

IDEAS
INSTITUTE FOR DEMOCRACY AND ECONOMIC AFFAIRS
Annual Report
2020



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**YAM Tunku Zain Al-'Abidin
ibni Tuanku Muhriz**

Founding President and Chairman of IDEAS



Message from Chairman

The priority for people all around the world in 2020 was adjustment and adaptation to new realities brought about by the coronavirus pandemic and the political, economic and social changes that it triggered and accelerated. For some, this represented a golden opportunity to push through transformations that were already in the pipeline. For others, innovation was necessary literally to survive.

Like I suspect many of you have, I witnessed many instances where the inspirational efforts of individuals, businesses and organisations working together resulted in solutions to bring comfort in tough times. These provide a reassuring reminder of the power of voluntary cooperation, the ingenuity that diversity brings, and the generosity of Malaysians not only to their fellow citizens but also to others who yearn for a happy and fulfilling life in our (still) blessed land.

We have also observed how politicians have responded (and contributed) to the country's turbulence, alongside their changing fortunes and popularity based on their coronavirus-related advice, policy decisions and party affiliations. The ubiquity of social media has made this a very fluid, and sometimes rather entertaining, space.

Of course, as with any other public policy think tank, IDEAS has participated in the debates, analyses and discourses surrounding the response to Covid-19 and the accompanying political events. However, as you will see in this Annual Report, our usual research and advocacy continued throughout 2020 across the areas of Social Policy, Democracy & Governance, Economics & Business, and Public Finance. I am grateful to former CEO Ali Salman for leaving us on such a strong footing, and luckily our new CEO Tricia Yeoh did not need any lead time to hit the ground running.

I believe our work to be of utmost importance at a time when policy decisions can sometimes seem motivated by the whims of individual personalities and short-term populist sentiment. Now more than ever, it is vital that policy is based on principles, on evidence, and on the aspirations of the Malaysian people — for the biggest risk of instability is the further usurpation of the vision of our country that we at IDEAS have always tried to uphold and promote.

To all donors, sponsors and supporters who continue to share this belief, thank you.

Tunku Zain Al-'Abidin
January 2021



Tricia Yeoh
Chief Executive Officer

Message from CEO

2020 was a challenging year for Malaysia given the dual political and pandemic crises. At IDEAS, we experienced change too as I took over as CEO in August. Amidst the seemingly uncertain and cloudy landscape of our political economy, IDEAS continued to shine, while being continuously guided by our vision of upholding liberty and justice for the nation, inspired by our founding father and first prime minister Tunku Abdul Rahman Putra Al-Haj. Our staff size grew by **20%**, our revenues increased by **0.5%** and we had **43.5%** increase in our media mentions. Our team has demonstrated great resilience against the odds.

In 2020, we continued to achieve policy impact in several key areas. We proposed an innovative financing mechanism framework on rare diseases at the APEC level, which the Ministry of Health supports. We contributed to the debate on Malaysia's energy mix as part of the National Energy Policy technical committee, our recommendations aligned with the government's plans to truly move towards renewables in the future.

We also ignited public discussion on a range of topics through our scaled-up public communications this year, in the form of videos and bilingual content. This includes political interference and efficiency of GLCs, the barriers in education that Orang Asli children face, the digitalisation of SMEs, and the importance of ratifying the CPTPP. We look forward to using civic tech next year to increase public visibility towards policy impact.

Our policy research and advocacy have moved towards new and innovative frontiers in partnerships: this year, we worked directly with the young wings of political parties in pushing for more transparent and rules-based political financing. In the coming year we aim to do even more by working with subnational-level civil society organisations in urging for greater governance within individual state governments.

IDEAS continues to take its role seriously as convener of ideas; a neutral platform where multiple stakeholders can meet to discuss the most pressing matters facing Malaysia in the future. In a time of economic fallout, it is more important than ever to emerge with solutions that can weather the storm that we may continue to face. The current political fragmentation makes independence all the more crucial. We are therefore deeply grateful to all donors, sponsors, partners, policymakers, government representatives and friends for the support given.

We look forward to scaling even greater heights in 2021.

Tricia Yeoh
January 2021



About IDEAS

The Institute for Democracy and Economic Affairs (IDEAS) is a nonprofit research institute based in Malaysia dedicated to promoting solutions to public policy challenges. IDEAS' vision is:

“A Malaysia that upholds the principles of liberty and justice”

Our mission at IDEAS is to improve the level of understanding and acceptance of public policies based on the principles of rule of law, limited government, competitive markets and free individuals. Our work is independent of vested interests and partisan influences. We have also expanded our work into new areas focusing on our three overarching missions – advancing a competitive economy, ensuring trust in institutions and promoting an inclusive Malaysia. We act as an intellectual centre creating space for cross partisan principles-centric and results-oriented dialogue.

We achieve this by:

- Publishing cutting-edge research work
- Initiating dialogues with government, lawmakers, businesses and civil society
- Providing thought leadership
- Facilitating networking between like-minded individuals
- Organising educational programmes

We are grateful to our donors and funder throughout 2020. None of the achievements would be possible without their support. If you would like to support us, please email Tricia Yeoh at tricia@ideas.org.my

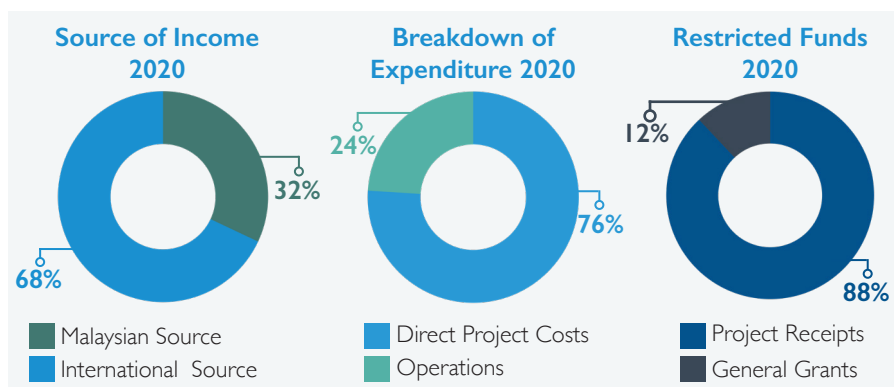
Financial Overview

During this financial year (Oct 2019 – Sept 2020) we raised RM 3,015,958. From this, RM 964,988 (32%) was raised from local sources, while RM 2,050,970 (68%) was from abroad. RM 2,655,684 (88%) was funds restricted to specific projects, leaving only RM 360,274 (12%) for core operational costs and urgent initiatives.



Total expenditure for the financial year was RM 2,971,485. This comprised of direct expenses of RM 2,260,944 and total operating expenditures of RM 710,541. This leaves a net surplus of RM 50,906. At the end of the financial year, our total assets were RM 664,092 and total liabilities were RM 227,825.

The full audited financial report is available from our website.



Our policy is that we accept money on the strict conditions that we retain complete editorial control. This is an important principle to safeguard our integrity and independence.

Thank you to all our funders and sponsors who have supported us. This includes the European Union, Friedrich Naumann Foundation for Freedom (FNF), Malaysian Reform Initiative (MARI), the Center for International Private Enterprise (CIPE), World Bank Group (WBG), the Malaysian Gas Association (MGA) and Sanofi-Aventis. We would also like to thank the more than 40 Malaysian companies and individuals who have supported us in 2020.



7 + **16** + **4**
Policies Briefs Reports
= 27 Total of publications



RM 37.35 Million
PR Value Generated
27.85% increase from
2019 (RM 26.95 Million)



1,564 Mentions/
Appearances
43.48% increase
from 2019 (884)



34
conferences, forums,
seminars, workshops
and online events



3,037
LinkedIn followers
180.94%
increase from 2019
(1081)



Our Achievements



3,939
Instagram followers
60.64%
increase from 2019
(2452)



13,199
Twitter followers
14.2% increase
from 2019 (11558)



12,389 Facebook
followers
7.01% increase
from 2019 (11577)



5,575
Newsletter subscribers
1.4% increase from
2019 (5498)



12,390 Facebook likes
8.25% increase
from 2019 (11446)

Our people

Board of Directors:

- YAM Tunku Zain Al-'Abidin ibni Tuanku Muhriz
- Tan Sri Datuk Dr. Rebecca Fatima Sta Maria
- Wan Mohd Firdaus Wan Mohd Fuaad
- Christopher Leong
- Dato' Dr. R. Thillainathan
- YM Datin Sri Lara Hussein

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- Datuk Dr Anis Yusaf Yusoff

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- Dr. Carmelo Ferlito (*Economics & Housing*)
- Prof. Fatimah Mohamed Arshad (*Food Security*)
- Prof. Fatimah Kari (*Poverty*)
- Assistant Prof. Dr. Renato Lima de Oliveira (*Energy*)
- Dr. Jayant Menon (*Trade & Regional Integration*)
- Dr. Lee Hwok Aun (*Development Economics*)

Team:

- Tricia Yeoh (*CEO*)
- Siti Nurbaiyah Nadzmi (*COO and Director, External Relations*)
- Mazrina Arifin (*Director, Finance*)
- Laurence Todd (*Director, Research*)
- Sanne Jansen (*Director, Fundraising & Partnerships*)
- Wan Ya Shin (*Manager, Research*

(*Social Policy*))

- Aira Azhari (*Manager, Research (Democracy & Governance)*)
- Sri Murniati (*Manager, Research (Public Finance)*)
- Amir Ridzuan Jamaludin (*Assistant Manager, Programme Coordination and Control*)
- Ahmad Bashier Muhammad Afifi (*Assistant Manager, Finance*)
- Adli Amirullah (*Senior Executive, Research (Economics & Business)*)
- Vaisnavi Mogan Rao (*Senior Executive, Research (Social Policy)*)
- Ali Iskandar Othman (*Senior Executive, Communications*)
- Amelia Ramli (*Senior Administrator*)
- Norhayati Murni Misran (*Graphic Designer*)
- Azam Wan Hashim (*Executive, Research (Public Finance)*)
- Faiz Zaidi (*Executive, Research (Democracy & Governance)*)
- Nur Zulaikha Azmi (*Executive, Research (Public Finance)*)
- Ewanina Effandie (*Executive, Research (Social Policy)*)
- Muhamad Zuhdi Farhan Suhaimi (*Executive, External Relations*)
- Gamaliel Kan (*Executive, Research (Social Policy)*)
- Halmie Azrie Abdul Halim (*Executive, Research (Democracy & Governance)*)
- Armand Azra (*Executive, Research (Public Finance)*)
- Amal Aziz (*Finance Assistant, Finance*)

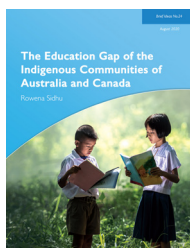
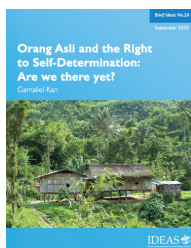
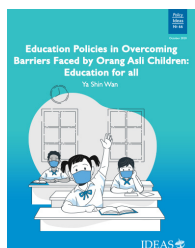
SOCIAL POLICY

Promoting an Inclusive Malaysia



Education Policies in Overcoming Barriers Faced by Orang Asli Children: Education for all

The Orang Asli communities in Peninsular Malaysia have been facing barriers in gaining access to education for decades. This paper identifies the obstacles faced by the Orang Asli communities and maps out the education policies and programmes for the Orang Asli children. From the study, IDEAS believes that the current policies and programmes are not sufficient in addressing the underlying challenges the Orang Asli children face. Therefore, the paper concludes for Malaysia's education system to incorporate Orang Asli values and culture significantly into the curriculum. IDEAS will release a report in 2021, in which a survey will be done to further study on the implementation and delivery of the existing policies and programmes.

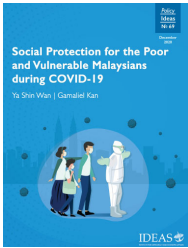


White Paper: Rare Diseases in Malaysia

Last year ended with the publication of IDEAS "White Paper: Rare Diseases in Malaysia" and the successful inception of a National Rare Diseases Framework and committee formed by the Ministry of Health, Malaysia. The policy paper on the "Next Steps for Rare Diseases in Malaysia" explored the setting up of a trust fund and increased regional collaboration and put forward policy recommendations. The policy paper was launched during IDEAS

two-day virtual Regional Conference on Rare Diseases in Malaysia and the Asia Pacific, which included local and international speakers from Australia, Thailand, Hong Kong, China, South and Korea. Following the conference, IDEAS has been invited to present the findings of the policy paper in the APEC Virtual Policy Dialogue on Rare Diseases in Malaysia & Asia Pacific, on the 17 December 2020.





Social Protection for the Poor and Vulnerable Malaysians during COVID-19

The COVID-19 pandemic has exacerbated the existing vulnerabilities of the poor and economically vulnerable. Vulnerabilities that were not prevalent before COVID-19 have also emerged during the pandemic. This policy paper examines how social protection has responded to the needs of the vulnerable in Malaysia during the COVID-19 pandemic. The paper's analysis

demonstrated that most of Malaysia's COVID-19 social protection measures are designed to 'cope' with the negative effects of the economic fallout, short-term, and target groups vulnerable to the loss of livelihoods and food insecurity. Other vulnerable groups, such as informal workers, non-COVID-19 patients, school children and women, are insufficiently protected and need further coverage. The COVID-19 pandemic has highlighted the need for a comprehensive social protection system that covers all segments of society.

Food Security Policy Roadmap

IDEAS' 2019 report on the "Effectiveness of State-Owned Trading Enterprises in Achieving Food Security" found that although Padiberas Nasional Berhad (BERNAS) has been relatively successful in fulfilling their government-mandated functions, this came at the expense of resource efficiency, equity, growth and sustainability. Hence, IDEAS' Food Security Policy Roadmap aims to provide a road map for the necessary market reformations to achieve a more competitive and equitable paddy and rice industry. Among the issues that this paper will examine the impact of the withdrawal of agricultural subsidies, the impact of selected market reforms on the producer, the evaluation of the optimal stockpile quantity and the effect of an open import market on local prices. IDEAS' Food Security Policy Roadmap paper will be officially released in early 2021.

DEMOCRACY & GOVERNANCE

Ensuring Trust in Institutions



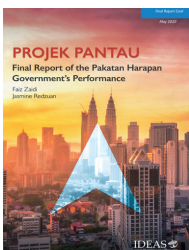


Promoting National Unity and Inter-Racial Harmony

In 2020, the Democracy & Governance Unit embarked on an ambitious and challenging project that aims to promote greater national unity and inter-racial harmony in Malaysia. This project is especially important as a platform in which difficult conversations about race can be tackled and discussed. Throughout July, we held a series of Focus Group Discussions (FGDs) around the country, where we met with different groups of Malaysians to ask them their thoughts on race relations and national identity. In the next phase of the project, we will embark on a national public campaign and a series of workshops across Malaysia.

Building Political Support for Transparent Political Financing

As a continuation of our work in reforming political financing, in 2020 we held two workshops with youth wings of political parties across the divide. The workshops covered topics such as the role of elected representatives, sources of funding for political parties and learning from models in other countries. The Chief Executive of the Electoral Reform Committee, Amerul Muner gave the opening remarks at both workshops. We produced a comprehensive report from both workshops that have been sent to party leaders and Members of Parliament (MPs).



Summing up Pakatan Harapan's Performance

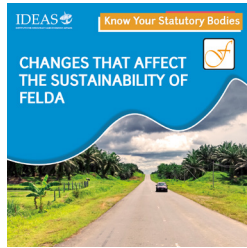
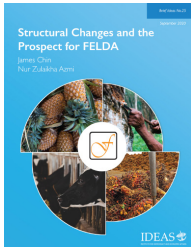
Although the PH government fell at the end of February 2020, we continued on with the last phase of Projek Pantau, summarising PH's 22-month performance in fulfilling their manifesto promises in the Buku Harapan. In May 2020, we released the Final Projek Pantau Report Card that highlights the most important promises, including those that were achieved, those that were in progress and those that had fallen behind. The intention of the Final Report

Card is also to highlight the current government areas in which they should focus their efforts to ensure further progress in reforming Malaysia's institutions. We organised a webinar with YB Nik Nazmi (MP of Setiawangsa) and Shahril Hamdan (UMNO Information Chief), who each gave their perspectives on PH's overall performance.

Advancing a Competitive Economy

Advancing a Competitive Economy





Structural Changes and the Prospect for FELDA

It was a productive year for IDEAS' Government-Linked Companies (GLCs) project. For 2020, the team had broadened the scope of inquiry to include mapping out the government's presence in private economy, assessing the gaps in governance as well as evaluating the success of statutory bodies in meeting the social objectives. The "Structural Changes and the Prospects for FELDA" paper argues for a more fundamental reform of the current Federal Land Development Authority (FELDA) model by considering changing external and domestic trends, in addition to putting a check on corporate investments, so that the welfare of the FELDA settlers can be better preserved more sustainably. The GLCs project team had also created infographics and videos with high impressions on IDEAS' social media platforms, thus signifying success in the team's public advocacy activities.

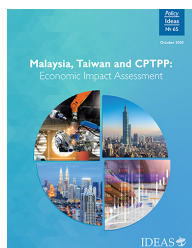


ASEAN Integration Report 2020



The COVID-19 pandemic puts to test ASEAN's resolution to stay integrated as member states grapple with the triple economic, social and public health concerns. IDEAS' ASEAN Prosperity Initiative brings together stakeholders from multiple platforms including the private sector; public sector; academics and civil society organisations in order to draw from their unique perspectives on the topic of regional integration through briefing papers, roundtable meetings as well as online discussions. The activities over the year culminated in the publication of "ASEAN Integration Report 2020" with a strong focus on promoting regional collaboration in supply chains, aviation, digital logistics, as well as migration policies. The chapters in this final report build on these existing foundations to find optimal policy solutions to ASEAN's current unprecedented challenges.





Malaysia, Taiwan and CPTPP: Economic Impact Assessment

Malaysia and Taiwan have a deep economic relationship. However, a number of trade barriers remain in place due to the absence of a Free Trade Agreement (FTA) between the two countries. In this report, we consider the impact this would have on the Malaysian economy in terms of trade, investment and industrial collaboration. Throughout the research, the IDEAS team had the opportunity to engage private sector stakeholders from both Malaysia and Taiwan, and also to present research findings to the Ministry of International Trade and Industry Malaysia.



COVID-19 Recovery Strategy: Malaysia as a Regional Manufacturing Hub

The COVID-19 pandemic presents Malaysia with an opportunity to reset its economic growth and development model. This briefing paper assesses the reconfiguration of regional supply chain and argues for Malaysia to pursue policies to attract investments into industries where the economy is competitive regionally, rather than over-relying on investment incentives, while developing a strong domestic industrial ecosystem in these sub-sectors. Adopting a 'race to the top' approach will better ensure that this outward-oriented strategy benefits a broad segment of the population and hence promoting a more inclusive recovery.



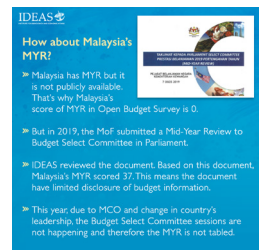
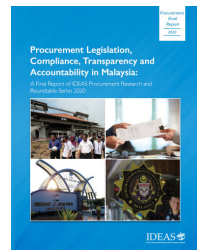
PUBLIC FINANCE

Building a Transparent Malaysia





Between April-October 2020 the unit held four roundtable discussions to generate recommendations for procurement legislation that was planned to be introduced by the government in 2023. The result of the roundtable is compiled in “Procurement Legislation, Compliance, Transparency and Accountability in Malaysia: A Final Report of IDEAS Procurement Research and Roundtable Series 2020”. Additionally, the unit published a research paper on direct negotiation. The paper scrutinised the implementation of the current rules and recommends ways to improve them.



On budget transparency, PFU released the Interim Transparency Score that evaluates the quality of publicly available budget documents during the Pakatan Harapan government. Additionally the unit released various infographics on the importance of public participation and publicly available information on budgeting process and engaged the Ministry of Finance and other stakeholders to improve budget transparency.



2020 IN SUMMARY

2020 has been a challenging year but throughout the past 12 months we are also proud of what we have been able to achieve. As has been the case for so many of us, our experience of 2020 will forever be shaped by the transformative events of the COVID-19 pandemic.

IDEAS COVID-19 Response

The pandemic has been an unprecedented public policy challenge for the entire world and we at IDEAS have tried to play our part to help government and society respond. When the pandemic hit and the MCO was introduced, we pivoted our resources to provide input to the government and commentary and analysis to the public, focusing on the economic response and the impact on education which remains an area of acute concern. We published analysis on the worst hit sectors, including tourism and retail, and laid out proposals to improve government support and strengthen SMEs for future shocks. We engaged vigorously in the public debate on how to strike the right balance between economic restrictions and containing the health crisis, seeking to add evidence and clarity to the fraught discussion. We also highlighted the need for a comprehensive policy on education during COVID-19 to prevent a lost generation of children without proper access to education.

Looking beyond the acute economic and social impact of the pandemic, we also continued to emphasise the important of strong institutions in the face of an unprecedented crisis. As the government deployed major support packages we advocated for good governance and transparency which must not be set aside in times of crisis when unprecedented actions are being taken by the government. This urgent need for transparency and good governance extends beyond the government's financial response – the pandemic poses a genuine challenge to the conduct of democracy, as we saw in the Sabah state elections. Throughout we have sought to keep the attention of the government and public on the need to beat the pandemic and protect our democracy in the process.

The pandemic continues to be an everyday reality and will leave economic scars even when the health crisis has abated. As we look to 2021, IDEAS will continue to do our part to contribute to better policy making, including achieving a sustainable economic recovery and ensuring the most vulnerable communities do not suffer disproportionately.

Navigating political turmoil

COVID-19 was not the only major development for Malaysia's political and economic landscape in 2021. For Malaysia, the pandemic struck at a time of acute political crisis. The collapse of the Pakatan Harapan government was a profound shock on Malaysia's democratic journey and the political ramifications and fragmentation continues to unfold. For IDEAS, this meant change too. Our Projek Pantau which had monitored the implementation of the promises and the Buku Harapan concluded, noting that

many important reforms had been undertaken but many of the necessary steps to build trust in Malaysia's institutions still need to be implemented. We have continued to advocate with the new government on these reforms, many of which are captured in the National Anti-Corruption Plan, which this government has remained committed to. In particular we have worked towards a consensus for change on political financing, which remains a fundamental weakness in our democratic system. Our reform efforts have been bolstered by the establishment of the Public Finance Unit which has taken up the torch on several long running priorities, including procurement and budget transparency. We remain committed to working with the federal and state governments on these areas in 2021.

Strengthening our research

2020 has also been a year for exploring new priorities. Our Social Policy Unit has expanded its mission to promote inclusive development through research on the barriers to education faced by Orang Asli children and examining what the pandemic has taught us about the weaknesses in our social protection system. These new priorities have worked alongside continued efforts to improve access to treatment for rare disease patients, and we hope that the government will continue with the implementation of the landmark framework which has been developed. We are pleased that as 2020 came to a close we launched our next project to understand how COVID-19 has impacted the children of refugees, who are among the most vulnerable communities in Malaysia.

Finally, we have continued our work to advance a competitive economy, including arguing for a hard-headed evaluation of GLCs and deepening our trade relations within the region and further afield. We have also contributed to the vital national debate on Malaysia's energy future and the urgent need to transition to renewables. And of course, we have contributed to the debate on how to manage the economic impact of the pandemic, focusing on the more vulnerable parts of the business community.

Looking to 2021

The pandemic has had a deep impact on the economy and society, including for many of the most vulnerable Malaysians. Political uncertainty and policy stagnation also cast a shadow on the prospects for recovery – both for our economy, and our democracy. In 2021, we will continue to argue for a bold and ambitious policies which recognise that economic recovery and institutional reform go hand in hand.



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