Social Aspects of the Green Economy Goal in Malaysia: Case Studies of Agriculture, Renewable Energy and Waste Initiatives

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KEY IDEAS

Greening the economy is not a new phenomenon. Piece-meal greening had taken place much earlier based on ecological modernization principles, prior to the Keynesian policy response to the 3 F crises. Integrated-greening, which is a creature of the 2008-09 crisis, must undertake policy learning from the earlier process

There are issues of distributional and procedural justice in the greening of any country's economy. They are elusive at first glance, therefore requiring nuanced attention from analysts and policymakers

In greening, we must pay attention to both the institutional *hardware* – law and property rights etc and institutional software of greening – discourse.

Economic Issues Confronting Malaysia

Middle income trap:

- Slower economic engine & emergence of other developing economies;
- Declining investment & attractiveness as investment destinations;
- Composition of exports were mainly commodities and low value-added manufactured products;
- Slow productivity growth due to low creativity and product innovation (less focus on R&D);
- High dependency on low skilled workers & foreign labour;
- Critical stage of human capital – brain drain, migration;
- Wider gap between the rich and poor; and
- The Government is burdened with subsidies.

Green Economy in Malaysia since 2009

Currently: 2% of GDP from green business
By 2015 : 8% of GDP from green business
THROUGH TARGETED EMPHASIS ON GREEN TECHNOLOGY

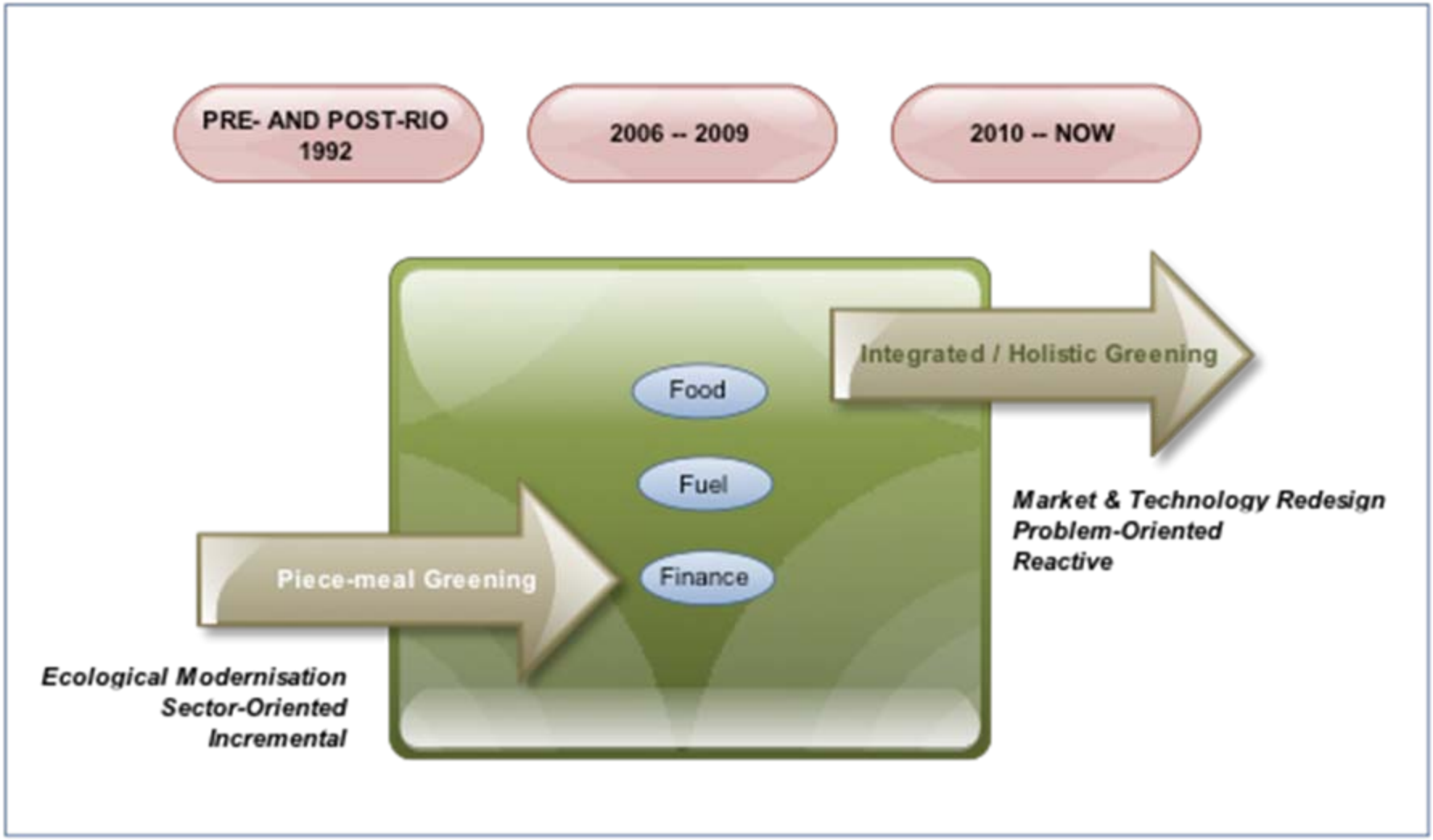
- **Introduction of a ministerial portfolio** in the Federal administration Established Ministry of Energy, Green Technology and Water (replacing Ministry of Energy, Water, and Communications);
- **Formulation of a national policy statement on green technology** – The central role of green technology was emphasized by the release of the National Green Technology Policy overseeing 'greening' in four sectors, namely energy, buildings, water and waste management and transportation;
- **Establishment of an implementing agency** – On October 2009, Malaysia's Energy Centre was restructured and rebranded as the Malaysian Green Technology Corporation to implement the Ministry's agenda for green technology;
- **Formation of an inter-ministerial council as a decision-making body on green technology** – Prime Minister established and chaired the Green Technology Council with senior memberships from government and public sectors. The Council was later merged with the Climate Change Council;
- **Registration of a green building association** – Malaysia Green Building Confederation (MGBC) was established in 2009 to support the government's objective of promoting sustainable built environment. The Green Building Index had also been launched to enable green grading and certification of Malaysian buildings;

Green Economy in Malaysia since 2009

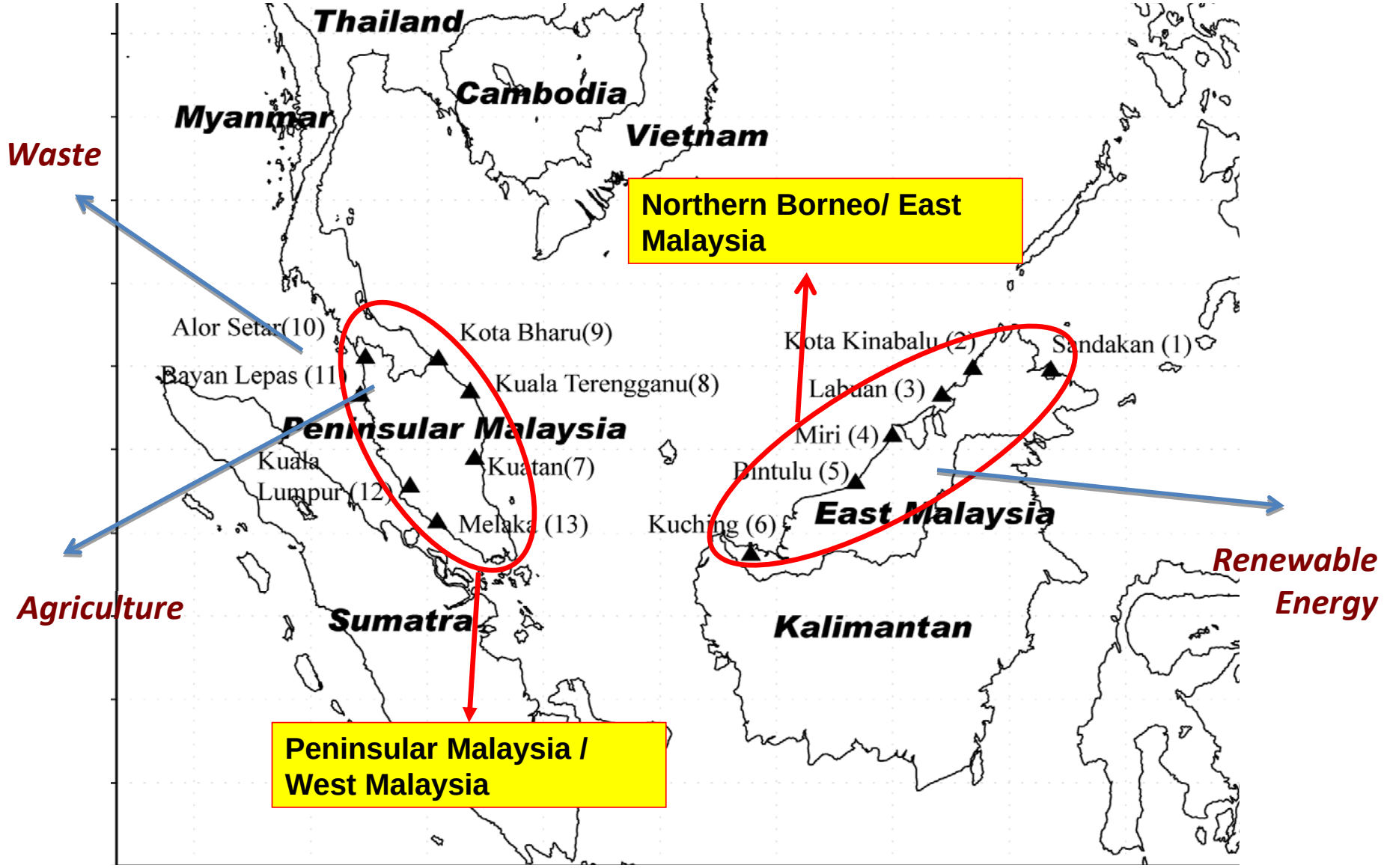
Currently: 95,000 green jobs
By 2015 : 500,000 green jobs forecasted
THROUGH TARGETED EMPHASIS ON GREEN TECHNOLOGY

- **Initiation of a green financing scheme** – In 2010, a soft loan incentive, the Green Technology Financing Scheme was launched to create a policy environment that will attract innovators and users of green technology;
- **Launching of green townships framework** - Green Township Framework would outline comprehensive guidelines for new and existing townships in the country to go green by incorporating environmental friendly technologies;
- **Introduction of green procurement in all government agencies** - Green procurement manual, procedures and standards are currently under development
- **Formulation of legislation to promote renewable energy** – The Renewable Energy Act 2011 (Act 725) provides for the establishment and implementation of a special feed-in-tariff system to catalyse the generation of renewable energy in Malaysia. The law will be administered by the Sustainable Energy Development Authority.
- **Formulation of Green Growth Act is currently underway**

Types of ‘Greening’



Case Study Locations



Greening Agricultural Activity: Case of System of Rice Intensification (SRI)

Activity: Organic rice farming by using SRI
Objective: Poverty eradication; land rehabilitation; promote sustainable rice farming practices.

Location: *Kampung (*village) *Lintang* , Sik District in the state of Kedah, Malaysia. Operated in 18 acres of abandoned lands.

Mechanism: Kedah Regional Development Authority (KEDA) initiative. Managed by local co-operative. Twenty-five registered farmers.

Significance of the activity: Economic gain visible, empowered the vulnerable community and enabled sustainable natural resource management (e.g. water resource, organic manure and biological control).

Women Empowerment through Waste-to-Wealth Initiative: Case of Single Mother Association (SMA) of Tuba Island, Langkawi

Activity: Handcraft products (baskets, bags, souvenirs).
Objective: Poverty eradication, women empowerment & waste management through reuse and recycling activities.
Location: Tuba Island, Langkawi
Mechanism: Single Mother Association (SMA) through KEDA initiative.
Significance of the activity: Income generation, women empowerment and sustainable waste management. This is a fishing community where the role of women are significant to generate household's income

Rural Electrification Using Renewable Energy Sources

Activity: Installation of renewable energy units
Objective: Access to electrification and poverty eradication
Location: Bario and Long Lawen, Sarawak
Mechanism: government electricity provision, micro and mini hydro electric turbine

Significance of the activity: the most isolated rural communities in Malaysia suffer are constrained from participating in the modern economy and for some, escaping from poverty due to inadequate/expensive energy source (diesel generators) and government expensive on hard-path energy solutions

Rural Electrification Using Renewable Energy Sources - Challenges

FAILED HYBRID DIESEL-HYDRO PROJECT
COSTED THE GOVERNMENT RM12.5 M

INADEQUATE PROJECT SCOPING

Rural Electrification Using Renewable Energy Sources – Is Latest Technology the Solution?

Consultant Report Recommended for 12 wind turbines, only 4 were installed due to limited cost

Turbines never functioned

Rural Electrification Using Renewable Energy Sources – Small Scale Local Solutions

SOLAR PV ELECTRIFICATION

MICRO-HYDRO ELECTRIFICATION

Conclusion – Preconditions for a Greener Economy in Malaysia

1. Rectify urban bias in national green economy formulation
2. Address silo effect by improving policy coherence through better coordination and implementation
3. Improve problem framing and scaling of responses
4. Enhance locality-based income generating activities
5. Address distributional and procedural justice through improved consultation and participation