

Data – the neglected aspect of Malaysian development

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In the mid-1970s, studying statistics was considered unglamorous, done mainly by boring “bookworms” wearing thick glasses. Today, however, accurate and timely statistics have great power, commercial value and cachet.

Increasingly, people and companies need information and will go to great lengths to get it. Having good data and analysis is a definite edge and companies such as Reuters, Bloomberg, Moody's, Standard & Poor's and Google, to name but a few, specialise in providing information services.

Data used by the private sector is only a part of the macro and micro stats collected by the public sector. The Department of Statistics, established in 1949 and governed by the Statistics Act 1965, is entrusted with collecting and interpreting the statistics needed to formulate, implement and monitor government policies and to meet the varied information needs of industry and commerce.

Data is also gathered by all ministries and government agencies, such as Bank Negara Malaysia, the Ministries of International Trade and Industry, Education, Women, Family and Community Development and Departments of Immigration and Customs. In short, a lot of data is collected by the public sector, although in some areas such as public transport there is a paucity of information.

There is demand for evidence-based decision-making using specific and targeted data. Even as the need for data has increased, it has

also become more complex with globalisation and has had to meet higher standards of public accessibility and transparency. In other words, not only is there demand for more data to meet international requirements but it has to be reliable and credible. The public sector has, therefore, to expand the scope and coverage of the information collected and, equally importantly, improve its quality. And it must do so efficiently as data collection is costly.

Although it possesses a large collection of data, the public sector faces two challenges. First, how to develop an accurate database so that the benefits of government policies and programmes can be reliably distributed, and second, how to create a seamless flow of data and information in the public sector so that this can be shared by the relevant agencies for coordinated and effective policymaking and service delivery.

Let us examine the first challenge.

The restructuring of petrol subsidies has been a major challenge for the government, especially since oil prices continue to rise steeply. The government implemented cash rebates for vehicle owners when — in 2008/09 — high oil prices led to RM2.70 per litre of petrol (41% increase) and RM2.58 per litre of diesel (63% increase). From



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June 2008 to April 2009, owners of cars below 2,000cc and 4WD vehicles and pick-up trucks of up to 2,500cc were eligible for a RM625 cash rebate. Owners of motorcycles below 250cc were given RM150.

The public generally accepted this measure but there were complaints that some vehicle owners did not deserve the cash rebate because it was based on ownership and not calibrated by income level. The well-to-do could have received more because the rebate could have been given for their, for example, five vehicles. At the same time, for single-vehicle owners who made long daily commutes, the rebate would have been insufficient.

Another initiative where identifying the right people to receive assistance is critical is the programme to help households earning less than RM3,000 to cope with the rising cost of living. Among the measures being considered is the provision of food stamps. How effective these measures will be in assisting the low-income group and the poor will depend on the accuracy of the database.

Who are the people who truly deserve such help? A major task is how to develop a comprehensive and accurate database that covers households and individuals; the salaried, self-employed, pensioners and unemployed; and

urban and rural dwellers. Without an accurate database, there can be many free riders who will impose a heavy financial burden on the government and possibly earn the resentment of those left out.

Some countries such as the US have unemployment benefit registration, which generates up-to-date and accurate information that forms the basis of disbursement of assistance. In the US' food stamp programme, eligibility is based on income, money saved and the number of people living in a household. If we were to implement such a system, we should have the capacity and resources to develop and maintain such information.

In 2007, the e-Kasih system was developed as a national database on poor families to enable charitable agencies to choose those who are eligible for the poverty eradication programme. One of the criteria used in deciding poverty status was the poverty income line and per capita household income. The data and information keyed into the e-Kasih system was based on the poor household census as well as online registration.

Based on Phase 1 of the national census conducted from December 2007 to June 2008, 181,564 households were registered. Of these, 44,643 were categorised as hardcore poor, 53,557 as poor and 83,364 as borderline poor. The second phase (January 2008 to July 2009) found that 46,976 households were registered, of which 6,366 were

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Data should be made accessible to public

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hardcore poor, 13,476 poor and 27,134 borderline poor.

However, there are doubts about its accuracy because of the inclusion of non-citizens in the list and because the process of removing those who have moved into a better-income group is slow. Updating databases is as important as establishing them. Despite these difficulties, the required database must be developed if we want to have inclusive growth.

The second challenge is equally demanding.

An often cited problem faced by the public sector is that the various parts of the government work “in silos” — they are organisationally uncoordinated. The ability to design and implement good policies depends on the sharing and pooling of data within the government. What we need is a more comprehensive, relevant and timely government database that is accessible to all relevant government agencies. Data collected by various sources should be combined and checked to eliminate inconsistencies and duplication. Establishing a quality, user-oriented, need-based and timely information system will undoubtedly improve the public-sector policy formulation and service delivery.

Data collected recently from the registration of legal foreign workers and the 6P programme for the illegals is of tremendous value. We should mine this database and not leave it unanalysed. Analysis of the profile of registered foreign workers — where they are employed (location), which sector uses the most, which country they come from and what type of work they do — is a valuable input in formulating the national policy on foreign workers.

Not only should public data be shared within the government but

it should be made accessible to the public. Some developed countries such as the UK are making public-sector information available for the public's examination and use. By launching public consultation on open data, the UK government is inviting views on a number of issues, including how to enhance a “right to data”, transparency standards, ensuring the collection and publication of the most useful data and the role of the government in stimulating business in the use of open data.

Joining the US, Canada, the UK, New Zealand and a host of other jurisdictions already leading the way around the world, the Australian government has launched its official government data-sharing website — www.data.gov.au. In launching the website, Gary Gray, Special Minister of State, said, “... The release of public sector information in the form of datasets allows the commercial, research and community sectors to add value to government data in new, innovative and exciting ways.”

In the present digital and information age, Malaysia's public sector has a data treasure that can help the nation formulate better policies and deliver effective and high-quality public goods. Coordinated, updated and utilised data can positively contribute to Malaysia's development through the optimisation of resources, maximisation of output and effective implementation.

To be a developed country, we should also take note of the global development in data-sharing and transparency, which puts a premium on good data and information. **E**

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