Using Micro Growth Diagnostics to Improve Development Outcomes in Malaysia

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Presentation Outline

Motivation

Methodology

Application
Bright Vision Consulting, a Malaysian global advisory firm, sits at the nexus of the public, private, academic and social sectors

Bright Vision Consulting (BVC)

• Local, Malaysian leadership and global top talent, focused on delivering on Malaysia’s transformation agenda

• Founded at Harvard Kennedy School by entrepreneurial economists, financial analysts, and management consultants

• BVC leverages its relationships across sectors to harness the best of divergent perspectives for Malaysia’s growth

• Big data, smart analytics, solution services for middle income countries to become advanced-developed nations

**Big ambition**: Be the premier data, analytics, and solution provider to governments throughout Southeast Asia, grounded in Malaysia’s experience
MOTIVATION FOR A MICRO DIAGNOSTIC APPROACH
Service delivery varies widely within countries, even as service systems are centralized. Interventions are contextually situated to maximize impact with scarce resources.

Addressing subnational variation through enhanced technical abilities is driving renewed focus on targeting, localization.
A look beyond macro data suggests micro level focus is needed to facilitate higher impact, people-centered transformation.

Sub-National Variation

State Growth
- Convergence has been limited within Malaysia
- Relatively lower income states grow slower than richer ones

GDP per capita by state

2014 GDP per capita by state (RM, current prices)

GDP per Capita
Most states have below average per capita incomes

Monthly Household Income by state

2014 Median monthly household income (RM)

Household Income
60% of Malaysians live in states with below average HHI

Source: DoSM
Subnational data further shows differential catch up in determinants of productivity across states

Economic transformation has been marked by differing catch-up, eg:
- Education
- Workforce diversity
- Growth
APPRECIATING SUBNATIONAL VARIATION FOR TARGETED SERVICE DELIVERY
Subnational approach drives distributed growth, better targeting of state resources, and engagement with the people.

**Driving the People’s Economy**

**3 Pillars of Transformation**

- **District Focused**: Local answers to local issues
- **Data Centric**: Evidence-based decisions
- **Smart Scaling**: Amplify success stories

**Subnational Approach**

**Subnational Approach: A Top-down, Bottom-up Strategy**

- Growth the rakyat can feel at the district-level, guided by state and fed
- Cross-sector fertilization, resource coordination, and mobilization
- Locally targeted developmental initiatives for local competitiveness
Drive Malaysia’s transformation at the state and local-level through district focus, data centricity, and smart scaling.

**District Focus**

**Districts:** Provide bespoke services in target areas at the state and district level, enhance leadership, improve constraint definition, outcome targeting, resource prioritization, and execution coordination.
Strategic district reports mobilize stakeholders, enhance coordination, and catalyze quality district-specific growth.

High quality strategic reports enable state leaders to evaluate districts’ challenges and programs, in line with state objectives.

Rigorous stakeholder engagement by districts ensures greater mobilization of resources and that growth is widely felt.

Table of Contents
- Statement from Leadership
- Executive Summary
- Assessment of Existing Economic Conditions
- Economic Growth Vision
- Key Economic Clusters
- Economic Growth Strategies
- District Implementation Agenda (Projects)

DGC Process and Participation

Muar Strategic Growth Action Plan
Talent & Knowledge Hub

Educate  Furniture  Tourism
Manufacturing  Agriculture  Tourism

Working Groups

District Growth Council
Working Groups
Stakeholder Engagement
Drive Malaysia’s transformation at the state and local-level through district focus, data centricity, and smart scaling

Data Centricity

**Data**: Obtain data across government, government-linked, and private sources for enhanced recommendations on multi-dimensional challenges.
Combine disparate data elements in novel ways to address multi-dimensional challenges and drive transformation

Big government data to deliver transformative impact

Across politics, economics, and society, technology is creating data in increasing volumes, velocity, variety, and veracity
Assess sectoral performance across districts to help diagnose constraints

Firm-level analysis helps district officers identify and convene relevant companies to plan for focused district development
Drive Malaysia’s transformation at the state and local-level through district focus, data centricity, and smart scaling

**Scaling**: Leverage positive deviation to adapt, improve, and scale local policy ideas and execution successes in new, successive contexts
Create a larger library of scalable, measurable, local policy successes that create tangible results for the rakyat

Scale local success through local experimentation and cross-fertilization

Enable Positive Deviation
Enlarge space for local policymaking
Encourage local experimentation
Highlight local success

Evaluate Outcomes and Causes
Demand evidence-driven feedback
Adapt policies in real-time
Promote learning across districts

Scale Through Diffusion
Engage champions across locations
Ensure relevant development
Grow new standards of practice

Leverage experimentation, evaluation, and learning at the local level to drive high impact, people-centered results
Our work at the state and district-level reveals an appetite for enhanced data, analytics, and support for impactful growth.
THANK YOU