



OUR ACHIEVEMENTS



2452 Instagram followers
10% Increase from 2018 (1781)



11 558 Twitter followers
8% Increase from 2018 (10700)



11 577 Facebook followers
11% Increase from 2018 (10438)



11 446 Facebook likes
10% Increase from 2018 (10385)



1081 LinkedIn followers
69% Increase from 2018 (638)



5498 Newsletter subscribers
40% Increase from 2018 (3926)

PR Value Generated



RM 26.95 million
vs (25.3 million in 2018)

Mentions/Apearances



884
vs (668 in 2018)



31 conferences, forums, seminars, workshops and events.

5 Policy Ideas
+
8 Reports
+
6 Policy briefs



19 Publications

BOARD OF DIRECTORS

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Dato' Dr. R Thillainathan

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Wan Mohd Firdaus Wan Mohd Fuaad
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Norhayati Murni Misran

Executive, Graphic Design

Muhd Safrizal Sudin

Company Driver

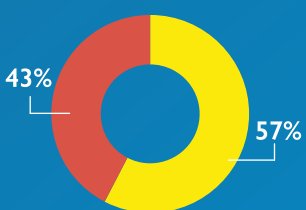
FINANCIAL OVERVIEW

During this financial year (Oct 2018 – Sept 2019) we raised RM 3,000,066. From this, RM 1,720,576 (57%) was raised from local sources, while RM 1,279,490 (43%) was from abroad. RM 2,647,407 (88%) was funds restricted to specific projects, leaving only RM 352,659 (12%) for core operational costs and urgent initiatives.

Total expenditure for the financial year was RM 2,496,942. This comprised direct expenses of RM 2,005,402 and total operating expenditure of RM 491,540. This leaves a net surplus of RM 376,272. At the end of the financial year, our total asset was RM 639,777 and total liabilities were RM 254,416.

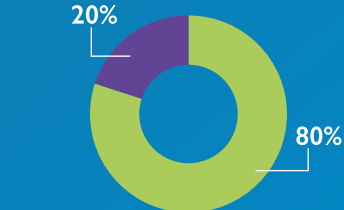
The full audited financial report is available on our website.

Sources of Income 2019



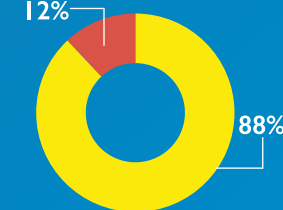
■ Malaysian Sources
■ International Sources

Breakdown of Expenditure 2019



■ Direct Project Costs
■ Operations

Restricted Funds 2019



■ Project Receipts
■ General Grants

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

ABOUT IDEAS

The Institute for Democracy and Economic Affairs (IDEAS) is an independent policy think tank in Malaysia dedicated to promoting solutions to public policy challenges. Our 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, free markets and individual liberty and responsibility. Our work is independent of vested interests and partisan influences. We have also expanded our work into new areas focussing on our three overarching missions – advancing competitive economy, ensuring trust in institutions and promoting an inclusive Malaysia. We act as an intellectual centre creating space for principles-centric and results-oriented dialogue.

We achieve this by :

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

We are grateful to all our donors and funders throughout 2018. None of the achievements would be possible without their support. If you would like to support us, please email Ali Salman at ali@ideas.org.my.

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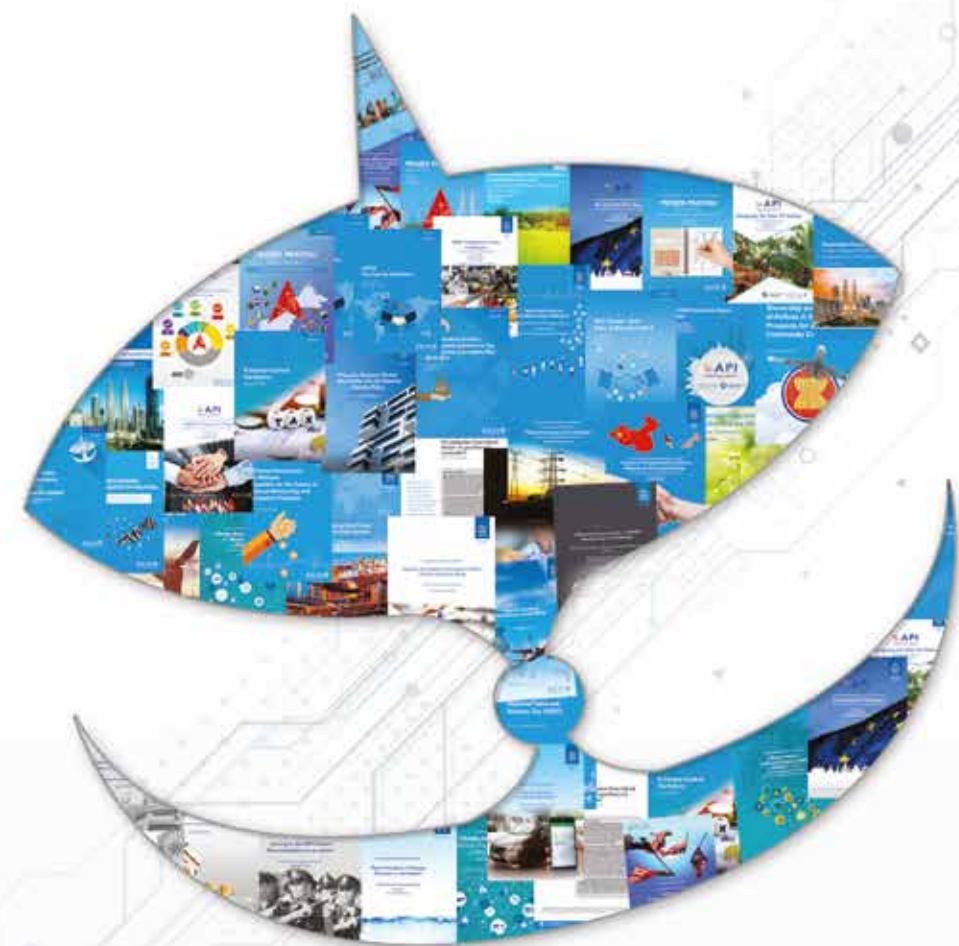
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IDEAS

INSTITUTE FOR DEMOCRACY AND ECONOMIC AFFAIRS



ANNUAL REPORT 2019



MESSAGE FROM CHAIRMAN AND CEO



**YAM Tunku Zain Al-'Abidin ibni
Tuanku Muhriz**
Founding President and Chairman



Ali Salman
Chief Executive Officer

2019 was another busy and rewarding year for IDEAS. Although our inspiration towards a Malaysia that upholds the principles of liberty and justice remains constant - alongside overarching beliefs in the rule of law, free markets, individual liberty and limited government - today we organise our research and advocacy according to three thrusts: advancing a competitive economy based on market principles, building trust in institutions that enable freedom under the rule of law, and promoting inclusive development so that all Malaysians benefit from the country's prosperity. I am glad to see that the efforts of the team, led extremely ably by our CEO Ali Salman, have continued to make a positive impact, attracting praise from policymakers, bureaucrats, the corporate world and the public at large.

Over two years into a new administration, it has become clear that the role of think tanks and civil society more widely is more relevant and urgent than ever. Although progress has been made on many fronts, it is clear that resistance to reform is building and indeed, succeeding in delaying initiatives that we believe are necessary for Malaysia to progress. Evidence of poor governance continues to surface while anecdotes of undue interference abound in the business world. The independence of our check and balance institutions still needs strengthening, with suspicion that at least on some matters, several individuals appointed with great hope and fanfare have become somewhat receptive to influence from the executive branch.

That is why I hope that the work IDEAS pursues on business regulations, ASEAN integration and regional trade, affordable housing, institutional reform, national unity, agricultural reform, refugees' economic rights, rare diseases and many other areas resonates with the public, helps to inform discussions and ultimately feeds into more intelligent policymaking.

All of this is made possible only by cooperation with many stakeholders - from sponsors, partners, friends (and competition) in civil society, politicians, civil servants, the corporate sector, the diplomatic corps and students who vie for our internship opportunities. To all of them, and the team at IDEAS led by Ali, I say thank you for enabling IDEAS' successes in 2019. I hope you see the value of our work and are moved to continue supporting us!

This has been a year of strong growth, policy impact and opening of new frontiers for IDEAS for which our team deserves accolades.

To give some indications of the growth, we have attained: 50% increase in our staff size; 24% increase in our revenue and 32% increase in our media mentions. This growth is a direct result of our deliberative strategy of delegation and projects diversification.

In terms of policy impact, we can say with some degree of confidence and humility that our policy recommendations in the area of Rare Diseases have been largely incorporated in the Ministry of Health policy framework. We hope that the parents of children with disabilities can find this helpful. This year, we hope to achieve similar success in legalizing the right to work for the refugees in Malaysia and also to increase the footprint of our continued work on GLCs.

A remarkable highlight of 2019 is opening of new frontiers and new challenges for us in the next couple of years, both thematically and geographically. One example is our new national scale project in the critical area of national unity and inter-racial harmony. In this ambitious project that we won in a competitive bidding, we aim at increasing public awareness about international human rights treaties. Another example is a new regional project studying Belt & Road Initiative largely from a national governance perspective. One interesting new area of our work is to study the gaps in access to education for our Orang Asli children.

IDEAS strives to remain a voice of reason. We hold this responsibility of forming and communicating our views with high sense of moral responsibility. To this end, we are deeply indebted to our supporters, donors and partners. We are also grateful to friends in the media for broader outreach. Lastly, we acknowledge that the government and policy makers who are our ultimate audience have remained open to critical feedback and constructive suggestions. We strongly feel that we cannot work in silos and aspire to build more effective coalitions in the years to come.

It has been a true privilege leading the Team IDEAS.

SOCIAL POLICY

Promoting an Inclusive Malaysia



Championing for the Rare

In April 2018, IDEAS embarked on the “Championing for the Rare” project to advocate for a National Policy for Rare Diseases. Over the course of the project, IDEAS has successfully built strong relationships with stakeholders and contributed to the knowledge gap through three in-depth publications. The first publication was a position paper published in 2018. Subsequently, two papers were published in 2019: “Improving Access to Orphan Drugs in Malaysia” and “Whitepaper: Rare diseases in Malaysia”. The second paper explores challenges faced by rare disease patients in accessing orphan drugs and proposes ways to improve patient access to orphan drugs. The final publication of the project features the findings of the two previous papers and proposes a policy framework for the consideration of the government.

Through concerted research, public engagement and advocacy, the project culminated with the successful inception of a National Rare Disease Framework and committee formed by the Ministry of Health, Malaysia in November 2019.



Effectiveness of State-Owned Trading Enterprises in Achieving Food Security

Food security is of vital concern to developing countries and various kinds of policy instruments have been employed to achieve stable food sources for growing demands. One of the most predominant policy instruments involves State Trading Enterprises, which are often utilized as a means to achieve agricultural policy objectives such as stabilizing domestic prices, eliminating marketing inefficiencies and ensuring the availability of food supplies. In this report, IDEAS partnered with the Center for Indonesian Policy Studies to look into two case studies, BERNAS in Malaysia and BULOG in Indonesia. Both case studies have shown that the rice policies in Malaysia and Indonesia that were intended to achieve food availability and price stability have resulted in windfall losses to the industry.

In the case of Malaysia, it has created market distortion and gradual monopolies. As for Indonesia, it has resulted in welfare losses of the consumer due to the widening gap of the domestic and global rice price differential. This is IDEAS’ second report on agriculture.

The Economic Impact of Granting Refugees in Malaysia the Right to Work

Malaysia hosts approximately 180,000 registered refugees and asylum seekers as of the end of 2019. As Malaysia has not ratified the 1951 Refugee Convention and refugees have no legal rights to work in Malaysia, most of them are at risk of exploitation and often work in dirty, dangerous and difficult jobs. This paper explores the economic benefits and costs in granting the refugees the right to work. We estimated that if given the right to work, they would contribute over RM3 billion to annual GDP by 2024. Furthermore, if we invest in the education for refugees alongside the local population, we will see an increase in their contributions to GDP to over RM6.5 billion annually by 2040. There would be a substantial cost to invest in their education, but in return, they would be able to contribute significantly more to GDP. This paper has garnered attention on the issue and been widely cited since its publication.

DEMOCRACY AND GOVERNANCE

Ensuring Trust in Institutions

Projek Pantau: Assessing the Fulfillment of Manifesto Promises

When the Pakatan Harapan coalition won GE14, all eyes were on its manifesto, *Buku Harapan*. In keeping with the spirit of reforms, openness and transparency of the new administration, IDEAS began Projek Pantau, a series of report cards evaluating the government’s progress in fulfilling its manifesto promises. One notable achievement was when the Kuala Lumpur branch of the Parti Keadilan Rakyat invited us to present the second report card at their party convention in November 2019. We have released three report cards so far, with one more due in May 2020 to mark the 2-year anniversary of the Pakatan Harapan administration.



Continuing the Push for Institutional Reforms

In 2019, we played a significant role in further advancing institutional reforms. As part of the Governance, Integrity, Accountability and Transparency (GIAT) coalition, we met with the Caucus on Reform and Governance, chaired by Datuk Seri Anwar Ibrahim. We were also in the Bukit Aman Police Headquarters, meeting with representatives from the Jabatan Integriti dan Pematuhan Standard (JIPS) to share our work on protecting whistleblowers and anti-corruption. In addition, we were invited to meet with the Parliamentary Select Committee for Major Public Appointments, where we suggested concrete measures to ensure independence in the appointment process of public officials. The National Budget Office also sought our inputs in preparation for the tabling of Budget 2020. Lastly, IDEAS and other members of GIAT met with Tan Sri Ariff Md Yusof, Speaker of the Dewan Rakyat to discuss parliamentary and political funding reforms.

Representing IDEAS in the Media and Abroad

In 2019, the Unit grew to become a more trusted voice on good governance, democratic accountability and political analysis. Projek Pantau received some significant print media coverage and interest from RTM, Bernama, The New Straits Times, The Star, The Sun Daily, Tamil Mala and the Borneo Post. In the international arena, Unit Manager Aira Azhari spoke about the role of think tanks in advancing reforms in the 2019 Yushan Forum in Taipei, Taiwan. Research Executive Faiz Zaidi participated in the Southeast Asia Security Sector Governance Forum 2019 in Manila, Philippines. Both Faiz and Aira also represented IDEAS as Election Observers in the 2019 Indonesian General Elections in Jakarta, Indonesia.



ECONOMICS AND BUSINESS

Advancing a Competitive Economy



SMEs’ Compliance Cost in Malaysia

Small and Medium Sized Enterprises (SMEs) are an integral part of the Malaysian economy, comprising nearly 40% of Gross Domestic Product (GDP) and a huge source of employment for the B40 (Bottom 40%) income groups. Yet, complying with government regulation constitutes a major burden in terms of increased operating costs for SMEs in Malaysia. In this paper, we detailed the results of a survey involving SMEs in Klang Valley to better grapple with the complexity of regulatory compliance, and subsequently to promote informed discussion on how to reduce them and translate savings into boosting income for the B40.

ASEAN Integration Report 2019

The ASEAN Prosperity Initiative (API) is designed to highlight issues and raise questions over the development of ASEAN and its role in supporting the prosperity of its Member States and their citizens. Following the API’s inaugural report in 2018, the implementation progress of the ASEAN Economic Community (AEC) Blueprint 2025 was again revisited – if ASEAN has been making up lost ground or slipping further behind – culminating in the publication of the ASEAN Integration Report 2019.



According to the report, while more than half of the total 647 actions lines in the AEC Blueprint 2025 have been fully or partially implemented, only 17.7% of these action lines have been judged to be fully implemented. Further reflection is needed, as supported by surveys and stakeholder consultation, on improving the perception of the AEC and challenges to achieve progress in the most important areas.

GLC Monitor 2019: State of Play Since GE14

Before the general election in 2018, the Pakatan Harapan (PH) coalition promised to reform governance of government-linked companies (GLCs). These reforms included ensuring that the appointment of members of these boards of directors would be made based on merit, not on political considerations. In this GLC Monitor, we analysed the changes made to the ministerial reporting lines of selected GLCs and statutory bodies, and discussed its implication from a political economy perspective.

IDEAS will continue to address the question on the role of government in the economy through multi-disciplinary research, stakeholder consultation, media presence as well as public events.



2019 AT A GLANCE

Further Influencing Policy Debates



In 2019 we consolidated and built on the changes of 2018. After some major developments in 2018 with the departure of our founding CEO and the move to our new office, we have expanded the team to meet the growing demand for independent analysis and research in Malaysia. We have also expanded our work into new areas focussing on our three overarching missions – advancing a competitive economy, ensuring trust in institutions and promoting an inclusive Malaysia.

Of course, 2018 was also a big year of change for Malaysia as a whole, with the first change of government since independence. In 2019, we played the role of support and critic as the government sought to implement its ambitious promises. We started the year welcoming the unveiling of the National Anti-Corruption Plan, an effort which has helped Malaysia to jump ten spaces in the Corruption Perception Index. Other areas however, have seen less progress – in 2019 we continued our long running campaign to reform Malaysia’s Government Linked Companies (GLCs), a government promise that has not been implemented. In other areas too, we have tried to encourage reform, for example publishing a detailed analysis of the role of BERNAS to pressure the government to look hard at rice monopoly. Across all these areas we have maintained a close watch on the new government through our Projek Pantau, which monitors the promises made in *Buku Harapan* – early progress in 2018, has stalled a little in 2019.



In 2019, our work in social policy continued to expand. In April, we published a report on granting refugees the right to work, and we will continue to advocate for the rights of this community. We continued our work to ensure patients suffering from rare diseases are supported and were pleased to have the opportunity to work closely with the government as it develops a new policy. We look forward to the government’s rare disease framework in 2020, an achievement made possible by the tireless work of the patient groups.

Looking beyond Malaysia’s borders, we have continued to expand our regional work. For the second year, we published our ASEAN Integration Report this time in Bangkok, as part of our ASEAN Prosperity Initiative. We also worked with our partner think tanks in the region to assess the benefits and risks of growing Chinese investment in South East Asia. Finally, we have continued to engage on wider trade developments in the region – including the future direction of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).

In 2020, we look forward to supporting much needed institutional reform, including the anticipated Political Financing and Procurement bills. We will further expand our efforts to ensure that Malaysia’s development benefits everyone – assessing barriers to education for Orang Asli, advocating for refugee rights and supporting the development of the rare diseases framework. On the economy front, we will be stepping up our work on GLCs to ensure these issues are placed firmly in the national conversation ahead of the Twelfth Malaysia Plan and will be asking questions regarding the role of government in the economy more broadly. Further afield, we will continue our work on ASEAN integration and will be establishing a new regional project to monitor the Belt and Road Initiative. Throughout it all, we will continue to keep a close eye on all government reforms through Projek Pantau.

