

Bringing People Involvement Through Public Engagement

A central bank perspective

*Keynote Address at the National Convention on Good Regulatory Practice
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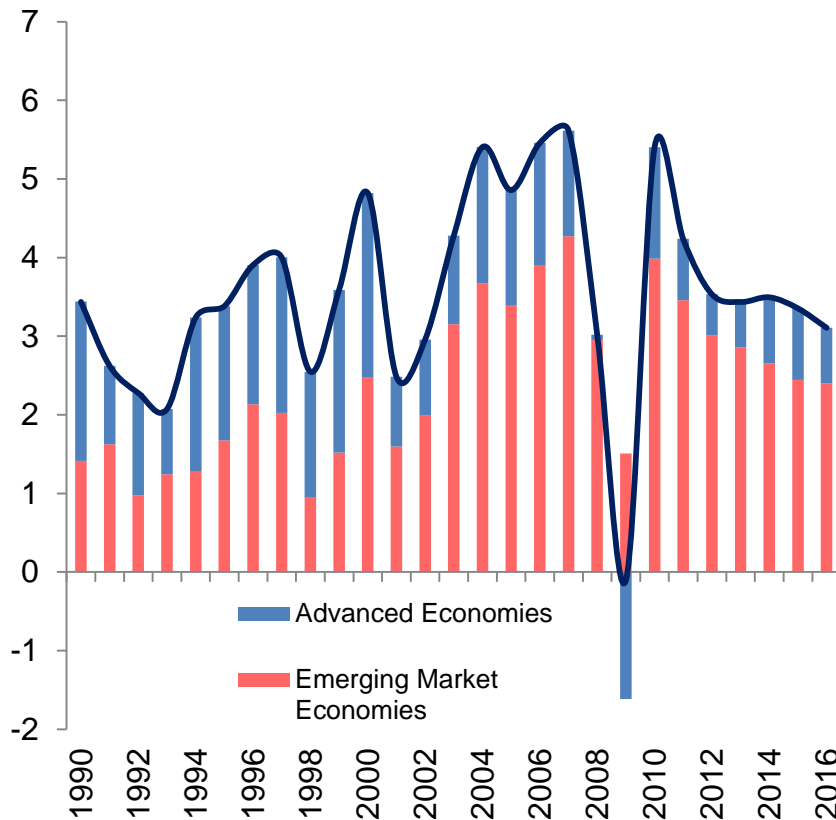


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The global economy has transformed, and with it, Malaysia

Emerging economies now the engine of global growth

Ppt. Contribution



Malaysia embarked on reforms in various areas

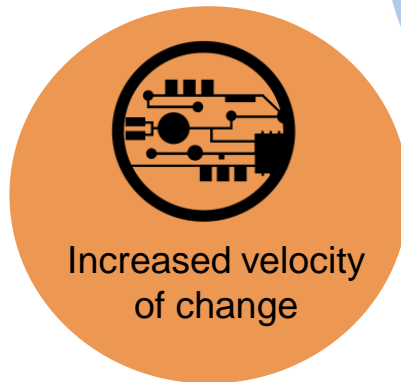


Key highlights of efforts

- 1 Diversifying **sources of growth**
- 2 Building **external sector resilience**
- 3 Strengthening **banking sector**
- 4 Developing onshore **capital market**



Remaining focused in a changed environment is key...

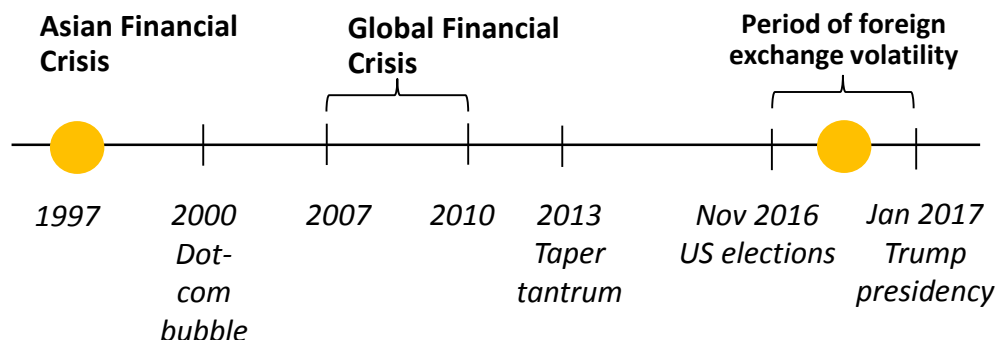


- 1 A new global environment presents challenges to policy practitioners
- 2 Complexity of these features require new policy formulation approaches
 - Discern transient vs. transformative
 - Preempt, not react
- 3 A delicate balancing act
 - Maintain relevance but stay true to public policy objectives



...and sometimes involve treading difficult paths in turbulent times

Major economic and financial events in the last decade



- 1 AFC:** Malaysia implemented unconventional package of reforms
 - Restructuring , capital controls
- 2 FX market imbalances:** Strong remedial actions to correct market failures
 - Reinforced existing measures and implemented new ones
 - Held ground even against IMF institutional view

Ability to stay focused and independent depend on

- 1** Rigorous cost-benefit analysis, including impact on economy, society and environment
- 2** Proportionate policy implementation, supported by strong enforcement
- 3** Execution of well-intended policies through effective monitoring and evaluation



Bringing people into the fold: Three key considerations

1 Identify and focus on goals that matter



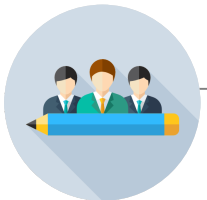
Power of public engagement

Informs policy practitioners with perspectives that matter to people and sharpens regulatory focus on real needs



Bottom-up approach enables “crowdsourcing” of ideas

PEMANDU’s “Labs” and TN50’s aspirations initiative



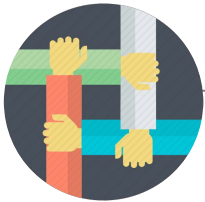
Hardwire consultation strategies into policy formulation process

Direct public engagement through Regional Offices and Exposure Drafts are core processes in BNM’s economic surveillance and policy formulation mechanisms



Bringing people into the fold: Three key considerations

2 Foster strategic partnerships



Synergise and leverage on experts

Partnerships enable adaptability to complex and rapidly changing industries
- National Payment Advisory Council, Financial Markets Committee, VBI



Fine line between fostering innovation while containing risks

BNM's approach to Fintech supports this balance



Tap into global networks

Regional and international platforms share best practices and pilot experiences



Bringing people into the fold: Three key considerations

3 Be prepared to explain policy choices and decisions



Strengthen credibility and policy effectiveness

By showing **accountability**, aligning interests (as much as possible) and building support, facilitates obtainment of buy-in from key **stakeholders**



Understand what shapes public opinion

Ensure accurate narrative, leave no room for misrepresentation

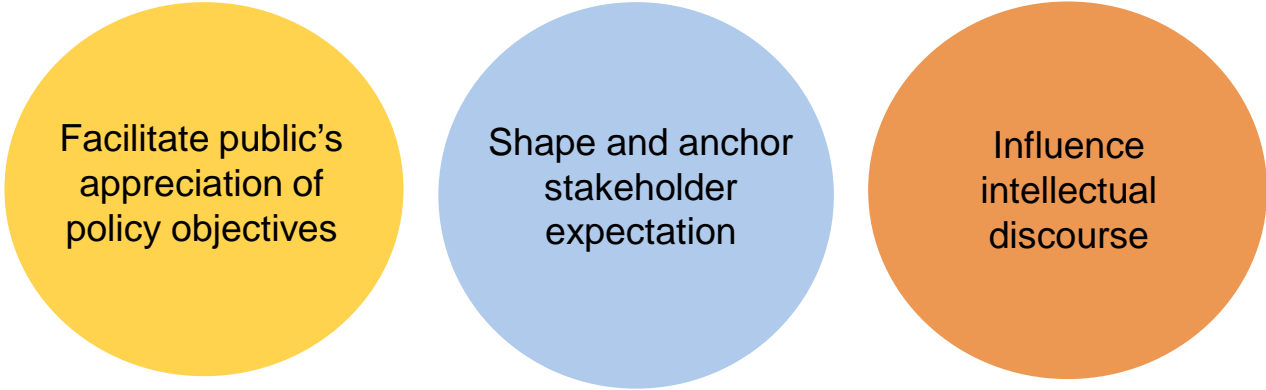


Effective and strategic communication with stakeholders

Mastering this tool for policy processes is key

Communication is a strong tool that can enhance policy process

Strategic importance of communication



Facilitate public's appreciation of policy objectives

Shape and anchor stakeholder expectation

Influence intellectual discourse

Centrality of communication in policy formulation

- 1 Clear, intuitive and easily understood
- 2 Gives transparency to the regulatory process
- 3 Reduces uncertainty facing economic agents



Thank you



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