability in a Turbulent World'. He identified some attributes of Germany's economic success, which is partly due to their strong social commitments to the community and society – this event out economic imbalances and provides a sense of solidarity. Given the current global economic climate, this goal is extremely challenging if not impossible. In summary, he concluded that there appears to be no way of reaching developed country status through the High-Income Target alone, and high development levels might be achieved through emphasis on quality of life, Cross National Happiness, even without high income.

There is also a need to fix the weaknesses and the gaps in strategic areas, corporate sector, the labour market, the education and vocational skills sector and in social welfare. "These key issues are inter-related when we talk about creating a new just model of development – a way of achieving inclusive, sustainable developed world status for Malaysia in 2020", he said.